THE REPUBLIC OF UGANDA

UGANDA REGISTRATION SERVICES BUREAU

THE TRADEMARKS ACT, CAP 225

IN THE MATTER OF TRADEMARK APPLICATION FOR CANCELLATION OF TRADEMARK NO UG/T/2024/83036 "CRANE PAPER DIAMOND" AND THE DIAMOND DEVICE IN CLASS 16 IN THE NAMES OF CRANE PAPER LTD

AND

APPLICATION FOR CANCELLATION BY V.G KESHWALA & SONS LTD

V.G KESHWALA & SONS LTD::: APPLICANT

VERSUS

CRANE PAPER LTD:: RESPONDENT

RULING

Before: Birungi Denis: Asst. Registrar Trademarks

Background.

1. The Respondent is the registered proprietor of trademark number UG/T/2024/83036 which was registered on 14th August 2024 in class 16 in respect ream of paper, exercise books and stationery.

2. On 15th January 2025, the Applicant filed this application under section 88 of the Trademarks Act Cap 225 seeking cancellation of the Respondent's

trademark on two grounds; the first ground is that the Respondent's mark was registered in error owing to the Applicant's prior registered trademark number 63535 "Diamond" registered on 29th November 2016 in class 16 in respect of paper, cardboard, printed matter, book binding material, photographs, stationery, among others. The second ground is that the respondent's registered its trademark in bad faith owing to its conduct before and after registration.

3. The Applicant is a company limited by shares and a registered proprietor of trademark No.63535 "DIAMOND" and the device, registered on 29th November 2018. The Applicant's and the Respondent's marks are indicated below;

Parties	*Representation of the mark*	*Goods*	*Registration date*
Applicant's mark		Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery;	29th November 2018

		adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.	
Respondent's mark	Crane PAPER Diamond Great ideas put on paper	Ream of paper, exercise books, stationery	14th August 2024

The applicant's case

4. The Applicant's case as I understand it from the application and supporting evidence, is that it has used its trademark in the business of manufacturing,

trade, distribution and sale of stationery and stationery products in Uganda and the entire East Africa since 2018. That around December 2024, its attention was drawn to a Newspaper advert published in the Daily Monitor Newspaper of 31st December 2024, issued by the Respondent warning the public against the use of the mark "DIAMOND" and the device on grounds that it is the registered owner.

5. That subsequently, on 9th January 2025, the Respondent's advocates served the Applicant with a cease and desist letter demanding that the Applicant ceases to use the trademark "DIAMOND" and the device on its products. That these events prompted the Applicant to inspect the register of trademarks where it established that Crane Paper Ltd registered trademark number 83036 on 7th May 2024. The Applicant contends that the Respondent just added the word "CRANE PAPER", to the word "DIAMOND" which was already registered by the Applicant in 2018. The Applicant also states that, upon conducting an inspection, it established that the Registrar rejected the Respondent's application twice, and later approved it on the basis of change of company name. The Applicant avers that the change of name, in and of itself, did not entitle the Respondent to register the disputed mark, because it is similar to its earlier registered mark.

6. That after securing the registration, which the Applicant contends was done in error, the Respondent issued a newspaper notice to the public and a cease a desist letter to the Respondent. The Applicant contends that these acts were intended to harass it and are evidence that the registration was done in bad faith and constitute acts of unfair competition. Consequently, the Applicant

prays for cancellation and removal of the Respondent's trademark pursuant to the provisions of section 88 of the Trademarks Act.

The Respondent's case

7. In a counterstatement filed on 10th March 2025, the the Respondent denies the allegations and states that it is an incorporated company carrying on the business of manufacturing and distribution of stationery, realms of paper and exercise books. The Respondent states that is the registered owner of the disputed trademark registered under class 16. The Respondent denies allegations of bad faith and maintains that it registered the disputed trademark in good faith. In its defense against the Applicant's claim, Respondent contends that the Applicant has never used its trademark since registration and that it only put products on the market in January 2025 with an intention of taking advantage of the Respondent's brand. That from its market intelligence, the Respondent established that the Applicant manufactured and stored products under the Diamond Trademark with an intention of taking advantage of the Respondent's reputation and passing off its goods.

8. Regarding the ground of registration in error, the Respondent counters that it followed all the procedures under the law and as such, its trademark was registered bonafide and its use is honest. In para 9 of the Counterstatement, the Respondent states that it has made an application to strike out the Applicant's mark on grounds of registration in bad faith, setting out particulars of bad faith, with a prayer to the Registrar to strike out the Applicant's trademark. The Respondent prays for the dismissal of the application and removal of the

Applicant's trademark for non-use. In the alternative, the Respondent prays that the Registrar permits concurrent use of the trademark.

Applicant's evidence

9. The Applicant's evidence was given by Mr Ranmal Keshwala, its director, in a sworn statutory declaration filed on 28th April 2025. He stated that the Applicant registered its "DIAMOND" trademark on 29th November 2018 and has since used it in the business of manufacturing, trade, distribution and sale of stationery products in Uganda and across East Africa. That on 31st December 2024, the Respondent issued a newspaper advert warning the public against use of the Diamond trademark and on 9th January 2025, the Respondent served onto the Applicant a cease and desist letter. Both the newspaper advert and the letter are annexed. It is because of these events that the Applicant decided to inspect the Register, where it established that the Respondent had registered trademark number 83036 on 7th May 2024. The Applicant adduced evidence of two exam reports where the disputed mark had been rejected twice. The first exam report dated 05th May 2024, where the Registrar rejected the application because of existence of trademark number 70453 belonging to Crane Paper Ltd and another exam report dated 22nd May 2024, where Respondent was advised to reconcile the information regarding change of its name.

10. Mr Keshwala further states in paragraph 10 of the statutory declaration, that the Registrar approved the disputed mark for registration after the Respondent had proved change of company name. According to him, the approval was erroneous because of the existence of the Applicant's mark, with a similar mark "DIAMOND" and the diamond device. That the Respondent only added the word "CRANE PAPER" and as such, the mark will cause confusion with the

Applicant's goods. Mr. Keshwala adds that the actions of obtaining erroneous registration, and later relying on the same to harass the Applicant through notices issued in the newspaper, and later a cease and desist later, are evidence of registration in bad faith and constitute acts of unfair competition.

Respondent's evidence

11. The Respondent's evidence was given by Mr. Aniket Patel, its company Secretary by way of statutory declaration filed on 23rd July 2025. He stated that the Respondent is in the business of manufacture of stationery products including photocopying paper and graph books. That it duly applied for its trademark "CRANE PAPER DIAMOND" for registration in class 16 in respect of exercise books and stationery. The registration of its mark was done in compliance with the procedure and the law. That since registration of its trademark, it has used the same in branding of its products and has acquired significant market share. Mr. Patel disputes the Applicant's use of the mark, noting that while it registered its mark in 2019, it started using its "Glorre's Diamond" in January 2025. Mr Patel emphasizes that the Applicant had never used its trademark until January 2025 and in his view, this is evidence that the registration of its Glorre's Diamond Trademark No.63536 was in bad faith. Mr. Patel adds that the Applicant filed this application for the cancellation of the Respondent's mark in bad faith. He prays that the Applicant's mark be struck off on grounds of non-use. In the alternative, Mr Patel requests the Registrar to consider concurrent use.

Evidence in rejoinder

12. In his statutory declaration, Mr Keshwala states that owing to its first registration of the word "DIAMOND" and the device, the Respondent's complaint regarding confusion, with its earlier mark, is sufficient evidence to prove that its mark ought not to have been registered in the first place. He also accuses the Respondent of obtaining the registration improperly since there is no record on the Register of a written exam response on which the Registrar based her decision to reverse the earlier rejection. Mr. Keshwala refutes Mr. Patel's allegation regarding non-use of the mark as the same are not supported by any documentary evidence. He adds in paragraph 13 of his statutory declaration in rejoinder that claims of non-use are brought wrongly as a counterclaim and cannot form the basis of its defense.

Representation and hearing

13. This application came up for hearing on 15th July 2025. Learned Counsel Kagoro Friday Roberts of Muwema and Co Advocates appeared for the Applicant. The Applicant was represented by its Manager Lila Keshwala. Learned Counsel Wandera Andrew of Amber Advocates appeared for the Respondent. The Respondent didn't send a representative.

14. Before scheduling of the matter, Counsel for the Respondent made an oral application for discovery of the Applicant's tax returns. Counsel for the Applicant opposed the application. Both Counsel were directed to file written submissions.

15. On 20th August 2025, the matter came up for a ruling on an application for discovery of tax returns and for scheduling. I dismissed the application for discovery, for which I will give detailed reasons. The matter proceeded for scheduling. The following issues were framed;

(i) Whether the Respondent's trademark number 83035 was registered in error?

(ii) Whether the Respondent's trademark number 83035 was registered in bad faith?

(iii) What remedies are available to the parties?

16. The advocates of both parties addressed the issues by way of written submissions.

Decision on an application for discovery of tax returns

17. Before I determine the substantive issues, I will first give detailed reasons for the dismissal of the Respondent's application seeking an order for discovery of the Applicant's tax returns and tax invoices. In his submissions, Mr Wandera, Counsel for the Respondent argued that the Applicant's tax returns and tax invoices are relevant evidence in determining the question of whether the Applicant also registered its trademark in bad faith. Counsel relied on regulation 34 of the Trademark Regulations, 2023 contending that the same gives the Registrar discretion to order for discovery. Noting that the Trademarks Act and Regulations do not contain provisions as to discovery, Counsel submitted on the authority of **Mandella Millers Ltd v Dembe Trading Enterprises ltd** that procedures of court may be adopted where gaps exist, and as such, he requested me to adopt the Civil Procedure rules relating to

discovery of documents. He cited the decision of Court in **Simbamanyo Estates Ltd and Another V Equity Uganda Ltd and others Misc. App No.583 of 2022** on the requirements of discovery, which include; relevancy and materiality, the document not being privileged or protected by law, the document being in the possession of the Respondent and that attempts to obtain the same voluntarily failed. He stated that all these conditions have been met; that the Applicant refused to provide the tax returns and that the same are relevant in determining whether the Applicant has extensively used its trademark.

18. In reply, Mr Kagoro argued that the procedure for discovery of documents is outside the jurisdiction of the Registrar of trademarks, which is set out in the Trademarks Act Cap 225 and the Trademark Regulations 2023. He cited section 68 of the Trademark Act, which provides for the mode of giving evidence in proceedings before the Registrar. He added that the Respondent's application for discovery made under Order 10 ruled of the Civil Procedure Rules and regulation 34 of the Trademark Regulations, is without legal basis and alien to proceedings before the Registrar.

19. I agreed with Mr Kagoro's submissions. Proceedings before the Registrar are governed by the Trademarks Act and the Trademarks Regulations, both of which provide the mode of giving evidence before the Registrar. Indeed section 68 of the Trademarks Act, together with regulations 31—34 of the Trademark Regulations provide for giving of evidence by way of statutory declaration and not by discovery. While it is correct that the decision of **Mandella Millers v Dembe Enterprises Ltd, application for cancellation of trademark No.0297790** cited by Mr Wandera stated that where there are gaps in the Trademarks Act and regulations, the hearing officer may adopt procedures of

court, in the instant case, there are no gaps as to admissibility of evidence and as such, the decision is quoted out of context.

20. The procedure of discovery is part of invasive modes of obtaining evidence, provided under section 22 (a) of Civil Procedure Act Cap 282, which includes discovery, inspection and interrogatories and Order 10 of the Civil Procedure Rules. This procedures does not apply to proceedings before the Registrar. Mr. Wandera cited regulation 34 of the Trademark regulations to support the application for discovery. The same is also misapplied as it provides for the power of the Registrar to admit further evidence and not to direct discovery. It states;

    "34. Further evidence

    No further evidence shall be filed on either side but, in any proceedings before the Registrar, the Registrar may at any time, if he or she thinks fit give leave to either the applicant or the opponent to file any evidence upon such terms as to costs or otherwise as the Registrar may think fit."

21. Regulation 34, as indicated above, gives discretion to the Registrar to allow either party to file further evidence at any time of the proceedings. In my view, such evidence must be strictly filed in the manner provided under section 68 of the Act—not in any other way. As such, Mr Wandera's argument that regulation 34 permits the Registrar to order discovery, is without legal basis. If there was any reason necessitating admission of additional evidence, the Respondent ought to have moved the Registrar under regulation 34 to submit further evidence in any of the modes provided under section 68. Even if this had been done, I do not agree with Mr. Wandera's argument that tax returns

and invoices are necessary to prove whether the applicant has used its mark or not and whether the registration was done in bad faith.

22. To prove non-use of a trademark, an applicant (in this case the Respondent) must file a separate application under section 46 of the Trademarks Act and meet all the requirements of that section but cannot raise a cross-action of non-use in a defense to an application seeking cancellation of its own trademark. Secondly, it is not tax returns and tax invoices that prove use or non-use of trademark. One can use his or her mark by licensing or even donating it to others to produce goods under it and as such he or she may not be trading under the trademark. Secondly while, registration of a mark without using it, may form part of the circumstances in assessing bad faith registration, it is not conclusive in and of itself and cannot arise in the circumstances of this case, where the Respondent has an option of seeking removal on grounds of non-use under section 46, but which it did not exercise. Having stated the reasons for rejecting the application for discovery of tax invoices and tax returns, I now proceed to determine the substantive issues.

Whether the Respondent's trademark number 83035 was registered in error?

23. Section 88 of the Trademarks Act provides that;

    "A person aggrieved by an omission, entry, error, defect or an entry wrongly remaining on the register, may apply in the prescribed manner to the court and subject to section 64, to the registrar, and the court or the registrar may make an order for making, expunging or varying the entry as the court or the registrar, as the case may be, may think fit."

24. For an application to be entertained under section 88, the Applicant must prove that they are aggrieved. A person is aggrieved if they have a real interest in the mark being removed, that is to say, the continuing existence the mark on the register is prejudicial to its interests (See **Ritz Hotel Ltd v Charles of The Ritz Ltd and Another (1988) 15 NSWLR 158 page 17 and 18**). There is no doubt considering the facts of this case, that the Applicant qualifies as an aggrieved person with real interest in having the register rectified. The Applicant alleges that the Respondent's trademark is confusingly similar to its earlier registered trademark, and that the Respondent has relied on its later registration to harass the Applicant through issuance of newspaper notices and a cease and desist latter. This indeed makes the Applicant an aggrieved person with real interest in challenging the Respondent's mark. The next question of inquiry is whether the Respondents mark was registered in error.

25. Section 88 of the Trademarks Act lists error as one of the grounds that may lead to the rectification of the register, however the Act does not define the word error. In application for cancellation of trademark **No. UG/T/2020/68118 "YMCA"** the hearing officer citing Cambridge and Merriam Webmaster dictionaries defined the word "error" as;

> ***"a mistake especially in a way that can be discovered as wrong" or " an act or condition of ignorant or imprudent deviation from a code of behavior", "an act involving an unintentional deviation from truth or accuracy", "a mistake in the proceedings of a court of record in matters of law or fact", and "instance of false belief"***

26. **I**n paragraph 17 of the ruling, the hearing officer added;

"For clarity, when determining actions done in error, it is immaterial who was responsible for the error. Error is error, regardless of who made the mistake. Actions done in error are subject to rectification to avoid absurd or unjust outcomes."

27. A trademark found to have been registered in error implies that it ought not to have been registered in the first place. Consequently, an applicant must prove that one or more grounds exist that should have prevented the registration of the trademark. In this case, the Applicant raises that ground of similarity and likelihood of confusion of the disputed mark, with that of the Applicant's trademark which was registered prior. This ground is premised on section 25 of the Trademarks Act which states that;

    " Prohibition of registration of identical and resembling trademarks

    (1)Subject to section 27, a trademark relating to goods shall not be registered in respect of goods or description of goods that is identical with or nearly resembles a trademark belonging to a different owner and already on the register in respect of—(a)the same goods;(b)the same description of goods; or(c)services or a description of services which are associated with those goods or goods of that description." [emphasis mine]

28. Mr. Kagoro argues that the error was in the registration of the word "DIAMOND "and the diamond device, which belong to the Applicant which registered the trademark "DIAMOND" and the device earlier in 2018, in respect of the same goods. As stated in section 25, the office is prohibited from registering a mark which is similar to the one already on the register, and with respect to same goods or description of goods or services associated with those

goods. My duty now is to determine whether the disputed mark is similar to the one of the Applicant so as to lead to a likelihood of confusion in the mark.

29. The principles for determination of similarity and likelihood of confusion between two marks were laid in decisions of the **European Courts in SABEL BV v Puma AG (Case C-251/95), Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc (Case C-39/97), Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV (Case C-342/97), Marca Mode CV v Adidas AG & Adidas Benelux BV (Case C-425/98), Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (Case C-3/03), Medion AG v Thomson Multimedia Sales Germany & Austria GmbH (Case C-120/04), Shaker di L. Laudato & C. Sas v OHIM (Case C-334/05 P) and Bimbo SA v OHIM (Case C-519/12 P)** and include;

a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only

when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

k) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

l) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison between the marks.

30. It is clear from **Sabel BV v. Puma AG** that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. I place the two marks side by side to determine their similarity and likelihood of confusion, considering the aural, conceptual and visual elements as well as a series of factors listed in the cases summarized above.

Applicant's mark *Respondent's mark*

31. The Applicant's mark comprises the word "DIAMOND" presented in stylized manner with an underline. On the right side of the word "DIAMOND", is a word "Glorre's" presented in a vertically slanting manner. On top of the word "DIAMOND", there is the device of the diamond. The entire concept of the Applicant's mark is the imagery and symbolism of diamond. A diamond is precious stone consisting of a clear and colourless crystalline form of pure carbon which is the hardest naturally occurring substance. Hence the concept of diamond mark is associated with strength, beauty and power.

32. The Respondent's mark on the other hand is the symbol/image of diamond, which is the dominant part of the mark, with the word "Diamond" presented in italic below the diamond device. The words and the diamond symbol/device are presented in white font. At the top of the diamond device, is the word

"CRANE PAPER" with the word "CRANE" presented in larger fonts compared to the word "PAPER". The entire mark is presented on dark background.

33. Mr. Wandera submits that because the Applicant's mark is "Glorre's Diamond" while that of the Respondent's mark is "Crane Paper Diamond", that the two marks are phonetically, visually, and conceptually different and hence not likely to confuse an ordinary consumer. I do not agree with Mr. Wandera's view. First, by the Respondent's own conduct and evidence on record, there Respondent admits that the two marks are similar and are likely to cause confusion in the market. This admission is inferred from the Respondent's actions of issuing a notice warning the public against the use of the "DIAMOND" trademark and following it with a cease-and desist letter issued by its lawyers to the Applicant, alleging that the Applicant's use of the word "DIAMOND" and the devise infringes on its own registered trademark. The contents of that letter, dated 9th January 2025, partly states as follows;

"***Our client is the registered the 'Diamond" trademark for goods under class 16 in respect of Real of Paper, Exercise books, and stationery and as such, our client has the exclusive right to use in whichever right it is registered trademark. Through our market intelligence, it has come to our knowledge that you are manufacturing, importing, distributing and selling exercise books and reals of paper which are branded with 'Diamond" trademark and being marketed and sold using our client's trademark.***

Having obtained knowledge of your infringement, our client ran an advert in Daily Monitor on 31st day of December 2024 warning the public (your company inclusive) against any infringement but the same was ignored and you have since put up and continued to distribute your infringing goods on

the market at the detriment of our client's brand and subsequently causing financial and reputational loss… "

34. I have reproduced the contents of that letter because, by alleging infringement, the Respondents admit that the two marks as they appear cannot co-exist in the market. If they were able to co-exist, there was no need to issue a public notice and engage the services of advocates to issue cease and desist letters. Besides their own admission, it is my considered view that the two marks are very similarly. Phonetically and conceptually, the degree of similarity is highest due to the central feature of a diamond and its device prevalent in both marks. Phonetically, the average consumer is likely to pronounce products bearing both marks as "diamond" for example "diamond exercise books". Conceptually, the central feature of the diamond, and the message it evokes, is what would leave an impression on the mind of an ordinary consumer.

35. The word "Crane" added on to the Respondent's mark makes no material difference. Similarly, the word "PAPER" is of no consequence as the same is not protected since it is descriptive even though it appears on the Respondent's mark. In fact, at registration, the Respondent disclaims the words "DIAMOND" and "PAPER". The Registrar records the disclaimer as follows; "***Registration of this trademark shall give no right to the exclusive use of the words "PAPER", "DIAMOND", "Great ideas put on paper" except as represented."*** Also, the certificate of registration states as follows. **"Disclaimer:** "***All the English words used."***

36. It is surprising that having disclaimed the word "DIAMOND", the Respondent went ahead to issue a notice and a cease a desist letter to the Applicant. For

clarity, a disclaimer in trademark law and practice is applied when a word or symbol is added to a trademark but does not form part of the protected parts of trademark because it does not pass the test of registration. A disclaimer is a condition that is imposed by the Registrar. It is provided for under section 19 of the Trademarks Act, which states as follows;

"19. Registration subject to disclaimer

(1)Where a trademark contains a part that is not separately registered by the owner as a trademark or if—

(a) in the case of a trademark relating to goods it contains matter common to the trade or otherwise of a non- distinctive character; or

(b) in the case of a trademark relating to services it contains matter common to the provision of services of that description or otherwise of non-distinctive character, the registrar or the court, in deciding whether that trademark shall be entered or shall remain on the register, may require, as a condition of its being on the register—

(i) that the owner shall disclaim any right to the exclusive use of any part of the trademark or to the exclusive use of all or a portion of any such matter, to the exclusive use of which the registrar or court holds him or her not to be entitled; or

(ii) that he or she shall make such other disclaimer as the registrar or court may consider necessary for the purpose of defining his or her rights under that registration.

(2) A disclaimer on the register shall not affect rights of the owner of a trademark except where the disclaimer arises out of the registration of the trademark in respect of which the disclaimer is made."

37. Section 19 above sets circumstances under which the Registrar may register a mark subject to a disclaimer. The disclaimed part of the mark must be containing matter that is common to the trade or is of a non-distinctive character. In the instant case, the word "DIAMOND" is not a word common to the trade of stationery and stationery products and the Registrar should not have allowed the Respondent to register it as part of its mark whether subject to a disclaimer or not. The second disclaimed word "PAPER" is non-distinctive and not protectable. The Registrar therefore rightly permitted it to be disclaimed although legally, it does not form part of the protected part of the Respondent's mark.

38. Considering the disclaimer of the word "DIAMOND" in the Respondent's mark, it is not clear whether before registration the Respondent knew about the Applicant's prior mark, so as to intentionally file for the same with a disclaimer. Nevertheless permitting registration of mark containing a disclaimed matter which is a protected part of a prior registered mark, offends section 19 (2) which states that: "*A disclaimer on the register shall not affect rights of the owner of a trademark except where the disclaimer arises out of the registration of the trademark in respect of which the disclaimer is made.*" In this case the disclaimed word "DIAMOND" permitted in the Respondent's trademark on 7th May 2024, affects the rights of the Applicant who registered and acquired rights over the word and device of diamond in 2018.

39. Consequently, it was an error to permit registration of the Respondent's mark with the word "DIAMOND" disclaimed. It should be noted that disclaimers are only recorded on the register and the certificate. The fact that a word is

disclaimed does not count in the market. The same can cause confusion to the consumer because the consumer does not first come to the registry to ascertain whether the word is disclaimed or not when making consumption decisions. The consumers only picks an imperfect recollection of the mark depending on how they perceived it visually, conceptually and aurally. With the above in mind, I therefore find that the Applicant's and the Respondents mark are visually, phonetically and conceptually similar.

Similarity between the goods.

40. The Applicant's mark is registered in respect of paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks. The Respondent's mark is registered in respect of Ream of paper, exercise books, stationery. There is no doubt the goods of the Applicant and those of the Respondent are similar or related. Generally, both companies deal in stationery products. These products have the same category of consumers and appear in the same trade catalogues and trade outlets. This makes it more likely that a consumer may chose the goods of one company mistaking them to be of the other. This would defeat the purpose of a trademark which is to distinguish the goods or services of one business undertaking from those of the other.

41. In conclusion on issue one, I find that the Respondent's mark is confusingly similar to the Applicant's mark registered prior. The Registration was made in error as it was contrary to the provisions of section 25 and section 19 (2) of the Trademarks Act and offends the first to file principle which those sections safeguard. The first to file principle protects the first mark to be filed or registered. It is immaterial whether the prior registered mark is being used or not as the question of non-use can only be adjudicated in a separate application brought under section 46 of the Trademarks Act.

Whether the Respondent's trademark number 83035 was registered in bad faith?

42. This office has considered the question of bad faith in **Elite Gold Limited v Indo-Bali Distributors Ltd application for cancellation of trademark Nos. 045697 "TORA BIKA", 043533 "ROMA" and 032264 "DANISA" URSB 6 (1 April 2025)** where it applied principles **Sky Kick UK Ltd v Sky Ltd [2024] UKSC 36** which explained the concept of bad faith in trademark law as follows;

"***While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the EU law of trade marks, namely the establishment and functioning of the internal market, and a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trademarks signs which enable consumers, without***

any possibility of confusion, to distinguish those goods or services from those which have a different origin…"

43. Bad faith is subjective and is assessed by examining the intention of the proprietor at the time of filing, but also considering other circumstances. In this regard, the Court noted;

    "…, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (<u>a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties</u>; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin…"

    of one undertaking from others which have a different origin.

44. In summary, bad faith arises where a person registers a trademark not for purposes of using it as a badge of origin of his goods or services or, as defined under the Act, to distinguish his or her goods or services from those others. Further, bad faith may be inferred from intentional registration to acquire a right, without the intention to use the trademark for the purpose for which trademarks are used. The assessment of bad faith is determined at the time of the application and is determined by examining the intention of the proprietor. Hence, the court added, "***The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case***".

45. Assessing the circumstances of this case, the Respondent filed for the registration of the "DIAMOND" mark in 2024 and in 2025 issued a public notice and a cease and desist letter warning the Applicant against use of the mark. There is no evidence as to whether before taking these steps, the Respondent conducted a search to ascertain whether the Applicant had any registered rights in the word "DIAMOND" and the device. It is also not clear whether before applying for its mark, the Respondent had knowledge of Applicant's prior mark. What is however clear from the pleadings, the evidence and submissions made on behalf of the Respondent is that at some point the Respondent got to know of the Applicant's prior registered mark but allege that the Respondent was not using its mark and only started using it after they had started branding their products with their registered mark. This defense is clearly made out in para 6—10 of Mr. Patel's evidence. It is on the basis of this defense, that Mr. Wandera prayed for the removal of the Applicant's mark as part of his defense, in essence raising a counterclaim. Such a cross-action cannot be legally and properly brought because removal of a trademark on grounds of non-use is handled in a separate application under section 46, and the conditions in that section must be met, with the burden of proof being on the Applicant. Consequently, I cannot entertain claims challenging the Applicant's own use of its trademark because there is no such application before me. Accordingly, I strike out those claims.

46. I don't agree with Mr. Kagoro's submission that the Respondent's officials, by coming to the Registry and interacting with the Registrar to justify the registration of its mark, is evidence of bad faith on the part of the Respondent. First, bad faith is a subjective state of mind. To prove bad faith, the Applicant must adduce evidence that point to improper motive of the Respondent in

applying for the mark at the time of application. In **Chocoladefabriken Lindt & Sprüngli Ag V Franz Hauswirth Gmbh CASE-529/07**, the EC noted, at para 40 of the judgment, that "***the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith***". Rather, the Court guided that each case must be determined on its own circumstances. It listed three critical considerations non- of which is conclusive on its own;

(a) the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought.

(b) the applicant's intention to prevent that third party from continuing to use such a sign; and

(c) the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.

47. The Respondent's trademark had first been rejected vide exam report dated 14th May 2024 where the Registrar cited the existence of trademark No.UG/T/2021/070453 "CRANE PAPER" in the name of CRANE PAPER BAGS LTD. The second exam report dated 22nd May 2024 stated as follows; "***The Applicant for this application is listed as 'CRANE PAPER LIMITED" whereas the change of company name certificate provided indicates the name as "CRANE PAPER BAGS LIMITED." These appear to be two separate companies on the company register.***" Thereafter, the Registrar approved the

application with comment "***Granted after physical visit by client to explain company name change.***" I do not see how this proves bad faith. However, I note that change of a company name in and of itself, is not a basis for approving a trademark and on this I agree with Mr. Kagoro. The learned Registrar ought to have conducted a comprehensive search after which, she would have discovered the Applicant's trademark UG/T/2018/063386 "Gorre's Diamond" and the diamond device. What is clear from the exam report and the comment by the Registrar is that the Registrar did not see Applicant's trademark, and hence proceeded as if the word "diamond" and the device was not on the register in respect of the goods in which it had been sought to be registered.

48. The learned Registrar only paid attention to the words "CRANE PAPER" for which the Respondent had an earlier registered trademark number No.UG/T/2021/070453, which the Registrar cited in the exam report. All this point to error in registration and not bad faith as there are no circumstances pointing to Respondent's intention to defeat the Applicant's trademark at the point when it applied for the disputed mark. In light of the above, the ground of bad faith is not proved to the required standard and accordingly fails.

Remedies

49. In conclusion, I find that trademark number 83036 was registered in error. The ground of bad faith fails. The Respondent prayed in the alternative for concurrent provided in section 27 of the Trademarks Act. It stated;

"27. Concurrent use

The registrar or court may permit the registration by more than one owner, in a case of honest concurrent use or other special circumstances in respect of—

(a)the same goods or services;

(b)the same description of goods or services;

(c)goods and services or descriptions of goods and services which are associated with each other; or

(d)trademarks that are identical or nearly resemble each other, subject to such conditions and limitations as the registrar or the court may impose.

50. Despite the prayer for concurrent use above, I note that the correct approach in the circumstances of this case is to order variation of the entry which is one remedies the Registrar can grant under section 88, which states; "***A person aggrieved by an omission, entry, error, defect or an entry wrongly remaining on the register, may apply in the prescribed manner to the court and subject to section 64, to the registrar, and the court or the registrar may make an order for making, expunging or <u>varying the entry as the</u> court or the registrar, as the case may be, may think fit.***"

51. Considering that the Respondent is already manufacturing and could probably be contributing to the economy in terms of providing employment and paying taxes, I declined to remove the mark as requested by the Applicant. I instead grant the remedy of variation of entry of the Respondent's mark in a way that will remove the similarity with the Applicant's mark so that the Respondent can amend its mark and remove the parts that I have considered to have been registered in error, rebrand and continue to operate. The remedy of variation of entry is accordingly granted under section 88 of the Trademarks Act with the following orders;

    (i) The Respondent shall, within 14 (fourteen) days from the date of the ruling, file to alter its trademark in accordance with section 91 of the Trademark Act.

(ii) The alterations in (i) above shall remove the word "DIAMOND" and the diamond symbol/device from the Respondent's mark.

(iii) Where the Respondent does not comply with the condition in (i) above, the Registrar shall, without any further notice, remove the trademark on grounds of registration in error.

52. The application partly succeeds. The Applicant is awarded costs of the application to be paid by the Respondent.

I so order.

Given under my hand, this **14th** day of **October** 2025

URSB
UGANDA REGISTRATION SERVICES BUREAU
Birungi Denis
REGISTRAR

Digitally signed by Birungi Denis
Location: Uganda Registration Services Bureau
Date: 2025.10.14 15:38:29 +03'00'

Birungi Denis
Ass. Registrar of Trademarks