

5 3. In the alternative, reinstate the Appellant's trademark No. UG/T/2024/83036 "Crane Paper Diamond" and the device in class 16 in the names Crane Paper Ltd on the register of trademarks and permit concurrent use of the mark subject to conditions and limitations that Court may deem fit.

10 4. A consequential order doth issue compelling the Registrar of Trademarks to reinstate the Appellant's trademark No. UG/T/2024/83036 "Crane Paper Diamond" and the device in class 16 in the names Crane Paper Ltd on the register of trademarks.

5. Costs of the application be provided for.

15 Background

The background of this appeal is detailed in the affidavit in support deponed by **Ms. Nimisha Chandubhai Patel** the Appellant's Director, and is summarized below:

20 1. That on 14th October, 2025, the Registrar of Trademarks delivered a ruling wherein he issued an order for variation of the Appellant's mark for which the Appellant is not satisfied with.

2. That the Appellant, in compliance with the procedures for registration of a trademark, applied for and registered the mark "Crane Paper Diamond" registered in class 16 under trademark No. 25 UG/T/2024/83036 in respect to reams of paper, exercise books and stationery.

3. That the Appellant has since it registered its mark on 14th August, 2024, commercially used the same on its products which include exercise books and reams of paper which have overtime, gained a 30 considerable and commendable market share in the stationery industry.

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- 5 4. That the Appellant registered its trademark in good faith with the
intention of protecting its brand.
5. That since the registration of its trademark “the Glorre’s Diamond”
vide trademark No. 63536 on 1st July, 2019, the Respondent has
never used the same until the Appellant gained brand visibility and
10 market share, which it now seeks to take advantage of.
6. That therefore, the Registrar of Trademarks erred in law and fact
when he failed to properly evaluate the evidence on record leading to
an erroneous decision and miscarriage of justice in ordering for the
variation of the Appellant’s trademark to remove the word “Diamond”
15 and the diamond symbol/device from the Appellant’s mark.

Representation

The Appellant was represented by Learned Counsel Akampurira Kenneth
and Learned Counsel Wandera Andrew of **M/s Amber Solicitors &
Advocates** while Learned Counsel Friday Roberts Kagoro of **M/s Muwema
20 & Co. Advocates** represented the Respondent.

Both parties filed their written submissions and the same have been
considered herein.

Grounds of appeal

The Appellant raised the following grounds of appeal:

- 25 1. The Registrar of Trademarks erred in law and fact when he failed to
properly evaluate the evidence on record leading to an erroneous
decision and miscarriage of justice in ordering for the variation of the
Appellant’s trademark to remove the word “Diamond” and the
diamond symbol/device from the Appellant’s mark.

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- 5 2. The Registrar of Trademarks erred in law and fact when he erroneously applied the test for likelihood of confusion by failing to conduct a holistic assessment of the trademarks in question thereby arriving at a wrong conclusion that the marks were confusingly similar.
- 10 3. The Registrar of Trademarks erred in law and fact by misconstruing the provisions of the Trademarks Act relating to disclaimers and registrations subject to limitations by refusing registration without adequately considering that the disclaimed matter did not negate the distinctive character of the Appellant's mark as a whole.
- 15 4. The Registrar of Trademarks erred in law and fact in ordering a variation to the Respondent's trademark which unjustly diminishes its distinctive character and the rights conferred by registration without sufficient or justifiable grounds.
- 20 5. The Registrar of Trademarks erred in law and fact when he failed to adequately assess the Appellant's prior use and market reputation as a result of the prior use of the trademark, thereby occasioning a miscarriage of justice.
- 25 6. The Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record and found that the Appellant and the Respondent's trademarks are not capable of honest concurrent usage.
- 30 7. The Registrar of Trademarks erred in law and fact and committed a distinct and material error of evaluation and principle in failing to recognize that the Appellant seeks to use the word 'Diamond' in the course of trade in a disclaimed and non-exclusive manner.
8. The Registrar of Trademarks erred in law and fact by failing to recognize that the public interest is prejudiced when a legitimate

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5 commercial enterprise is unjustly barred from using its legitimate registered trademark and from utilizing trade descriptive terms, and further erred by permitting one entity to monopolize such descriptive elements, thereby unlawfully restraining genuine trade competition.

9. The Registrar of Trademarks erred in law and fact when he exercised
10 his discretion injudiciously in condemning the Appellant to costs of the application when he had found that the Appellant had registered its mark in good faith and lawfully.

Submissions

Appellant's submissions

15 Ground 1: The Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record leading to an erroneous decision and miscarriage of justice in ordering for the variation of the Appellant's trademark to remove the word "Diamond" and the diamond symbol/device from the Appellant's mark.

20 Learned Counsel for the Appellant first relied on **Sections 88 and 58 of the Trademarks Act** and **Regulation 23(1) of the Trademarks Regulations** and then submitted that the regulation requires due diligence by the Registrar and as such, where a mistake or omission by the Registrar occurs affecting an Applicant, such an omission should not be visited on
25 the Applicant of a mark, in this case the Appellant.

That such omissions, mistakes or errors should not be visited on a party who followed the law and relied on the Registrar's action. That in his ruling, the Registrar rightly observed and attributed the error to the Registrar's failure during examination to identify the Respondent's earlier
30 "Glorre's Diamond" mark when approving the Appellant's application and

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5 went on to hold that there was no bad faith on the part of the Appellant. That since **Section 19(1) of the Trademarks Act** provides for registration of trademarks subject to disclaimers, then the Registrar's conclusion that the mere presence of the earlier Diamond registration converted his own examination oversight into an "error in registration" sufficient to justify
10 mutilation of the Appellant's registered mark, was erroneous and a misapplication of his powers under **Section 88(1) of the Trademarks Act**.

In conclusion, Learned Counsel submitted that this Court should make a finding in the Appellant's favour since the standard set by **Section 88 of the Trademarks Act** was not met and the Registrar's conclusion that the
15 Appellant's mark was "registered in error" was itself a misdirection arrived at without applying the test for a registrable mark as provided under **Section 9(1) and (2) of the Act** thus arriving at a wrong conclusion in making orders that the Appellant presents a new mark to vary the registered mark which is already in use.

20 Ground 2: The Registrar of Trademarks erred in law and fact when he erroneously applied the test for likelihood of confusion by failing to conduct a holistic assessment of the trademarks in question thereby arriving at a wrong conclusion that the marks were confusingly similar.

Learned Counsel for the Appellant relied on the cases of **Nairobi Java**
25 **House Ltd Vs Mandela Auto Spares Ltd, HCCA No. 13 of 2015** and submitted that as per the jurisprudence, similarity and the likelihood of confusion must be assessed through appreciation of the visual, phonetic and conceptual aspects of the marks, the overall impression created by the marks as a whole and the perspective of the average consumer of the
30 relevant goods, who is reasonably, well-informed, observant and circumspect. That the disregard of the dominant "Crane Paper" mark

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5 contradicts the established authority and therefore, the Registrar erred in law and fact when he focused exclusively on the shared word “Diamond” and the presence of the diamond device in both marks instead of analyzing the mark as a whole, side by side or juxtaposed against each other. That from the analysis of both marks, they are distinguishable thus reducing
10 the likelihood of confusion between otherwise similar elements.

Also, that whereas a disclaimer does not remove the disclaimed element from the mark for purposes of comparison, it reduces the weight to be given to that element in the overall impression. Further, that the Appellant’s warning advert and cease and desist letter were an
15 enforcement within the law and without prior knowledge of the Respondent’s registration of “Glorre’s Diamond” as a mark on the register following the Appellant’s registration. That therefore, the Registrar misapplied the test for similarity and confusion.

Ground 3: The Registrar of Trademarks erred in law and fact by
20 misconstruing the provisions of the Trademark Act relating to disclaimers and registrations subject to limitations by refusing registration without adequately considering that the disclaimed matter did not negate the distinctive character of the Appellant’s mark as a whole.

Learned Counsel for the Appellant submitted that the Registrar’s reliance
25 on **Section 19(2) of the Trademarks Act** but then effectively disregarding its effect by treating “DIAMOND” as the central and dominant element in both mark, using the presence of “DIAMOND” in the Appellant’s trademark despite the disclaimer as a principal basis to find the confusing similarity and subsequently ordering the removal of “DIAMOND” and the device from
30 the Appellant’s mark, departs from the guidance of this Honorable Court in the case of **Nairobi Java House Ltd Vs Mandela Auto Spares Ltd**

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5 **(supra).** That by misconstruing the effect of the disclaimer and treating it as if the Appellant were asserting exclusive rights in “DIAMOND”, the Registrar erred in law and fact when he misapplied **Section 19 of the Trademarks Act** and undermined the very purpose of disclaimers.

10 Ground 4: The Registrar of Trademarks erred in law and fact in ordering a variation to the Respondent’s trademark which unjustly diminishes its distinctive character and the rights conferred by registration without sufficient or justifiable grounds.

Learned Counsel for the Appellant submitted that in his findings, the Registrar observed that the Appellant’s trademark was registered in error
15 upon which he made orders for variation “to remove the word “DIAMOND” and the diamond device from the Appellant’s mark. That much as **Section 88 of the Trademarks Act** allows the Registrar to vary entries for errors, this power must be used to correct the register and not to impose disproportionate hardship on innocent proprietors.

20 That if the order for variation is forced on the Appellant, with a manufacturing business, it will have to re-design all the packaging, covers and artwork used on the production line; scrape or re-sticker the existing stock of goods and there will be potential contract disputes with buyers who ordered “CRANE PAPER DIAMOND” products, under-utilization of the
25 plant capacity and potential job losses, all which negatively impact on the Appellant’s finances and borrowings, cash flows, investment in the manufacturing production line, stocking in preparation for school terms reopening, and the wage bills having to render stock redundant within an unreasonable time as condemned by the Registrar. That therefore,
30 coexistence and carefully tailored measures where both parties have legitimate rights and long-standing use, instead of destroying one party’s

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5 brand is the proportionate approach to a reputable brand like that of the Appellant. That thus, the variation order granted by the Registrar is unjust, disproportionate, and unsupported by sufficient grounds.

Ground 5: The Registrar of Trademarks erred in law and fact when he failed to adequately assess the Appellant's prior use and market reputation as a result of the prior use of the trademark, thereby occasioning a miscarriage of justice.

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Learned Counsel for the Appellant relied on the case of ***Liberty Group Limited Vs Loreal Logistics Limited (now Liberty (ICD) Limited, HCCA No. 79 of 2023*** where it was held that a person who introduces a mark into commercial activities in Uganda and builds goodwill with it, has a legally cognizable interest and that a party who can prove prior, continuous use of a mark has rights that are superior to a later applicant even if the later applicant was the first to register.

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That the Appellant's prior use and market presence was recognized by the Registrar as demonstrated by the operation of a manufacturing plant in Uganda, long-standing use of the CRANE PAPER marks, introduction and consistent use of "CRANE PAPER DIAMOND" as an associated brand in the market, substantial goodwill and recognition among stationery buyers and institutional clients.

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That despite the above, the Registrar failed to meaningfully consider the duration, extent, and impact of the Appellant's use, as well as the accumulated goodwill and reputation attached to its mark, hence arriving at a wrong decision. That therefore, this Court should maintain the Appellant's registration of the trade mark on the register vide UG/T/2024/83036 as of May, 2024 since by failing to properly weigh the Appellant's prior use, market presence, and associated goodwill

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5 particularly as a manufacturer with long-standing investment in its mark, the Registrar directly caused a disproportionate and unjust outcome, amounting to a miscarriage of justice which ought to be cured by maintaining the Appellant's registered trademark on the register.

10 Ground 6: The Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record and found that the Appellant and the Respondent's trademarks are not capable of honest concurrent usage.

Learned Counsel for the Appellant relied on **Section 27 of the Trademarks Act** which empowers the Registrar or Court to permit
15 concurrent registration of identical or closely resembling marks where there is honest concurrent use or other special circumstances. That in the case at hand, the Appellant is a bona fide registered proprietor of trademark No.UG/T/2024/83036 as of 7th May, 2024. That the mark in question is distinctly dominated by "CRANE PAPER," with "DIAMOND"
20 used in a disclaimed, non-exclusive manner and therefore there is no likely potential confusion considering the packaging, color schemes, layout, and the mandatory prominence of the primary mark being "CRANE PAPER".

That the Registrar's assertion that the marks "cannot co-exist in the market", based on a cease and desist letter lacks any legal basis and a
25 rigorous and balanced approach as required under **Section 27 of the Trademarks Act**. In conclusion, Learned Counsel for the Appellant submitted that the Registrar's finding that the parties' marks were incapable of honest concurrent use was an error of both law and fact.

30 Ground 7: The Registrar of Trademarks erred in law and fact and committed a distinct and material error of evaluation and principle in

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5 failing to recognize that the Appellant seeks to use the word ‘Diamond’ in the course of trade in a disclaimed and non-exclusive manner.

Learned Counsel for the Appellant submitted that the Appellant’s case, as demonstrated by the appeal, is not a claim to the exclusive ownership of “DIAMOND” as a standalone word mark as erred by the Registrar. That
10 instead, the Appellant seeks to use “CRANE PAPER DIAMOND” as a composite mark for its products, explicitly disclaiming “DIAMOND” and acknowledging its non-exclusive nature. That much as the Registrar acknowledged the existence of the disclaimer on the Appellant’s mark, he erred in law and fact when he proceeded as if the Appellant had insisted
15 on exclusive rights over the word “DIAMOND”.

Ground 8: The Registrar of Trademarks erred in law and fact by failing to recognize that the public interest is prejudiced when a legitimate commercial enterprise is unjustly barred from using its legitimate registered trademark and from utilizing trade descriptive terms, and
20 further erred by permitting one entity to monopolize such descriptive elements, thereby unlawfully restraining genuine trade competition.

Learned Counsel for the Appellant submitted that the Registrar erred in law and fact by failing to recognize that public interest is gravely prejudiced when a legitimate commercial enterprise is unjustly barred from using its
25 own lawfully registered trademark, and that when one entity is permitted to monopolize descriptive or laudatory terms, fair competition is unlawfully restrained. That the Registrar’s orders prevent a bona fide manufacturer from using its lawfully registered composite mark thus leaving the Respondent in effective control of the only “DIAMOND” element stationery
30 mark (in Class 16), despite the Appellant’s disclaimer and willingness to use “DIAMOND” non-exclusively. That this also creates a de facto quasi-

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5 monopoly over the laudatory word “DIAMOND”, contrary to the goals of
trade mark law and public interest. That therefore, the consequences of
the orders of the Registrar are deeply problematic since the Appellant, a
significant supplier of exercise books and stationery, is forced to eliminate
or rebrand its “DIAMOND” mark which rebranding is likely to cause
10 increased costs, reduced brand recognition, and diminished
competitiveness each of which harms consumers and the industry.

In conclusion, Learned Counsel for the Appellant submitted that the
Registrar erred in law and fact when he unjustly restrained the Appellant
from a legitimate commercial enterprise arising from a legitimately
15 registered mark and allowed the Respondent to monopolize descriptive
elements thereby restraining genuine trade and competition.

Ground 9: The Registrar of Trademarks erred in law and fact when he
exercised his discretion injudiciously in condemning the Appellant to costs
of the application when he has found that the Appellant had registered its
20 mark in good faith and lawfully.

Learned Counsel for the Appellant submitted that in his ruling, the
Registrar awarded the costs of the application to the Respondent despite
having recognized the fact that the Appellant’s registration was obtained
in accordance with the established legal procedures. That also, the
25 Registrar acknowledged that the Appellant did not act in bad faith and
that the “error” arose primarily from the Registrar’s failure to identify the
earlier “DIAMOND” mark at examination. That since both parties hold
legitimate registrations, the primary cause of the dispute was an
administrative error by the Registrar, the Appellant is a manufacturer who
30 relied, in good faith, on the Registrar’s action and since the Registrar
explicitly found no bad faith on the Appellant’s part; then it was not

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5 judicious and proportionate to penalize the Appellant with costs. That therefore, the fair and just order, especially considering the equities and the public interest, should have been that each party bears its own costs. That accordingly, the order as to costs be set aside by this Honorable Court.

10 Respondent's submissions

Learned Counsel for the Respondent submitted on grounds 1, 2, 3, 4, 5 and 6 concurrently.

Learned Counsel contended that Learned Counsel for the Appellant misapplied **Section 58 of the Trademarks Act and Regulation 23(1) of**
15 **the Trademarks Regulations**. That while a certificate of registration is a prima facie evidence of title, it does not follow that a trademark erroneously registered cannot be rectified or removed. That in fact **Section**
88 of the Trademarks Act was enacted precisely to cure errors, omissions, wrongful entries and defects in registration and that the
20 Registrar's decision is anchored on the rule of priority which is a key pillar of the trademarks system. That therefore, Learned Counsel for the Appellant's argument that an error cannot be corrected is misleading since the law requires that once a defect is discovered, it must be rectified to cure an injustice. That it should also be noted that the Appellant does not
25 dispute the fact that its trademark was erroneously registered owing to the earlier registration of the Respondent's mark.

Further, that the Registrar assessed each and every aspect of the two marks holistically, applied the correct principles and arrived at the correct conclusion. That after analyzing the similarities of the two marks and the
30 goods in issue, the Registrar evaluated the Appellant's own evidence of the cease and desist letter admitting similarity and likelihood of confusion.

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5 That according to the Registrar's ruling under paragraphs 33, 34 and 35, the Registrar analyzed the three key approaches of assessing similarity that is visual, phonetic and conceptual similarity contrary to Learned Counsel for the Appellant's submission.

Also, that the Appellant's submission that the Registrar did not look at the
10 evidence of the Appellant's manufacturing activities and the Respondent's lack of use of its mark is misleading since no evidence of prior use of the mark or non-use of the Respondent's mark was presented by the Appellant, before this Court or the Registrar. That the exercise book and other pictures annexed thereto do not prove prior use nor do they contain
15 sufficient commercial information that show large scale commercial dealing in the mark prior to 2018. That the Appellant only proved that its mark was registered in 2024 which does not show prior use before 2018 when the Respondent registered its mark.

Furthermore, that **Section 19 of the Trademarks Act** provides for
20 disclaimers and thereunder, such disclaimers should not affect prior rights of an owner of a trademark. That the Appellant intentionally pursued registration of the word "Diamond" with disclaimers which clearly affected the Respondent's rights who registered its mark in 2018 and acquired exclusive rights. That the Appellant's subsequent registration
25 contravened **Sections 19(2) and 25 of the Trademarks Act**. That having found an error in the registration, the Registrar was at liberty to exercise his discretion and grant the appropriate remedy being variation. That however alternatively, this Court can order for cancellation of the Appellant's trademark since it infringes on the Respondent's mark.

30 Also, that much as the Appellant faults the Registrar for the alleged failure to consider its prior use and market reputation, no evidence of honest prior

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5 use before 2018 when the Respondent registered its trademark, was
submitted by the Appellant before this Court or the Registrar. That more
so, the Appellant does not dispute the fact that it registered its trademark
in 2024. That as correctly stated by the Registrar, the remedy of
concurrent use did not apply in the circumstances since the remedies for
10 rectification and variation are well spelt out in the Act. That also,
concurrent use does not apply to erroneously registered trademarks.

Learned Counsel also submitted on grounds 7 and 8 concurrently.

Ground 7: The Registrar of Trademarks erred in law and fact and
committed a distinct and material error of evaluation and principle in
15 failing to recognize that the Appellant seeks to use the word “Diamond” in
the course of trade in a disclaimed and non-exclusive manner.

Ground 8: The Registrar of Trademarks erred in law and fact by failing to
recognize that the public interest is prejudiced when a legitimate
commercial enterprise is unjustly barred from using its legitimate
20 registered trademark and from utilizing trade descriptive terms, and
further erred by permitting one entity to monopolize such descriptive
elements, thereby unlawfully restraining genuine trade competition.

Learned Counsel for the Respondent submitted that these grounds are a
repetition of ground 3 and therefore, reiterated his submissions under the
25 said ground. Learned Counsel added that the purpose of a trademark is to
create an exclusive right over a word or mark for purposes of
distinguishing goods of one enterprise from those of others and therefore,
to allow a registered trademark to be taken by others under the guise of
disclaimers is to undermine the entire essence of exclusivity which is a
30 fundamental pillar of the intellectual property system globally.

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5 Ground 9: The Registrar of Trademarks erred in law and fact when he exercised his discretion injudiciously in condemning the Appellant to costs of the application when he had found that the Appellant had registered its mark in good faith and lawfully.

10 Learned Counsel submitted that costs are within the discretion of the presiding officer and as stated under **Section 27 of the Civil Procedure Act**, they follow the event. That for trademark disputes, **Section 57 of the Trademarks Act** empowers the Registrar to award costs. That therefore, the Registrar correctly acted within his discretion to award costs.

Appellant's submissions in rejoinder

15 In rejoinder, Learned Counsel for the Appellant reiterated their previous submissions and added that the Respondent has failed to satisfy the statutory burden under **Section 88(1) of the Trademarks Act** which requires proof that the registration was made without sufficient cause or wrongly remains on the register. That the existence of an earlier mark does
20 not in itself constitute an "error" and the Respondent did not cite any provisions of the Act or case law holding that a composite mark with disclaimers constitutes a wrongful entry merely because it contains a descriptive element similar to an earlier registration. That it is undisputed that the Appellant's mark includes the dominant element "Crane Paper"
25 and no evidence of actual confusion, consumer survey, market instances and misrepresentations in the market are adduced to prove the likelihood of confusion.

Learned Counsel submitted that the Respondent's insistence that the Appellant should be barred from using "Diamond" even in a non-exclusive,
30 disclaimer manner would nullify the purpose of **Section 19 of the Trademarks Act** on disclaimers. That the Appellant has also

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5 demonstrated its continuous use of “Crane Paper” and its extension
“Crane Paper Diamond” and therefore, honest prior use overrides formal
registration dates. Also, that much as the Appellant avers that concurrent
use is impossible, **Section 27 of the Trademarks Act** is there to that
effect and that the Respondent has failed to demonstrate how the
10 coexistence would cause confusion.

Learned Counsel submitted that the Respondent adopted an incorrect
legal test by isolating the shared word and device which approach violates
the established holistic, standard of evaluating the marks as a whole,
considering their visual, phonetic and conceptual impression on the
15 average consumer. Also, that the Respondent has not defended the
Registrar’s award of costs with reference to legal principles and in the
circumstances the award of the costs was injudicious. That in the case of
***the Registered Trustees of Fort Portal Catholic Diocese Vs Wakesa
David, Civil Appeal No. 31 of 2018*** it was held that although the rule
20 that costs follow the event has sound logic, it is not absolute; the ultimate
decision lies in judicial discretion.

Determination

In the case of ***Gapco (U) Ltd Vs AS Transporters Ltd [2009] 1 EA 145***,
it was held that it is not the number of grounds one has that matters but
25 the substance of the grounds. In the instant case, the Appellant framed
nine grounds revolving around the same issues. In the circumstances, I
have rephrased the issues to streamline the proper grounds of appeal as
follows:

1. Whether the Assistant Registrar of Trademarks erred in law and fact
30 when he ordered the Appellant to vary its trademark?

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- 5 2. Whether the Assistant Registrar of Trademarks erred in law and fact
when he denied the Appellant concurrent usage of their trademark?
3. Whether the Assistant Registrar of Trademarks erred in law and fact
when he condemned the Appellant to the costs of the application?

Ground 1: Whether the Assistant Registrar of Trademarks erred in law and
10 fact when he ordered the Appellant to vary its trademark?

I have carefully considered the appeal, evidence, the law, submissions and
authorities as cited, to find as hereunder.

Section 66 of the Trademarks Act empowers this Court with the
appellate jurisdiction to hear and determine appeals arising from the
15 decisions of the Registrar of Trademarks.

It is trite that as the first appellate Court, this Court is duty bound to re-
appraise the evidence on record and come up with its own decision, not
disregarding the judgment appealed from. (See: **Fr. Narsensio Begumisa
& 3 Others Vs Eric Tibebaga, SCCA No. 17 of 2002** and **Pandya Vs R**
20 **(1957) EA 336**). As stated in the case of **Fr. Narsensio Begumisa & 3**
Others Vs Eric Tibebaga (supra):

*“It is a well-settled principle that on a first appeal, the parties are
entitled to obtain from the appeal Court its own decision on issues of
fact as well as of law. Although in a case of conflicting evidence, the
25 appeal Court has to make due allowance for the fact that it has neither
seen nor heard the witnesses, it must weigh the conflicting evidence
and draw its own inferences and conclusions.”*

It is also trite that an appellate Court is not to interfere with the exercise
of the discretion by a quasi-judicial administrative tribunal such as the
30 Registrar of Trademarks, unless it is satisfied that in exercising that

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5 discretion, the Registrar misdirected himself/herself in some matter and
as a result came to a wrong decision, or unless manifestly from the case
as a whole, the Registrar was clearly wrong in the exercise of the discretion
and an injustice resulted. A Court on appeal, should not interfere with the
exercise of the discretion of the Registrar merely because of a difference of
10 opinion, as to the proper order to make. An appellate Court will only
interfere with the exercise of discretion of a Registrar where he or she
incorrectly applied a legal principle or the decision is so clearly wrong that
it amounts to an injustice. (See: **Liberty Group Limited Vs Loreal**
Logistics Limited (now Liberty (ICD) Limited (supra).

15 The appeal before me is premised on the background that, on 15th
January, 2025, the Respondent filed an application before the Registrar of
Trademarks seeking cancellation of the Appellant's trademark on grounds
that; it was registered in error since its trademark number 63535
"Diamond" was registered on 29th November, 2016 in class 16 and that the
20 Appellant registered its trademark in bad faith.

The Respondent's trademark was in respect of paper, cardboard and goods
made from materials not included in other classes; printed material; book
binding material; photographs; stationery; adhesives for stationery or
household purposes; artists' materials; paint brushes; typewriters and
25 office requisites (except furniture); instructional and teaching material
(except apparatus); plastic materials for packaging (not included in other
classes); printers' type and printing blocks. The Appellant registered its
trademark number UG/T/2024/83036 in class 16 in respect of reams of
paper, exercise books and stationery on 14th August, 2024.

30 On 14th October, 2025, **Birungi Denis** the Assistant Registrar of
Trademarks held that the Appellant's registration of the trademark was

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5 not in bad faith but was an error at registration and that considering the Appellant's conduct of issuing cease and desist letters to the Respondent and its public warning in the Daily Monitor newspaper of 31st December, 2024, it was aware that the trademarks in issue were likely to cause confusion and therefore, the Appellant's registration and concurrent use
10 of its trademark would cause confusion. To that the Assistant Registrar of Trademarks ordered that the Appellant's trademark be varied considering that it has already used the same on the market.

Aggrieved with the said orders, the Appellant filed this appeal seeking to reinstate its trademark and set aside the variation order or alternatively
15 be granted concurrent use of the trademark.

In the case at hand, it is undisputed that the Respondent registered its trademark number 63535 "DIAMOND" and a diamond device on 29th November, 2016 in class 16 and that on 14th August, 2024, the Appellant also registered its trademark number UG/T/2024/83036 in class 16
20 which also includes the word "DIAMOND" and a diamond device. It is also undisputed that the Respondent's trademark is in respect of paper, cardboard and goods made from materials not included in other classes; printed material; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint
25 brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type and printing blocks while the Appellant's trademark is in respect of reams of paper, exercise books and stationery. According to the evidence in the record of appeal; on 31st
30 December, 2024 through a Daily Monitor Newspaper, the Appellant issued

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5 a public notice warning the general public against infringement of its trademark.

Also, in a cease and desist notice dated 9th January, 2025, the Appellant informed the Respondent that its trademark was infringing on theirs since through their market intelligence it had been established that the
10 Respondent was manufacturing, importing, distributing and selling exercise books and reams of paper which are branded with its “Diamond” trademark and that the same were being marketed and sold at the detriment of the Appellant thus causing financial and reputational loss.

According to the ruling of the Assistant Registrar of Trademarks, it was
15 held that:

*“First, by the Respondent’s (now Appellant) own conduct and evidence on record, the 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
20 against use of the “Diamond” trademark and following it with a cease and desist letter...alleging that the Applicant’s (now Respondent) use of the word “Diamond” and the device infringes on its own registered trademark.”*

Section 25(1)(a) of the Trademarks Act provides that a trademark
25 relating to goods shall not be registered in respect of goods or description of goods that are identical with or nearly resembles a trademark belonging to a different owner and already on the register in respect of the same goods. Therefore, considering that the Respondent registered its trademark before the Appellant and considering that their trademarks are
30 nearly similar, then the registration of the Appellant’s trademark was erroneous since it is likely to cause confusion on the market.

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5 The Appellant also contended that the word in issue “Diamond” was disclaimed and therefore, the Registrar misapplied **Section 19 of the Trademarks Act**.

Section 19(1)(a)(i) of the Trademarks Act stipulates that:

10 “Where a trademark contains a part that is not separately registered by the owner as a trademark or if-

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

15 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 the High Court hold him or her not to be entitled.” **(Emphasis Mine)**

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In the case at hand, no evidence was adduced by the Appellant before the Registrar or this Court to show that the word “diamond” is descriptive of its goods, that is, the reams of paper, exercise books and stationery or that

25 the same is common or generic to the trade. In the case of **Nairobi Java House Ltd Vs Mandela Auto Spares Ltd (supra)** relied upon by the Appellant, it was held that failure to prove that the disclaimer is descriptive of the goods or services in issue, rules out the applicability of **Sections 19 and 26 of the Trademarks Act**. Additionally, **Section 19(2) of the Trademarks Act** provides that a disclaimer on the register shall not affect

30 the rights of the owner of a trademark.

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5 In the premises, I find that the Assistant Registrar of Trademarks did not err in law or fact when he ordered the Appellant to vary its trademark since it was likely to cause confusion on the market. Therefore, this ground fails.

Ground 2: Whether the Assistant Registrar of Trademarks erred in law and fact when he denied the Appellant concurrent usage of their trademark?

10 Analysis and Determination

Section 27(d) of the Trademarks Act provides that:

“The Registrar or the High Court may permit the registration by more than one owner, in a case of honest concurrent use or other special circumstances in respect of –

15 *d) Trademarks that are identical or nearly resemble each other, subject to such conditions and limitations as the Registrar or the High Court may impose.”*

The doctrine of honest concurrent use confers upon the Registrar discretion to permit registration in special circumstances, balancing the
20 potential for public confusion with the commercial reality of two businesses genuinely using similar marks and it involves a holistic assessment as to whether or not the mark applied for can coexist alongside a prior mark without confusion. (See: **Liberty Group Limited Vs Loreal Logistics Limited (now Liberty (ICD) Limited (supra)**).

25 According to the ruling, the Assistant Registrar of Trademarks held that:

“Despite the prayer for concurrent use above, I note that the correct approach in the circumstances of this case is to order variation... Considering that the Respondent (now Appellant) is already manufacturing and could probably be contributing to the economy in

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5 *terms of providing employment and paying taxes, I decline to remove
the mark as requested by the Applicant (now Respondent). I instead
grant the remedy of variation of the 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
10 considered to have been registered in error, rebrand and continue to
operate."*

Learned Counsel for the Appellant submitted that the Registrar erred in law and fact when he failed to apply the holistic assessment and allow concurrent usage of the trademarks.

15 In the case of ***Liberty Group Limited Vs Loreal Logistics Limited (now Liberty (ICD) Limited (supra)***, Hon. Justice Stephen Mubiru held that:

*"The following factors are taken into account when assessing whether a case of honest concurrent use exists: (i) the extent of use in duration and volume; (ii) the degree of confusion likely between the
20 trademarks in question, (iii) whether any instances of confusion have in fact occurred, (iv) the honesty or otherwise of the concurrent use and (v) the relative inconvenience that would be caused to the respective parties if the applicant's trademark were registered... It is essential that the concurrent use be honest."*

25 **Hon. Justice Stephen Mubiru** went on to hold that a mark is said to be honestly used when it has been independently adopted and used without knowledge of prior-existing identical or similar marks in the market. In the instant case, according to the record of appeal, on 14th May, 2024 vide an Exam Report, the Appellant was informed that its intended trademark was
30 similar to an already registered trademark.

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5 Also, according to the certificate of registration dated 14th August, 2024, the use of the Appellant's trademark was to have effect from 7th May, 2024 yet according to the Respondent's certificate of registration, its trademark had effect from 1st July, 2019. As earlier stated, the Appellant's trademark was likely to cause confusion.

10 In light of the above, considering that there is a likelihood of confusion and that the trademarks are used within the same geographical area, I therefore, find that the Assistant Registrar of Trademarks did not err in law or fact when he denied the Appellant concurrent usage of the trademark. Therefore, this ground fails.

15 Ground 3: Whether the Assistant Registrar of Trademarks erred in law and fact when he condemned the Appellant to the costs of the application?

Analysis and Determination

Learned Counsel for the Appellant submitted that since the Assistant Registrar of Trademarks recognized that the error arose primarily from the Registrar's failure to identify the earlier "Diamond" mark at examination and therefore, it was not judicious and disproportionate to penalize the Appellant with costs. That therefore, the order for costs against the Appellant should be set aside.

25 The principles on the award of costs are that costs of any cause shall follow the event unless otherwise ordered by the Court as per **Section 27(2) of the Civil Procedure Act**.

Section 57 of the Trademarks Act provides that:

30 *"(1) In all proceedings before the Registrar, the Registrar may award to any party costs as he or she may consider reasonable and may direct how and which parties are to be paid."*

Phuie

5 (2) *An order made under subsection (1) may, by leave of the High Court, be enforced in the same manner as a judgment or order of the High Court to the same effect.*”

In light of the above, I find that the Assistant Registrar of Trademarks rightly applied the governing principles and rightly exercised his discretion
10 when he awarded the costs of the application to the Respondent. Therefore, the Assistant Registrar of Trademarks did not err in law and fact when he awarded costs of the application to the Respondent. This ground therefore, also fails.

In the premises, the appeal fails and the ruling of the Assistant Registrar
15 of Trademarks, **Birungi Denis**, vide an application for cancellation/removal of a trademark No.**UG/T/2024/83036** delivered on 14th October, 2025, is hereby upheld.

Costs of this appeal are awarded to the Respondent.

I so order.

20 Dated, signed and delivered electronically this **12th** day of **December, 2025**.



Patience T. E. Rubagumya

JUDGE

12/12/2025

Delivered via ECCMIS

Under the Judicature (Electronic Filing, Service and Virtual Proceedings) Rules, 2025.