DRESOCECO LTD v. MININTCO LTD

[Rwanda COURT OF APPEAL – RCOMAA 00086/2018/CA (Mukanyundo, P.J., Mukandamage and Kanyange, J.) September 27, 2019]

Intellectual property rights – Trademark – Confusingly similar trademarks – Colorable imitation – When assessing the risk of confusion, it is not necessary to consider the existence of exact duplication but greater weight is given to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark (dominant test of similarity), disregarding minor differences.

Facts : MININTCO LTD is a commercial company which registered the trademark of KANTA BRAND in Rwanda Development Board (RDB) and it deals in that product, thereafter, it came to its notice that another commercial company called DRESOCECO Ltd imports from China a product which has the trademark of Wild Olive, MININTCO LTD claims that it had imitated its trademark, that DRESOCECO Ltd sells the product with that trademark fraudulently, on that ground, it sued that company before the Commercial Court of Nyarugenge requesting the Court to ban that product on the Rwandan market, seize and destroy them so that they will not be imported again because it is confusingly similar with its trade mark, it also claimed for the damages.

In its defence, DRESOCECO Ltd argues that it did not imitate the trademark of KANTA Brand, and the appellant does not produce any evidence to prove that it imitated its trademark of KANTA Brand, because it is not the one that manufactures the products of Wild olive, it further argues that the factory which manufactures those products is the one to be sued, it also claimed for damages stating that it incurred a loss because of seizure of its products. The Court held that the trademark of Wild olive is not confusingly similar with the trademark of Kanta Brand and also that it does not create any confusion to buyers.

MININTCO Ltd appealed to the Commercial High Court stating that the Commercial Court of Nyarugenge disregarded the factors which are considered in assessing the corolable imitation, that the Court held that it should not sue DRESOCECO Ltd since it is not the one that manufactures Wild olive, and lastly that the Court failed to examine the issue of whether the trademark Wild olive can be used in unfair competition in comparison to that one of Kanta Brand.

The Commercial High Court found appeal with merit, it quashed the rulings of the appealed judgment, it ordered that the products of Wild olive which are imported to Rwanda by DRESOCECO Ltd be banned in Rwanda, because their trademark is illegaly confusing.

DRESOCECO Ltd appealed to the Supreme Court stating that the Court should have dismissed MININTCO Ltd's claim relating to whether the trademark Wild olive is confusingly similar to the trademark of Kanta Brand, because that issue was settled in the previous judgment between MININTCO Ltd and Unitex Rwanda Ltd rendered by the Commercial High Court, which already acquired the force of *res judicata* since it was not appealed to the Supreme Court which had the jurisdiction at that time, and also, the case was not reviewed on the ground of injustice and lastly it requests to be awarded the damages for the loss it incurred. After judicial reform the case was transferred to the Court of Appeal.

During the hearing DRESOCECO Ltd argues that normally the case which was rendered in last instance should not be heard again on the same grounds, the same cause and between the same parties, that with regard to these cases (class action cases), what is considered is the subject matter of the case, if not, cases concerning corolable imitation will not end as people would sue without considering the previous judgments.

DRESOCECO Ltd argues that though the Commercial High Court ruled that the trademark Wild Olive is confusingly similar to that of KANTA Brand, it's not true, because there are no similarities and words which appear on those trademarks are not similar. It further states that on Kanta Brand's box, there is weighing machine but on Wild olive there is a sign of a tree branch with two fruits, and on the colours, it states that though some are almost the same but it's not all, and that there are colours which are often used by people and factories, thus, the trademark of 'Wild olive'' is not confusing the buyers to the extent of not distinguishing them from the trademark of "Kanta Brand"

In proving that the trademark of Wild olive is confusingly similar with the trademark of KANTA Brand, MININTCO Ltd compared the packaging box of the products with the trademark of Wild olive and the box of the trademark of KANTA Brand, and indicated where and how Wild Olive imitated the trademark of KANTA BRAND and that the clients of KANTA Brand can easily be confused and buy the products of Wild olive.

Furthermore, MININTCO Ltd argues that the Court should rule that the appeal DRESOCECO Ltd is not founded, that the trademark of Wild olive is confusingly similar to the trademark of KANTA Brand, and that the products with trademark Wild olive confuse the buyers, and therefore orders that those products are banned from the market of Rwanda and also orders the products seized in customs to be destroyed.

DRESOCECO Ltd argues state that it is being unfairly treated because it imported the hair dye with a trademark of "Wild Olive" without knowing that it had issues, and that though the Court found that product to be imitating and confusing, except that it's no true, DRESOCECO Ltd should be given its goods confiscated in the custom because it had no bad faith towards MININTCO Ltd.

Held: 1. When assessing the risk of confusion, it is not necessary to consider the existence of exact duplication but greater weight is given to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark (dominant test of similarity), disregarding minor differences.

Appeal is without merit.
Court fees covers the expenses in case.

Statutes and statutory instruments:

Law N° 22/2018 of 29/4/2018 relating to the civil, commercial, labour and administrative, article 111

Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property, article 178, 180 and 258

Law Nº15/2004 of 12/06/2004 relating to evidence and its production, article 76.

No cases referred to.

Authors cited:

DEBORAH E. BOUCHOUX, La propriété intellectuelle, le droit des marques, le droit d'auteur, le droit des brevets d'invention et des secrets commerciaux, Nouveaux Horizons, p. 97.

Serge GUINCHARD, Droit et pratique de la procédure civile, Dalloz, cinquième édition, p.864.

Judgment

I. BACKGROUND OF THE CASE

[1] MININTCO Ltd sued DRESOCECO Ltd before the Commercial Court of Nyarugenge praying to ban the supplying of products which the latter imports from China that bear the trademark of Wild Olive due to the colorable imitation with the trademark of Kanta Brand, it explains that DRESOCECO Ltd had imitated its trademark considering how those trademarks are formulated, it is obvious that they are similar. The boxes, size, colours, as well as other specifications of the trademark of Kanta Brand such as weighing machines, words on the trademark and space in which those words are written, they argue that the buyers cannot differentiate the products and that it infringes on MININTCO Ltd's rights in terms of intellectual property and its business because it incurs the loss, it further prays for the destruction of DRESOCECO Ltd's products which were confiscated in custom and DRESOCECO Ltd be banned further importing such products to Rwanda, it also claimed damages worth 50.000.000Frw as the cost of the lawsuit.

[2] DRESOCECO Ltd argued that MININTCO Ltd does not prove that it imitated its trademark of KANTA Brand because it does not manufacture the products of Wild olive because it only bought them as it would buy the products of MININTCO Ltd, therefore it does not have a trademark for the products it bought, and its not the one which registered Wild olive at the Registrar General in RDB, it adds that it has no fault in terms of laws and evidence, that MININTCO Ltd should sue the factory which manufactures Wild olive in case that factory imitated the trademark of Kanta Brand, except that those trademarks are not similar, they cannot confuse the buyers either with their colours, words or images marked on it, Wild olive would be confusing if where the word Kanta Brand is written there is written Wild olive, it argues that MININTCO Ltd intends to monopolise the market which is not allowed in business. DRESOCECO Ltd requested that MININTCO Ltd be ordered to pay 50.000.000Frw for damages, 18.750.000Frw for the loss incurred because of confiscating its products and procedural fees.

[3] On 20/04/2017, that Court rendered the judgment RCOM 00385/2017/TC/Nyge, holding that there is no similarity between the two trademarks of Wild olive and that of Kanta Brand and that Wild olive does not imitate Kanta Brand, and that it does not confuse the buyers, It ordered MININTCO Ltd to pay DRESOCECO Ltd 500.000Frw for counsel fees and 200.000Frw for procedural fees.

[4] MININTCO Ltd appealed to the Commercial High Court stating that the Commercial Court of Nyarugenge disregarded the main elements in assessing the colorable imitation, that the Court deliberately held that MININTCO Ltd should not sue DRESOCECO Ltd since it is not the factory that manufactured the Wild olive, that the Court breached the provisions of article 258 of the Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property and that it failed to

examine the issue of whether the trademark Wild olive can be used in unfair competition in comparison to that one of Kanta Brand.

[5] The Commercial High Court rendered the judgment RCOMA 00236/2017/CHC/HCC on 16/11/2017, it found MININTCO Ltd's appeal with merit, it quashed the rulings of the appealed judgment, the Court ordered that the products of Wild olive imported to Rwanda by DRESOCECO Ltd should not be supplied on the Rwandan market because they are confusingly similar.

[6] DRESOCECO Ltd appealed to the Supreme Court and the case was recorded Nº RCOMAA 00014/2018/SC but it was transferred the Court of Appeal basing on article 105 of the Law Nº30/2018 of 02/06/2018 on jurisdiction of Courts the case was recorded on RCOMAA 00086/2018/CA.

[7] In its appeal, DRESOCECO Ltd argues that MININTCO Ltd.'s claim concerning the issue that the trademark of Wild olive imitates or not the trademark of Kanta Brand, that the claim should not be dismissed because it was examined in the case RCOMA 00194/2016/HC/HCC rendered by the Commercial High Court on 12/10/2016 which has acquired force of res judicata, that the Commercial High Court disregarded the laws and evidence produced which prove that its trademark does not imitate that one of MININTCO Ltd, it claims to be given back its products confiscated in custom and damages for the loss incurred, whilst MININTCO Ltd argues that DRESOCECO Ltd.'s appeal lacks merit.

[8] The Court first examined the objection of lack of jurisdiction raised by MININTCO Ltd in relation to the value of the subject matter in litigation, thereafter, in interlocutory judgment rendered on 05/04/2019, the Court found the appeal of DRESOCECO Ltd is in the jurisdiction of the Court of Appeal, the hearing of the case in merit resumed on 08/05/2019 and on 30/04/2019 DRESOCECO Ltd was represented by its Managing Director Sagatwa Anastase assisted by Counsel Mutarindwa Félix and Counsel Butare Godefrey whilst MININTCO Ltd was represented by its Managing Director Rahul Gulab Jham assisted by Counsel Nsengumuremyi Cyridion.

II. ANALYSIS OF LEGAL ISSUES

a. Whether MININTCO Ltd's claim should not have been admitted in previous Courts because the Judgment RCOMA 00194/2016/CHC/HCC had acquired the force of *res judicata,* the Commercial High Court affirmed that the trademark Wild olive does not imitate that of KANTA Brand.

[9] The advocates for DRESOCECO Ltd state that the Commercial High Court disregarded to examine the issue regarding the fact that MININTCO Ltd's claim should not have been admitted at the first instance because of another judgment RCOMA 00194/2016/HC/HCC rendered by the Commercial High Court on 12/10/2016 (the judgment which was rendered before this that was rendered on 16/11/2017), between MININTCO Ltd and Unitex Rwanda Ltd, whereby the Court held that the trademark Wild olive used by Unitex Rwanda Ltd does not make any confusion because its specifications differ from that of KANTA Brand owned by MININTCO Ltd, that the judgment had acquired the force of *res judicata* because it was not appealed before the Supreme Court which had jurisdiction at the time, and it was not reviewed due to injustice, thus, it is still binding.

[10] They state that basing on article 151 of the Constitution of the Republic of Rwanda of 2003 revised in 2015 provides that court rulings are binding on all parties concerned, be they public authorities or individuals. They cannot be challenged except through procedures determined by law (...), they pray to honour the judgment for which it decided that those trademarks are not confusingly similar, that if MININTCO Ltd find it necessary, it should use legal remedies for requesting that the court decision be quashed, but as long as it exists, nothing should avoid traders to import products with that trademark of Wild olive, that DRESOCECO Ltd imported those products after consulting that judgment, thus it must be protected as it was the case for Unitex Rwanda Ltd because article 15 of the Constitution states that all persons are equal before the law. They are entitled to equal protection of the law.

[11] They further argue that a judgment rendered on the last instance decided cannot again be litigated on the same facts, between the same parties acting with respect to the same cause, but as far as this case is concerned, subject matter is only considered, because if not, misunderstanding on imitation of the products would persist with no end, because everyone would file a claim disregarding the previous court judgment.

[12] They also base their argument on the position of the author Yves FAURE in his Dissertation of PhD titled *Le contentieux de la contrefaçon. La réponse du droit français à l'atteinte aux droits de propriété intellectuelle* on page 403[1], they add that the High Instance Tribunal of Paris refused to admit a case because the same product was again brought to court litigation (seeTGI Paris, 23 févr.2007: PIBD 2007, nº 858, p.551 en matière de marque). They also give an example of the case rendered by Court of cassation in France, a case between two companies, Merk Shap and Dhome.

[13] Counsel Nsengumuremyi Cyridion representing MININTCO Ltd, argues that the statements of DRESOCECO Ltd that its claim should not be admitted because there was a case that was definitively decided, that it should not be considered because DRESOCECO Ltd does not prove that res judicata force is absolute or not.

[14] He further states that the documents produced by DRESOCECO Ltd in the case file with regard to French laws, while the issue of the case with *res judicata* force concerning the present case, is provided in article 14 of the Law relating to the civil, commercial, labour and administrative procedure which provides that a case having been definitively decided cannot again be litigated for the same facts, between the same parties acting with respect to the same cause.

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[1] They argue that Yves FAURE stated*: "L'autorité de la chose jugée constitue également une fin de non-recevoir tout à fait commune et n'est donc pas spécifique aux droits de la propriété intellectuelle, mais s'y intéresser spécialement est ici nécessaire car il se trouve également là une application particulière à la matière. De rappeler tout d'abord que le principe gouvernant l'autorité de la chose jugée est donné par l'article 1351 du code civil, il s'agit d'une présomption légale qui entraîne l'impossibilité d'un nouveau jugement sur une demande lorsque celle-ci a déjà tranchée du fait qu'il existe une identité de parties, d'objet et de la cause. Les conditions administrant la notion de l'autorité de la chose jugée sont donc restrictives mais se trouvent bien à s'appliquer en matière de contentieux de la contrefaçon. C'est ainsi qu'il faut s'apercevoir que c'est autour d'une problématique relative à l'objet que se cristallisent les difficultés, les questions d'identité de parties et des causes sont plus facilement expurgées du fait de l'objectivité de leur appréciation, là où les aspects relatifs à l'objet sont plus à même d'appeler à une interprétation. Il existe ainsi une identité d'objet ayant entrainé la reconnaissance de l'autorité de la chose jugée et conséquemment un fin de non-recevoir, lorsqu'il a déjà été statué une action en contrefaçon sur le même bien (...)".*

[15] He finds that the judgment RCOMA 00194/2016/HC/HCC was not between the same parties with the ones now litigating at the Court of Appeal because at that time, the parties were MININTCO Ltd and Unitex Rwanda Ltd, while in this case the parties are MININTCO Ltd and DRESOCECO Ltd.

[16] Concerning the case of Merk Shap and Dhome which is being relied on by DRESOCECO Ltd, Counsel Nsengumuremyi Cyridion argues that the case was about challenging a patent which was issued by the competent organ, to annul that patent is to remove rights from the beneficiary, this implies that a case which had res judicata force is absolute (autorité de la chose jugée absolue), not only to those who were parties (autorité de la chose jugée relative), but this is what is litigated between MININTCO Ltd and DRESOCECO Ltd in this case because MININTCO Ltd seeks to honour rights over intellectual property because of certificate issued by RDB IN 2012.

DETERMINATION OF THE COURT

[17] With regard to the force of the case which has been definitively decided, article 14 of the Law N°22/2018 of 29/04/2018 relating to the civil, commercial, labour and administrative procedure provides that a case having been definitively decided cannot again be litigated for the same facts, between the same parties acting with respect to the same cause.

[18] As explained by legal scholar Serge GUINCHARD, he states that for the party to the court case to raise an objection of not admitting the claim basing on ground that there was case that was definitively decided, there must be the following three precondition: same facts, same cause, between the same parties, when one of the conditions is missing, the claim may be admitted, that judges have to examine those conditions before they decide on admitting the claim or not, if it is not done so, the judgment can be quashed because of not complying with the law[2]. The explanations of the legal scholar were based on article 1351 of the French civil code which is the same as the provisions of article 14 of the Law N° 22/2018 of 29/04/2018 mentioned above.

[19] It is obvious that in the judgment RCOMA 00194/2016/HC/HCC rendered by the Commercial High Court on 12/10/2016, the case between MININTCO Ltd and Unitex Rwanda Ltd, that the claim was "To declare that the company named Unitex Rwanda Ltd ordered and imported from China to Rwanda, products of Wild olive black hair dye which imitate products with the trademark of KANTA Brand of MININTCO Ltd, thus Unitex Rwanda Ltd carried out unfair competition on the market which is prohibited and it also infringed on the rights of MININTCO Ltd, the owner of the trademark ''KANTA Brand". The Court held that MININTCO Ltd's appeal lacks merit, thus sustained the rulings of the judgment RCOM 1105/TC/NYGE rendered on 16/02/2016 by the Commercial Court of Nyarugenge which decided that MININTCO Ltd's claim has no merit and ordered it to pay damages to Unitex Rwanda Ltd.

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2 "Pour que l'intéressé puisse opposer à la nouvelle demande la fin de non-recevoir tirée de l'autorité de la chose jugée, les trois éléments prévus par l'article 1351 du Code civil doivent être cumulativement réunis: si l'une d'entre eux est modifié, la demande pourra faire l'objet d'un jugement. Les juges saisis de la nouvelle demande sont dans l'obligation de constater l'existence ou l'absence de ces trois éléments pour admettre ou rejeter la fin de non-recevoir, à peine de casation pour manqué de base légale". Serge GUINCHARD, Droit et pratique de la procédure civile, Dalloz, cinquième édition, p.864.

[20] Whilst in this case, MININTCO Ltd sued DRESOCECO Ltd requesting that the court orders that the products with the trademark of Wild Olive which were imported by the defendant be banned on the market because those products have a colourable imitation with its products of KANTA Brand, thus, it is not sued for having ordered those products in China as it is the case in the judgment RCOMA 00194/2016/HC/HCC.

[21] The Court finds, pursuant to article 14 of the Law N° 22/2018 of 29/04/2018 mentioned above, DRESOCECO Ltd should not invoke that there is a judgment RCOMA 00194/2016/HC/HCC mentioned above rendered at the last instance by the Commercial High Court to justify that MININTCO Ltd's claim should be dismissed because the parties are not the same and the subject matter is not the same too, therefore, the claim of MININTCO Ltd against DRESOCECO Ltd had to be admitted in previous courts. What is obvious, is that in both judgments, analysis of the Commercial High Court is different with regard to the issue of determining whether the trademark '' Wild Olive'' is confusingly similar with trademark "KANTA Brand", hence, this Court should preside over this case and decide on that issue.

[22] Concerning the statements of counsel for DRESOCECO Ltd, that *res judicata* force does not apply to intellectual property related cases, the Court finds, the author Yves FAURE stated in paragraph 12 of this judgment, the author emphasized that principle, he explained that it is also useful in cases of intellectual property, he explains that what is complicated in those cases is to justify the cause of the case, while concerning the same parties and the same subject matter, he states that it's not difficult to analyse it. He gives an example of the case when the subject matter is the same which can lead to inadmissibility of that claim due to that principle, he adds that when there was a final judgment which decided that someone's trademark was imitated, it is not allowed for the parties to file a new claim with regard to whether trademark on the product was not imitated, that this scenario is also possible for the criminal and civil cases regarding imitation of the trademark[3]**.**

[23] The Court finds, the fact that the scholar gave examples on the issue of the same subject matter, does not imply that it is not necessary to examine whether the parties are also the same and that the grounds of the claim are same.

[24] With regard to the judgment rendered by TGI Paris on 23 February 2007 between Merk Shap and Dhome cited by DRESOCECO Ltd supporting that the principle of *res judicata* force does not apply to intellectual property related cases, the Court finds, except citing those cases, it did not produce them to the Court to enable knowing the Courts which rendered them and decisions taken, and also, it did no analysis to justify arguments found in those cases, the Court finds no reason of considering them in rendering this judgment.

[25] In light of the above motivations, the Court finds that DRESOCECO Ltd's appeal which intends to prove that MININTCO Ltd's claim should not be admitted, is without merit.

b. Whether the Commercial High Court ruled that the products with the trademark ''Wild olive'' are confusingly similar with the products with the trademark "KANTA

[3] what was written by Yves FAURE is found on page 4.

Brand" contrary to the provisions of the Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property.

[26] Advocates for DRESOCECO Ltd state that before the Commercial High Court they clearly explained that its products with the trademark of Wild Olive do not imitate the trademark of "KANTA Brand", because though MININTCO Ltd argues that those trademarks are not different considering their signs, but it is not true, that though the Commercial High Court held that they are similar but there is no colourable imitation between them because they do not look alike and words written on them are not the similar as held by the Commercial Court of Nyarugenge in paragraph 6 of the judgment RCOM 00385/2017/TC/Nyge.

[27] They also argue that the statement of MININTCO Ltd that there is a weighing machine on the box of "Kanta Brand'' while on 'Wild olive'' there is a sign of a branch with two fruits, which also looks like a weighing machine is guessing, regarding the colours, they state that though some are almost the same but not all, and that there are colours which are often used by persons and factories, thus, products with trademark of 'Wild olive'' is not confusingly similar to that of "Kanta Brand''

[28] They find that the Commercial High Court should not have based on articles 1,3,4 and 5 of the Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property because the two trademarks are not similar and that the statement of RDB employee is not reliable. They add that in the judgment RCOMA 00194/2016/CHC/HCC of MININTCO Ltd against Unitex Rwanda Ltd which imported products of Wild Olive from China, the same Court held that those trademarks are completely different, that the products of Wild olive are not similar to the trademark of KANTA Brand, that in the appealed judgment the judge did not motivate why he refused to be guided by the precedent of that judgment.

[29] They also argue, the fact that the advocates for MININTCO Ltd admit that the gist of the case is not the product because even other companies such as SULFO RWANDA which is also owned by the Indians, they manufacture hair dying products too, that the gist of the case at hand is the trademark, they do not have evidence that the gist of this case is not the products one manufactured in India and the other in China, rather its claim intends monopolise the market, which contravenes the provisions of the articles 2,4,6 and 7 of the Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property.

[30] With regard to the judgment HCT-00-CC-CS-0829-2007 rendered by the High Court of Uganda on 16/05/2008, MININTCO Ltd states that the Court held that the trademark ''Smart Look'' imitates the trademark "KANTA brand'', advocates for DRESOCECO Ltd argue that the facts in that case are not similar with the case for the trademarks between "Wild olive'' and ''KANTA Brand''.

[31] The advocate for MININTCO Ltd states that articles of laws based on by the Commercial High Court in rendering the judgment are in relation with the cause of the case, that the Court explained the purpose of the protection of the intellectual property as provided in articles 1-5 of the Law Nº 31/2009 of 26/10/2009 on the protection of intellectual property, the Court also demonstrated why there is a need of avoiding unfair competition which is done by DRESOCECO

Ltd (article 178) considering its unfair acts against MININTCO Ltd's business of hair dye (article 180).

[32] He states that DRESOCECO Ltd' statement that it did not manufacture "Wild olive" but it simply imported it, for that it should not be sued and that it did not register the trademark which is confusingly similar with "KANTA Brand" has no merit due to the following grounds:

> - This claim of MININTCO Ltd is aimed at requesting the Court to protect a registered intellectual property (enforcement of IPRS), and DRESOCECO Ltd was found with products that possess trademark which similarly imitates another trademark named "KANTA Brand", and it does not prove any legal basis for not being sued.
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> - The fact that DRESOCECO Ltd state that it did not register the trademark which imitates that of "KANTA Brand" it's a sufficient ground to support the claim of MININTCO Ltd. and that it's not reasonable how DRESOCECO Ltd cannot register the trademark "Wild olive" before competent organ, and with bad faith it uses it in its business.

[33] Counsel for MININTCO Ltd further states that though DRESOCECO Ltd denies that the trademark "Wild olive" imitates that of "KANTA Brand", article 136 of the Law Nº 31/2009 of 26/10/2009 mentioned above provides that a mark is confusing if: 1° it is identical with, or confusingly similar, to a trademark or trade name which is well known in the Republic of Rwanda(…), 2° it is identical with or similar to a trademark belonging to another owner and which is already registered, or the filing or priority date of which is earlier, for the same products or services, or for very similar products or services, or if it so nearly resembles such a trademark as to be likely to deceive or cause confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

[34] The Managing Director of MININTCO Ltd states that he produced elements of evidence that the black hair dye which has a trademark of "KANTA Brand" are manufactured in India in the factory which was founded by his great grandfather NANOOMAL ISSADRAS MOTIWALA in 1929, that factory possesses official document in that Country proving ownership of that trademark, that at the beginning the factory had the name of the founder NANOOMAL ISSADRAS MOTIWALA but it changed that name later to RRG as a name, this is an abbreviation of the shareholders names, these include his grandfather (RAMCHAND Nanoomal Jham), his father (GULAB RAMCHAND Jham), his mother (Usha GULAB Jham), that this product of hair dye was first imported to East Africa where Rwanda is located in 1960, that he was authorised by his parents to pursue all legal means in these countries to protect the companies interest because it had been realized that the business was about to collapse because of those who imitate its products, as a result he founded the company called MININTCO Ltd and registered the trademark "KANTA Brand" in Rwanda.

[35] With regard to the issue whether the trademark "Wild olive" is confusingly similar with the trademark of "KANTA Brand", the managing Director of MININTCO Ltd used a box of the "Wild olive" hair dye to compare it with that of "KANTA Brand", he demonstrated that the trademark of "Wild olive" is confusingly similar with that of the trademark of "KANTA Brand", to the extent that buyers may easily be confused and buy the hair dye of Wild olive thinking that its KANTA Brand because of the following reasons :

> Regarding the form and colours of small boxes which contain other 12 very small boxes:

Wild olive is packaged in boxes with similar form and size of those of "KANTA Brand"

On both boxes of "Wild olive" and those of "KANTA Brand" there are red, blue white and yellow colours with similar form;

Words "KANTA Brand" with red colour are written in yellow background, this is the same to "Wild olive";

Words BLACK HAIR DYE in blue colour are written in white background, this is how it is on the trademark of "KANTA Brand" and also on the trademark of "Wild olive";

Words MADE IN INDIA on "KANTA Brand" and MADE IN CHINA on "Wild olive" are written in blue colour in yellow background;

The trademark "KANTA Brand" is in white background in middle of the top part;

To "KANTA Brand" as well as to "Wild olive" there are words "BUY ORIGINAL" with blue colour written in yellow colour in left side,

With regard to the form of colours of small boxes which contain 1 bottle :

On one side:

On "KANTA Brand" and on "Wild olive" there are words "BUY ORIGINAL" of blue colour written in yellow background at the top on the left side;

Words "KANTA Brand" in red colour with a yellow background, this is the same on the "Wild olive";

Words BLACK HAIR DYE of blue colour are written in white background to"KANTA Brand" as to "Wild olive";

The trademark "KANTA Brand" which is found in white background in the middle this is also similar to "Wild olive";

On "Wild olive" there is "NET: 4.5 g" at the same location where "Nt: 4.5 g" is written on the trademark of "KANTA Brand", and on both trademarks they are written in the blue colour;

At the end of boxes at the below side of boxes for "KANTA Brand" and for "Wild olive" there are words of blue colour composed of two lines written in blue background;

On the other side of the box:

On both boxes of "KANTA Brand" and "Wild olive" there are words "NEW PACK" written in yellow with a a blue background with a form of a star;

The side which is opposite with the words "Gives your grey Hair a Youthful & Natural Black Shine" are written, it is in yellow colour.

Concerning the form of bottles: the bottles of "Wild olive" are hundred percent similar with those of "KANTA Brand" including signs (étiquettes) as seen on those boxes.

[36] The counsel for MININTCO Ltd states that the legal scholars in matters of intellectual property M. F. Maraiss, na T. Lachacinski, in their book "*Application des droits de propriété intellectuelle*", in OMPI, *Recueil de jurisprudence*, 2008, p. 65, they argue that the one who has

rights on the trademark which is registered with a competent organ, is the only one who has the rights of trading in products with that trademark on the territory where that trademark is recognised (territorial principle)

[37] He adds that in the judgment HCT-00-CC-CS-0829-2007 rendered by the High Court of Uganda on 16/05/2008, the court held that the trademark "Smart Look" is confusingly similar with the trademark "KANTA Brand", because though names of those trademarks are different, the form is similar.

[38] With regard to the statements of DRESOCECO Ltd's counsel that MININTCO Ltd wants to monopolise the market because it wants to be the sole trader of black hair dye, they argue that unfair competition consists of imitating, parasitism, disparagement or disorganising the company, they state that they do not understand whether this claim concerns colorable imitation or unfair competition, Counsel Nsengumuremyi Cyridion states that MININTCO Ltd does not wish to monopolize the market, because this can be proved by the fact that in Rwanda, there are other traders dealing in black hair dye and they don't have any issue with them, those include, Sulfo Rwanda Industries that uses the trademarks "BEAUTE" and "BLACK PEARL" which were shown to this court, because there is fair competition between those companies, but DRESOCECO Ltd is carrying out unfair competition because the trademarks of its products are confusingly similar with those of MININTCO Ltd on the same products and at the same market, that it wants to be a parasite on MININTCO Ltd and again the market using the latter's colours and other signs of the "KANTA Brand" trademark.

DETERMINATION OF THE COURT

[39] This case originates from the products of black hair dye under the trademark of "Wild olive", that DRESOCECO Ltd imported from China, which were seized in the customs because MININTCO Ltd claimed that the trademark of Wild olive is confusingly similar to the trademark of "KANTA Brand" of the same product which is imported from India which has exclusive rights on the ground that it registered that trademark in RDB, thus DRESOCECO Ltd is practicing unfair competition, MININTCO Ltd requested the Court to ban the importation of those products, it also prays for the destruction of those which were confiscated.

[40] Article 178 of the Law N° 31/2009 of 26/10/2009 on the protection of intellectual property provides that in addition to the protection of the intellectual property provided by this Law, any commercial, industrial or handcraft-related activity shall be protected against acts of unfair competition.

[41] With regard to acts of unfair competition, article 180 that Law provides that any act or practice, in the course of industrial or commercial activities, that causes, or is likely to cause, confusion by any means with respect to a competitor's or another's enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an act of unfair competition.

Confusion may, in particular, be caused with respect to:

1° a trademark, whether registered or not;

2° a trade name;

3° a business identifier other than a trademark or trade name;

4° the appearance of a product;

5° the presentation of products or services;

6° a celebrity or a well-known fictional character.

[42] And also, article 179 of the same law provides that any person harmed, or likely to be harmed, by an act of unfair competition, may refer the matter to the competent tribunal, where through an act contrary to honest industrial and commercial use, a manufacturer, trader, producer or craftsman damages his credibility, takes away his customers or harms his capacity for competition. The competent tribunal shall order the cessation of this act and, where necessary, shall fix the level of damages.

[43] These articles imply that in addition to the protection of the intellectual property provided by this Law, any commercial, industrial or handcraft-related activity shall be protected against acts of unfair competition, that any person harmed, or likely to be harmed, by an act of unfair competition, may refer the matter to the competent tribunal for the cessation of the act.

[44] In assessing the colorable imitation between two trademarks, a legal scholar Deborah E.Bouchoux states that some courts in United States of America set precedent on the grounds of determining whether the two trademarks are confusingly similar, that in general only one factor cannot be based on to determine the colorable imitation, rather the Courts examine all circumstances to assess the risk of confusion. Some of the factors are as follow:[4]

- the similarity of the marks in terms of appearance, sound and connotation;

- the similarity of the products and services offered in the title of the trademarks;

- the similarity of commercial networks;

- conditions of doing sales: some of the buyers do not take care, some of the buyers purchase due to knowledge they have on certain product;

- the strength of the previous trademark;

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[4] *"Divers tribunaux, dans différentes circonscriptions judiciaires ont établi des tests pour déterminer la probabilité de confusion entre deux marques. En général, aucun facteur n'est à lui seul déterminant; les tribunaux examinant toutes les circonstances en tentant de déterminer l'existence éventuelle d'une violation. Généralement, pour déterminer s'il y a contrefaçon, ils prennent en considération les facteurs suivants: - la similitude des marques quant à l'apparence, au son, à la connotation et à l'impression commerciale; - la similitude des biens ou services proposés au titre des marques; - la similitude des réseaux commerciaux par lesquels transitent les biens ou services proposés; - les conditions de réalisations de ventes, à savoir: les achats sont-ils faits sur une impulsion ou après un examen approfondi par les acheteurs éclairés? - la force de la marque antérieure; - l'existence de la confusion antérieure effective; - le nombre et la nature des marques similaires sur des biens similaires; - la durée pendant laquelle l'exploitation des marques a été comcomittante sans confusion", DEBORAH E.BOUCHOUX, La propriété intellectuelle, le droit des marques, le droit d'auteur, le droit des brevets d'invention et des secrets commerciaux, Nouveaux Horizons, p. 97.*

- existence of actual prior confusion;

- the number and nature of similar trademarks on similar products;

- the length of time during which exploitation of the trademarks happened without confusion.

[45] In the testimony of Mbaraga Blaise on 19/07/2017, an expert in RDB, he demonstrated what is examined before a trademark is registered, those conditions are: to examine who registered the trademark for the first time and is the one with rights to that trademark (first to file principle), distinctiveness principle, not imitativeness principle, not confusing principle and nice classification of good and service.

[46] That expert also assessed the trademark of "Wild Olive'' and that of "KANTA Brand and observed that "Wild Olive" is not registered in terms of words or image in RDB, but "KANTA Brand" was registered on 15/02/2012 on RW-M100004413 revised to RW/T/2012/413. Concerning words which compose those trademarks, he states that KANTA Brand and "Wild Olive'' are different and it's possible that all those trademarks can be used at the market, that the words of "Wild'' was accepted by the office of Registrar General but "Olive'' was rejected because it's a common name.

[47] Concerning words "black hair dye'', he explained that those words are common and can be used by any one and cannot be subject to registration as a mark, whereas the image of the trademarks, he states that they are similar, colours, and their forms that dominant test of similarity is very high because they all possess similar lines 100%, and similar colours 100%, that when considering form without words, it would be hard for any buyer to distinguish those trademarks, in addition those trademarks are in the same category which is "bleaching preparation and other substances for laundry use, cleaning, polishing, scouring and abrasive preparation, soaps, perfumery, essential oil, cosmetics, hair lotions, dentifrices" especially that it's "hair dye''.

[48] The Commercial High Court basing on that analysis of the expert of RDB, it held that the trademark "Wild Olive'' which is on the products imported by DRESOCECO Ltd imitates the trademark of "KANTA Brand" registered in RDB by MININTCO Ltd, because all products have the similar appearance and the trademarks have dominant test of similarity and that the lines which compose the trademark of "KANTA Brand" has become so common or well-known fictional mark, thus, except MININTCO Ltd, no one else has rights over it, and that colours of yellow, blue, red which are on both trademarks are very similar (appearance and positioning) whereas they should be distinct.

[49] The Court finds, the fact that the Commercial High Court did not err in relying on that experts testimony, because it is an element of evidence provided by article 76 of the Law Nº15/2004 of 12/06/2004 relating to evidence and its production that provides that evidence by experts is that which is intended to give to the court, explanations based on expertise as well as conclusion which is beyond the ordinary knowledge of a judge in his or her duties, depending on the underlying special expertise.

[50] The Court finds, the outcome of the expertise reflects the truth, in addition to what has been demonstrated by the Managing Director of MININTCO Ltd during the hearing, because the Court

had itself seen boxes containing ointment which turn hair into black with trademark of "Wild Olive" sold by DRESOCECO Ltd, those boxes are very similar to those with trademark "KANTA Brand" sold by MININTCO Ltd, whether it is on yellow, blue and red colours, words indicated on them and how they are written , ligns drawn, the buyer who is not vigilant would be confused on products with those both marks.

[51] The Court finds, the fact that DRESOCECO Ltd imports products with mark of "Wild Olive" from China, the mark which obviously imitates the trademark of "KANTA Brand" registered in RDB by MININTCO Ltd and carries out business in Rwanda whereby MININTCO Ltd is authorized for trading on the trademark of "KANTA Brand", this constitutes an act of unfair competition in business of MININTCO Ltd, because it makes confusion on well-known mark of "KANTA Brand" to the extent that the buyers cannot differentiate both products, this is to its business.

[52] The Court finds, DRESOCECO Ltd's statement that it did not imitate the mark of "KANTA Brand" has no merit, because it was sued that it spreads products it imports from abroad with the mark ''Wild Olive'' which confuses MININTCO Ltd's products with mark of ''KANTA Brand'', it was not sued on the ground it imitated the trademark, and also its statement that it imports products from China and not manufacturing them, should not be considered because importing products with the trademark of Wild Olive'' which imitates "KANTA Brand", this is what provided by the law that it constitutes unfair competition.

[53] The Court also finds that DRESOCECO Ltd stated that it imported the products which bear the trademark of "Wild Olive'' after it had seen the judgment RCOMA 00194/2016/HC/HCC rendered by the Commercial High Court, whereby the Court held that the trademark "Wild Olive" is confusingly similar to the trademark of "KANTA Brand" and relies on it to requesting that justice should be rendered in its favour as it was done for Unitex Rwanda Ltd, this argument is misleading , because as indicated on the order contract which is the case file, DRESOCECO Ltd bought those products on 29/09/2016, while the judgment was rendered on 12/10/2016, obviously, the products were bought before that judgment, and as demonstrated above, "Wild Olive" is a colorable imitation of "KANTA Brand" as previously held in the appealed judgment.

[54] The Court finds, in addition to exclusive rights of MININTCO Ltd on the trademark of "KANTA Brand" endowed to it by the Law Nº 31/2009 of 26/10/2009 cited above, it also has to be protected against unfair competition, therefore DRESOCECO Ltd should be banned from importing products with the trademark of "Wild Olive" and selling them in Rwanda as it was held by the Commercial High Court.

[55] Considering the judgments rendered in other countries, the same decision was held on 11/04/2018, by the Commercial Court of Versaiile, second chamber in France whereby a company named 3DVIA which later came to be known as Dassault Systemes sued La SAS Wanadev, that Court held that acts of La SAS Wanadev constitute unfair competition against Dassault Systemes against its software "Home By Me", because it imitated how it works, form and the components so that it creates confusion and La SAS Wanadev made its own "Wanaplan" and sold it to the company named Adéo, the Court held that those behaviors consitute unfair competition, and ordered La SAS Wanadev to pay Dassault Systemes damages worth 50.000 Euros, and banned the use of that software because it creates confusion, that if it fails to comply with it within 30 days

from the pronouncement of the judgment, it shall be sanctioned to payment 1.000 euros every day and that the judgment shall be published on Dessault Systemes website.

[56] Pursuant to articles 178-180 of the Law Nº 31/2009 of 26/10/2009 mentioned above and motivations given, the Court finds this ground of the appeal of MININTCO Ltd with no merit, thus, it's not necessary to examine whether it should be awarded damages for the loss which it states to have incurred.

c. Whether the products of DRESOCECO Ltd which were seized in the customs should be destroyed.

[57] The counsel for MININTCO Ltd argue that this Court should hold that the appeal of DRESOCECO Ltd lacks merit, that "Wild olive" is a colorable imitation of "KANTA Brand", and thus orders that the products with a trademark of "Wild olive" which confuses the buyers in distinguishing them from the products of black hair dye under the trademark of "KANTA Brand "registered by MININTCO Ltd, they also pray to the Court to order that those products are not allowed to be sold in Rwanda and to order for the destruction of those seized in the custom.

[58] Counsels for DRESOCECO Ltd state that it is being unfairly treated because it imported the hair dye with a trademark of "Wild Olive" without knowing that it had issues, and that though the Court found that product to be imitating and confusing, except that it's no true, DRESOCECO Ltd should be given its goods confiscated in the custom because it had no bad faith towards MININTCO Ltd.

DETERMINATION OF THE COURT

[59] The Court finds that the request of MININTCO Ltd to destroy the products of DRESOCECO Ltd which were seized in the customs, it had also requested it before the Commercial High Court basing on article 258 of the Law Nº 31/2009 of 26/10/2009 cited above, but that article refers to the application and ordering corrective measures for industrial property, and as motivated above, what MININTCO Ltd claims against DRESOCECO Ltd it's not an issue of having a factory which manufactures products that imitate its trademark, rather, it claims that DRESOCECO Ltd has acts of unfair competition, thus, there is no basis for requesting the destruction of its products because article 179 of the Law Nº 31/2009 of 26/10/2009 mentioned above allows it only to request to stop the acts of unfair competition and to be awarded damages when requested so, but in this case MININTCO Ltd did not claim for damages.

[60] The Court finds that because DRESOCECO Ltd sells its products with a trademark of "Wild Olive'' on the Rwandan market, which constitute an act of unfair competition, because they are confusingly similar to that of MININTCO Ltd's products which bears the trademark of "KANTA Brand", it should stop those bussiness activities as it was decided in the appealed judgment by the Commercial High Court.

d. With regard to procedural and counsel fees.

[61] The counsel for DRESOCECO Ltd states that pursuant to article of the Law N°22/2018 of 29/04/2018 relating to the civil, commercial, labour and administrative procedure, MININTCO

Ltd should give counsel fees equal to 5.000.000Frw and 6.000.000Frw paid to the expert who did a report on the loss it incurred.

[62] The counsel for MININTCO Ltd states that procedural fees claimed by DRESOCECO Ltd are with no merit**.**

DETERMINATION OF THE COURT

[63] Article 111 of the Law N°22/2018 of 29/04/2018 relating to the civil, commercial, labour and administrative procedure provides that the claim for representation fees is an incidental claim to the principal claim aiming to repay expenses incurred during judicial proceeding.

[64] The Court finds, DRESOCECO Ltd should not be awarded counsel and procedural fees because its appeal lacks merit.

III. THE DECISION OF THE COURT

[65] Finds the appeal filed by DRESOCECO Ltd without merit;

[66] Sustains the rulings of the judgment RCOMA 00236/2017/CHC/HCC rendered by the Commercial High Court rendered on 16/11/2017;

[67] Decides that court fees paid by DRESOCECO Ltd, cover the expenses of the case.