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Zambia introduces welcomed revisions in the Trade Marks Bill 2023

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Zambia's Trade Mark Legislation is currently the Trade Marks Act (Chapter 401) 1958 ("TM Act") and in 2023 the Trade Marks Bill 2023 ("TM Bill 2023") was passed. The commencement date for the TM Bill 2023 is not yet known and in terms of S155 the Minister may make Regulations for the *better carrying out of the provisions of the Act.*

The TM Bill 2023 does contain a number of revisions, many of which are likely to be welcomed by brand owners, the below being of significance:

Services in international classes 34-45: Zambia's TM Act 1958 does not recognise service marks and requires the drafting of tailored specifications in classes 1-34. The introduction of service classes in Section 9 has the potential to enhance protection and enforcement concerning services in the Territory;

Multi-class applications: Section 10 introduces multi-class applications as opposed to single class applications currently and could prove to be more cost and time efficient in portfolio management and strategy;

Division of an application: Consequently section 11 provides for the division of an application by class or by applying for the division of goods and/or services within a class before registration;

Broader definition of a mark extending to smell, shape and sound marks;

Geographical Indications ("GIs"): GI's are signs on products which denote qualities and characteristics which are as a consequence of origin. The TM Bill 2023 recognises and allows for the registration of GI's in Part IX, Sections 95 to 108 dealing with definition, right to use, exemption and cancellation of GIs;

International registrations ("IR's") and the designation of Zambia in IR's: Section 154 of the TM Bill 2023 recognises the International Agreement under the Madrid Protocol in terms of which an Applicant in a member country is able apply for an IR and designate several Territories within that IR. To do so the Applicant must have a real and effective industrial commercial establishment in the member country which is intended to be used as the basis. Once implemented so too can Applicants in other member countries designate Zambia in an IR;

Well-known marks: In terms of Section 51, for a mark to be considered well-known, that mark must be well-known in the Republic as being the trade mark of a person who is a national of a Convention country or domiciled in, or has a real and effective industrial or commercial establishment in the Convention country, whether or not the person carries on business in the Republic. Well-known marks are protected under the Paris Convention and do not need to be registered. A proprietor of a well-known mark can on that basis oppose another application or apply to cancel another registration;

Assignments: Currently the Property Transfer Tax Act provides that when a trade mark is assigned to another entity it should be accompanied by payment of a 5% of the value of the trade mark as property transfer tax. Those guidelines at the Zambia revenue authority are unclear with the result that assignments are not presently recorded at the Registry;

Section 55 (1) of the TM Bill 2023 deals with trade marks as personal property and as well as the taxation thereof in Section 55 (2) whereby *"a registered trade mark may be a subject of a charge or security in the same manner as other personal property"*.

Comment

In terms of the 2012 SCA ruling, DH Brothers (Pty) Limited vs Olewine Industries (Pty) Limited, the TM Act 1958 confers rights in respect of registered marks only. This means that currently persons conducting business in Zambia are unable to rely on common law rights in preventing a competitor from registering a trade mark that is identical or confusingly similar to its unregistered trade mark in Zambia.

In terms Section 64 (2) *a person is not entitled to institute infringement proceedings to prevent an infringement or to recover damages in respect of the infringement of an unregistered trade mark* therefore restating the current position.

Section 64 (3) does go on to say that (3) *despite subsection (2), nothing in this Act affects the right of action of a proprietor against a person for passing off a good or service as the good or service provided by another person and the remedies available under that right.*

Further with the introduction of well-known marks in the TM Bill 2023 it will be interesting to see whether the position regarding common-law rights, currently not recognised in Zambia, will change.

Until this position changes the importance of trade mark registration remains.

Please contact Werksmans Intellectual Property practice area for further advice and assistance.

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