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African strategies and developments

The African continent is the second most populous in the world and thus a significant potential market. Recent developments mean that trademark owners should make plans both to develop their brands' presence and to protect their rights in Africa

As one of the authors of this article discussed in the trademark management column published in Issue 12 (March/April 2008) of *World Trademark Review*, brand investment into Africa is modest by global standards, as companies in the West tend to focus on emerging economies in Asia and the Middle East. However, African governments are becoming increasingly outspoken on the need to protect intellectual property; counterfeiting is rising significantly, showing both a market for brands and a need for proper brand protection; Africa's largest inward investment deal was signed last year; and the continent will host FIFA's World Cup Football event, a traditional showcase for multinational brands, in 2010.

This article focuses on strategies for protecting trademarks and domain names, and features some recent developments.

Trademarks

As the African continent is made up of over 50 countries and includes two regional registration systems – the *Organisation Africaine de la Propriété Intellectuelle* (OAPI) and the African Regional Intellectual Property Organization (ARIPO) – that together cover only 24 countries, any strategy for filing and using trademarks in Africa should be carefully considered. In most instances a continent-wide strategy will not be advisable; the strategy will most likely be guided by the markets that are of interest to the trademark owner.

With this in mind, a number of specific factors can influence the implementation of a strategy.

Searching

Although it is generally advisable to conduct prior clearance searches, search results in some countries are of limited value due to the non-computerization of registry records and the apparent lack of proper record management. (In fact, in some countries, including Lesotho, it is not possible to conduct any searches at all.) In these circumstances, it might be advisable to proceed with the filing of new applications for registration without conducting any searches, especially if the trademark owner is familiar with trade conditions in the country and

with the activities of potential or actual competitors.

In certain jurisdictions (eg, Algeria, Mozambique and OAPI), only official searches (ie, by registry personnel) are carried out, which means that mark owners or their representatives have no control over the manner in which the searches are conducted.

Service marks

There are still a number of countries in Africa where service marks cannot be registered. These include Malawi, Sierra Leone, Uganda, Zambia and Zanzibar (which is part of Tanzania, but operates a separate trademarks registry).

This shortcoming can to a certain extent be addressed by obtaining registration in one or more related goods classes. For example, if the trademark owner is active in the field of telecommunications, a registration in Class 9 of the Nice Classification for telecommunication apparatus could have some defensive value, although periodic re-registration will probably be necessary to counter the threat of potential non-use cancellation actions.

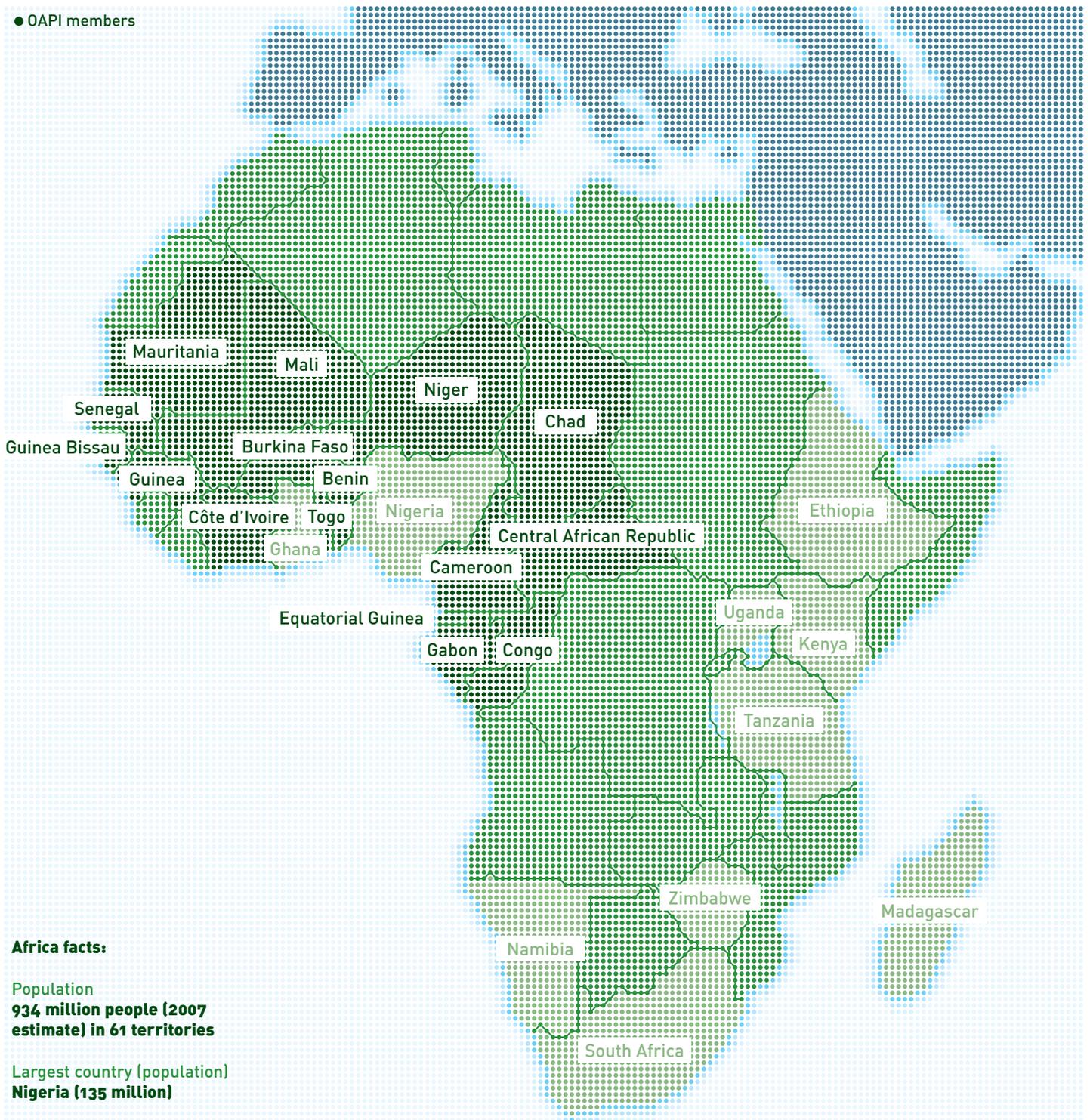
A fairly common tactic where there is no clear link between the services and a goods class is to file an application in Class 16, which covers printed material and stationery, among other things; the theory is that such a registration will enable the trademark owner to deter (if not prevent) competitors from using offending marks in relation to services by attacking their use of the marks on printed material, stationery and the like. This strategy has obvious weaknesses, but again it is probably better for a trademark owner to have some deterrent on the register – as opposed to relying only on its common law rights derived from the use of a mark.

Two countries that have recently changed their legislation so as to allow for the registration of service marks are Nigeria and Gambia. However, concerns have been expressed in some quarters over the legality of the processes followed in achieving these amendments, with the result that the validity of registrations obtained under the new dispensation may in future be challenged. It appears, though, that most trademark owners are taking a pragmatic and robust approach and are filing service mark applications so as, at the very least, to go on record with their claims to ownership of their marks.

Delays in obtaining registration

While most registries in Africa compare favourably with other registries in the world insofar as the time it takes between filing an application and obtaining registration is concerned, some African registries have extremely large backlogs at various stages of the registration process (examination, advertisement, grant). In these

● OAPI members



Africa facts:

Population
934 million people (2007 estimate) in 61 territories

Largest country (population)
Nigeria (135 million)

Largest economies (2007)

- 1 **South Africa**
GDP: \$467.6 billion
Global Rank: 27
- 2 **Egypt**
GDP: \$431.9 billion
Global Rank: 29
- 3 **Nigeria**
GDP: \$294.8 billion
Global Rank: 40
- 4 **Algeria**
GDP: \$268.9 billion
Global Rank: 42
- 5 **Morocco**
GDP: \$127 billion
Global Rank: 60

“ While some [registries] ... do not yet charge a fee for domain name registrations, contacting the registry is a mission in itself ”

countries, delays of 15 and 20 years are not uncommon. An extreme example is Gambia, where the last official journals were published in the early 1980s.

Trademark owners and their counsel would be well advised to be cognizant of this factor and plan their use strategies accordingly. In this regard, so-called common law searches and knowledge about competitors' activities in the relevant markets are crucial.

Regional considerations

Regional economic interdependency between countries is becoming increasingly prevalent with regional trade organizations such as the Southern African Development Community, the Economic Community of West African States, the Common Market for East and Southern Africa, the Community of Sahel-Saharan States and the Arab Maghreb Union promoting cooperation and economic integration of their members. The free flow of goods and services across borders is no longer uncommon. This fact should be kept in mind both when a new product is launched and when embarking on a trademark registration programme.

Domain names

The internet environment in Africa remains both a blessing and a curse to IP owners. Increasingly, African domain name registries are switching to internet-based registration systems. But while these systems allow for easy registration and administration, they also increase the likelihood of cybersquatting.

In some countries this problem is limited by the fact that the registry concerned sets strict requirements for the registration of domain names. In Nigeria, for example, IP owners are limited to one domain name registration. Furthermore, a local presence in Nigeria is a prerequisite to the registration of a '.ng' domain name. Another mechanism used by local registries to restrict foreigners registering domain names in their jurisdiction is to set high domain name registration fees. This approach has been adopted in Namibia, where foreigners pay a considerable sum to register their domain names, but locals are offered a substantial discount.

Perhaps the most frustrating practice, though, is the ongoing operation of paper-based registries by a number of African registries. While some of these, such as the registry in Gabon, do not yet charge a fee for domain name registrations, contacting the registry is a mission in itself. Successful registrants of '.ga' domain name may also be faced with problems while trying to modify their registrations. The registry insists that a new domain name registration form be completed with the new name server particulars. However, the registry does not

Cybersquatting and enforcement

Dealing with cybersquatting in Africa can pose problems in a number of jurisdictions. Few countries have followed South Africa's and Kenya's lead and developed alternative domain name dispute resolution mechanisms. In most African countries, IP owners need to rely on the courts to enforce their rights. This can prove to be not only costly, but also protracted.

In South Africa, IP owners can rely on the .ZA Dispute Resolution Regulations (ZADRR), which are a hybrid of the United Kingdom's Nominet dispute resolution system and the Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy. The ZADRR also take into account requirements of South African law.

In its first year since launching in August 2007 the South African Institute of Intellectual Property Law, an accredited dispute resolution provider, had decided on nearly 20 cases.

South Africa is also leading the way in online enforcement with the Electronic Communications and Transactions Act (25/2002). Section 77 of this act allows for websites to be taken down where the content infringes an internet user's rights. Section 77 has been used effectively by trademark and copyright owners to stop online trademark and copyright infringement. In this regard, the Internet Service Providers' Association (ISPA) has taken a proactive role in assisting trademark and copyright owners to enforce their rights. However, websites are disabled not within 24 to 48 hours (as per US and European standards), but typically after five working days. The ISPA is of the view that this time period allows for changes to be made to the website without having to take the entire website down.

Recent developments in South Africa

- South Africa's latest reported unlawful competition case was handed down in June 2008 in the High Court as *Totalgaz Southern Africa v Solgas (Pty) Ltd and Easigas (Pty) Ltd v Solgas (Pty) Ltd* (22007/2006; 2006/23048) [2008] ZAGPHC 170. This was an appeal concerning commercial activities around the business of steel pressurized liquid petroleum gas cylinders bearing certain identification marks. It is an interesting decision because it involves a defence based on custom and illustrates the difference between passing off (by omission) and unlawful competition, which tend to be used interchangeably, sometimes in error.
- The first case dealing with fan sites lodged under the .ZA Domain Name Dispute Resolution Regulations was adjudicated on May 29 2008. The case concerned the dispute between Automobiles Citroën and Mark Garrod, the owner of the 'citroen.co.za' domain name. The adjudicator found in favour of Citroën on the basis that the disputed domain name did not convey to the public the true facts regarding the nature of the website.
- The new Competition Law Amendment Bill was published in August and at the time of writing was expected to be presented to Cabinet shortly. The Consumer Protection Bill is also in its final form. The Consumer Protection Bill is intended to be a bill of rights for consumers in the form of compliance codes for business and an enhanced enforcement tool to protect the rights of consumers.
- The Standard Bank Group announced that the transaction in terms of which the Industrial and Commercial Bank of China Limited was to acquire a 20% stake in Standard Bank Group had been completed. The equity investment is the largest foreign direct investment into South Africa and is a landmark transaction for Africa.
- South Africa has launched an initiative to grant extended protection to traditional knowledge. The parliamentary committee on trade and industry was told that legislation would be introduced in all existing IP laws.

inform the registrant once the changes have been made and there is no functioning WHOIS database to determine whether the changes have been made. In the case of Zambia, the registry insists that the applicant pay for the domain name before the domain name applied for is registered. Yet it is impossible to correspond electronically with the registry – it simply does not respond to emails.

However, things are changing for the better on the African continent. What is required now is for IP owners to take a proactive stance – reactive enforcement policies can be both costly and time consuming.

Recent developments

Ethiopia

Ethiopia has won trademark rights for its specialty Sidamo coffee in the United States and won out in its dispute with US coffee giant Starbucks. The trademark SIDAMO was registered at the US Patent and Trademark Office on February 12 2008 in the name of the government of Ethiopia, claiming use since 1928. Ethiopia's deal with Starbucks included a worldwide distribution arrangement for its coffee beans aimed at increasing demand.

Ghana

The main developments in Ghana are as follows:

- The World Intellectual Property Organization (WIPO) has concluded an agreement with the government of Ghana to offer a comprehensive and coherent approach to establishing a robust IP framework that will support the country's development objectives; and
- Ghana is acceding to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.

Kenya

Developments in Kenya include the following:

- The Anti-counterfeit Bill 2008 has been published for introduction to the National Assembly.
- Kenya is to establish an inventory on its artefacts and traditional knowledge, which will then be registered (protected) under the custody of the National Museum.
- The UK IP Office (IPO) has held the application by The Kikoy Company UK Limited to register the mark KIKOY in the United Kingdom to be withdrawn after the applicant failed to file a response to a notice of opposition filed by Tradecraft Exchange. The UK IPO letter confirming the withdrawal of the application was sent out on March 20 2008. The decision was celebrated in Kenya where the kikoy cloth originated.
- The Law Society of Kenya committee has issued a ground-breaking proposal which, if implemented, would allow law firms to advertise their services in the media.

Madagascar

WIPO has announced that the Republic of Madagascar deposited its instrument of accession to the Madrid Protocol on January 28 2008.

Namibia

The long-awaited bill to protect industrial patents, trademarks and industrial designs in Namibia was in its final stage at the time of writing and may head to Parliament before the end of this year.

Nigeria

The Nigerian Trademark and Patent Registry published its first two *Trademarks Journals* of 2008 on June 6 and July 20.

Tanzania

The Merchandise Marks Regulations 2008 were published in June and are now in force. They aid trademark owners in their fight against counterfeiters in Tanzania. A recent report has revealed that between 15% and 20% of goods circulating in the domestic market in Tanzania are counterfeit.

Uganda

The government of Uganda has finally gazetted the Trademarks Bill 2008 after a protracted review process spanning over five years. Another development is a recent High Court ruling in favour of Anglo Fabrics, with the court holding that Africa Queen was:

- infringing Anglo Fabrics' registered trademark MEKAKO; and
- passing off one of its products as Anglo Fabrics' medicated soap.

Zimbabwe

The Anti-piracy Organization of Zimbabwe was launched in January as a copyright and collective management inspectorate.

Other

Other recent developments include the following:

- ARIPO's Board of Appeal is celebrating its first appeal decision (*Fones 4 U*, trademark application Ap/M/2005/000303), which involved competing applications for the marks FONES 4 U by two different proprietors filed on separate dates. The Board of Appeal criticized ARIPO for mishandling the applications (in particular, for rejecting the later-filed application on the basis that it was not new) and ordered ARIPO to accept both applications and to inform the national offices of the competing rights, stressing that ARIPO should "strictly observe the protocol with respect to time limits information delivery, procedure and processing of application, procedure on appeals and rules of natural justice".
- Seventeen African ministers of arts and culture have officially launched the Southern and Eastern Africa Copyright Network (known as Seaconet) in a bid to strengthen regional collaboration and cooperation in the field of creative industries, copyright and related rights. The group includes Angola, Botswana, Kenya, Lesotho, Malawi, Mauritius, Madagascar, Mozambique, Namibia, Seychelles, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
- Eight African countries have formed the African Copyright and Access to Knowledge network (ACA2K network) to investigate the relationship between copyright and education in Africa. The team will, between 2008 and 2010, gather research evidence and engage policy makers in efforts to ensure maximum use of copyright law flexibilities that have the potential to increase access to learning materials in the study countries. The countries which will provide the multidisciplinary team are Egypt, Kenya, Morocco, Mozambique, Senegal, South Africa, Ghana and Uganda. [WTR](#)

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Additional information may be found on the Afro-IP weblog (www.afro-ip.blogspot.com)