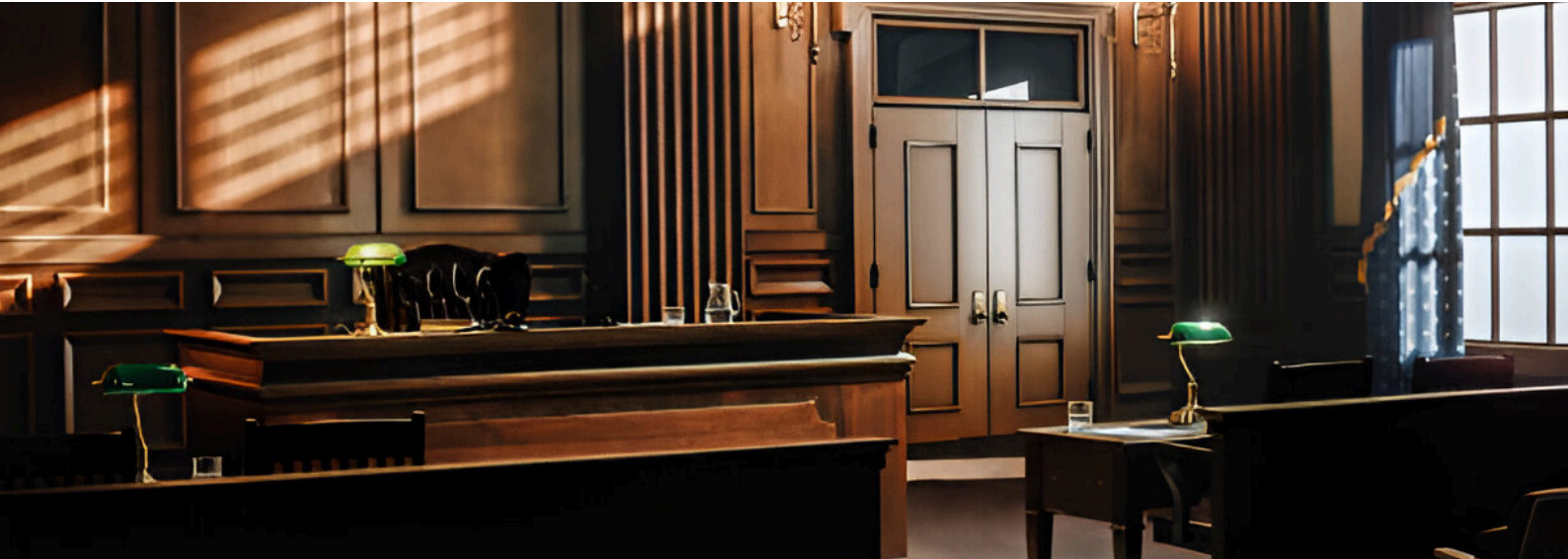




The ALP Review
**OTHER AFRICAN
JURISDICTIONS**

Q2 2024



**Suit No.
2022/HPC/0788 &
2023/HPC/0224**
**Intercontinental Great
(1) Brands LLC v. Zayaan
Investments Limited –**
*A registered trademark can be
expunged due to being
confusingly similar to another*

Summary of Facts

International Great Brands LLC (the Appellant) registered two trademarks at the Zambian Trademark Office (Trademark Office); the first was for the “OREO” name in class 30 for bread, biscuits, pastry, coffee and other items which became effective on 30 January 1974 and the second was for the OREO name in class 30 for biscuits, cookies and crackers effective on 3 January 2007. Zayaan Investments Limited (the Respondent) also registered a trademark at the Trademark Office for the mark MOREO’S (initial MOREO’S trademark) in class 30 for similar food products including bread, biscuits, coffee and many other items in 2007. The Respondent

seeking to add additional goods to the initially registered trademark subsequently made another application at the Trademark Office for the registration of a new MOREO’S trademark which was filed sometime in 2017. The Appellant objected to this registration before the Registrar of Trademarks at the Trademarks Office, contending that the mark “MOREO’S” was confusingly similar to their already registered mark “OREO”. During the objection process, the Appellant further was made aware of the initial MOREO’S trademark and additionally applied for the trademark to be expunged on the ground that the mark was secured by fraud. The Respondent denied all allegations made by the Appellant and contended that its MOREO’S trademarks have been registered without any objections. The Respondent further stated that they had the right to continue to utilise the initial MOREO’S trademark.

The Registrar rejected the Appellant’s objection stating that by the provisions of Section 16 and 18 of the Trademark Act² the Appellant failed to show that at the time of the registration of the existing MOREO’S trademark, the OREO’s trademark was in use in Zambia. The Registrar further held that the Appellant had failed to show that the OREO trademark had acquired a reputation that entitled it to protection under the common law. However, the Registrar upheld the objection to the registration of the new MOREO trademark for being confusingly similar to the OREO trademarks.

² <https://www.parliament.gov.zm/sites/default/files/documents/acts/Trade%20Marks%20Act.pdf> there is now a new trademark act in Zambia.

The Appellant dissatisfied with the Registrar's decision regarding the expungement of the initial MOREO'S trademark, lodged an appeal at the Zambian High Court holden at Lusaka. The Respondent also disappointed with the ruling on the objection of the registration of their new MOREO'S trademark, cross-appealed before the same court. The two appeals were consolidated at the same High Court for determination.

Notable Issues for Determination

One of the issues considered for determination was: *Whether an already registered trademark deemed to be confusingly similar to another can be expunged from by the trademark registry*

ARGUMENTS

The Appellant sought to expunge the initial MOREO'S trademark on the ground that the trademark was confusingly similar to its 'OREO' mark and further argued that the Respondent's mark was registered fraudulently. The Respondent claimed that the MOREO'S trademarks are visually and phonetically distinct from the Appellant's mark, leaving no possibility of deception or confusion to the consumer. The Respondent argued that at worst, the defence of honest concurrent use under section 17 of the Trademarks Act 1958 is applicable because the Respondent was unaware of the Appellant's use of the 'OREO' trademark.

Decision of the Court

In resolving the issue, the court held that:

The OREO brand had been established more than 100 years ago and enjoys global fame. The court affirmed that the Respondent as a company engaged in the international market and ought to have known that the MOREO'S trademark would be strikingly similar to the famous OREO brand such that it may cause confusion in the local Zambian market.

The court also held in view of the fact that the visual and phonetic similarity between OREO and MOREO'S and the fact that they were both registered under the same class, the expungement ruling ought to have been the same with the objection ruling. Since the two are identical wordmarks, the court agreed with the Appellant that the Registrar erred in law and in fact by finding that there was no likelihood of deception or confusion. The court concluded that considering the provisions of section 16 and 17 of the Trademark Act, it would be wrong for the initial MOREO'S trademark to remain registered in Zambia. The court decided in favour of the Appellant and granted an order for the removal of the initial MOREO'S trademark.³

Comments

The court's decision to uphold the objection of the new trademark sought to be registered by the Respondent is consistent with well-established legal principles as a trademark which is confusingly similar to another can be refused registration. Some might argue like the Respondents, that an already registered trademark is deemed valid until the expiration of

³ <https://zambiaii.org/akn/zm/judgment/zmhc/2024/1/eng@2024-01-30/source.pdf>

of seven (7) years from the date of its registration. However, such an argument is clearly inconsistent with the provisions of the Act as it provides that a registered trademark can be invalidated in two ways: where the registration was occasioned by fraud or where the trademark is likely to deceive or cause confusion.⁴



GHANA

NO. J4/41/2015 Tatiana Boya v. Mario De Cataldo and Cottage Italia Industries Limited Judgement dated 13 March 2024 – *A duly executed deed of transfer of shares is sufficient proof for a valid transfer of shares*

Summary of Facts

By virtue of a Deed of Transfer dated 13 December 2006, Mr Mario De Cataldo (1st Respondent) the majority shareholder of Cottage Italia Industries Limited (Cottage or the company), transferred 3,134,734,400 of Cottage’s share value at GH 31,347,344 to Ms Tatiana Boya (Appellant). On 8 June 2010, 1st Respondent transferred an additional 153,601.99 shares of the company valued at GH 153,601.99 to the Appellant which made her the majority shareholder of the company. Occasionally, 1st Respondent transferred money from the company’s accounts to his bank accounts in Italy.

The Appellant objected to this on several occasions demanding that the 1st Respondent refrain from such actions, however, her objections were ignored. Consequently, the Appellant requested all the assets of the company to be shared between the parties. The 1st Respondent in response, threatened to dispose all assets of the company unilaterally ignoring the Appellant’s ownership rights and interests.

The Appellant instituted an action against the 1st Respondent seeking a declaration that she is a beneficial interest holder of the company and is entitled to certain rights and privileges. She further sought a declaration preventing 1st Respondent from unilaterally dealing with the company without her consent. The 1st Respondent argued that he was the only majority shareholder of the company and the purported transfer of shares to the Appellant were invalid as a valid transfer must be registered in compliance with the relevant regulations of the company.

⁴<https://www.parliament.gov.zm/sites/default/files/documents/acts/Trade%20Marks%20Act.pdf>

The trial court held in favour of the 1st Respondent, stating that the transfer of shares is regulated by statute and considering that there is no evidence of the registration of the transfer of shares in compliance with regulation 8 of the company's regulations and section 98 of the Companies Act 1963, the shares were transferred to the Appellant in an invalid manner, therefore the Appellant maintained no shares with the company.

The Appellant appealed this matter before the Court of Appeal however, her claim was dismissed. Consequently, she lodged an appeal at the Supreme Court contesting the decisions of the Court of Appeal and the High Court. The Appellant appealed on an omnibus ground arguing that the decision made by the aforementioned courts is against the weight of evidence.

Notable Issue for Determination

One of the issues considered for determination was: *The court considered whether the Court of Appeal erred in its decision that 1st Respondent was the sole beneficial owner of the company on the grounds that the shares were invalidly transferred to The Appellant.*

Arguments

The Appellant argues that by virtue of the valid transfer of shares, she is a majority beneficial owner of the company and as such she is entitled to certain rights and interests. The 1st Respondent argued that the shares were not validly transferred to the Appellant as the parties did not follow the due process prescribed by the company's regulations and the Companies Act 1963. He further argued that the shares were transferred to the Appellant to enable her satisfy her immigration requirements. He counter-claimed seeking for a declaration that the Appellant's claim to

the shares is fraudulent, and that the Appellant held the shares in trust on his behalf. The 1st Respondent further sought an order reversing the transferred shares and the deed of transfer amongst other reliefs.

Decision of the Court

In resolving this issue, the court held that:

The deed of transfer executed by the 1st Respondent in favour of the Appellant is not in dispute. The court further stated that the unproven allegations of motive for the various transfers of shares by the 1st Respondent in order to make misrepresentations on public records, deceive and mislead public officers and the public is a matter that no court should give its judicial blessing. The court concluded that the Appellant is a majority shareholder of the company. On the matter of registration of shares of a company, the court held that the non-payment of consideration for shares does not invalidate the transfer of such shares, further stating that the transfer of shares from 1st Respondent is an uncontroverted fact, and arithmetically the two transfers would entitle the Appellant to 59.5% of the total shares of the company.

The court established that the failure of a company to alter its records does not in any way invalidate the transfer of shares from the 1st Respondent to the Appellant. The court further held that the deed of transfer amounts to evidence of the validity of the transfer of shares from the 1st Respondent to the Appellant and therefore the non-registration of these transfers does not render the transfers void. The court noted that the annual returns, marked as exhibit F were co-signed by the Appellant and the 1st Respondent. The court also noted that the 1st Respondent

raised no objection to this document. The court deduced that the annual returns served as proof that the Appellant was indeed a majority shareholder of the company as it reflected the amount of shares held by all the shareholders.

The court further determined that after examining the pleadings and issues raised by the Appellant, and considering the provisions of the Companies Act 1963 (Act 179) and the company's regulations, no provisions within these sections were found to be implicated in this case. The court added that since no issues were joined by the parties on the registration of the shares, the court ought to assume that all requirements of the Companies Act were complied with. The court concluded that it struggles to find the basis on which the lower courts held that the shares were not registered in compliance with section 98 of Companies Act 1963 (the Act 179).

The court further disagreed with the decision of the trial court that there is no evidence of registration of the transfers in compliance with the company's regulation 8(a) stating that the regulation affords the directors the discretion to decline to register any transfer of shares. The court held after considering the provisions of regulation 8 that it does not regulate the registration of the transfer of shares and reiterated that the subject matter of the dispute in issue was not concerned with the registration of shares.

The court concluded that the Appellant has adduced sufficient evidence to establish her interest in the company. Consequently, both the trial court and the Court of Appeal erred in law by upholding the no-case submission of the 1st Respondent.

The court established amongst other reliefs, that the Appellant owned 59% of the shares of the company based on the Deeds of Transfer dated 13 December 2006 and 8 June 2010 and further established that the 1st Respondent cannot unilaterally deal with the business without the approval of the Appellant.

Comment

The 1st Respondent's no-case submission hindered its chances of success considering the burden of proof in this matter is predicated on the balance of probabilities. As stated in the judgement, the court only considers the evidence presented before it to arrive at a decision. It is important to note that the judgement of this case was delivered on 31 March 2024 years after the enactment of a new Companies Act 2019 (992) in Ghana which provides that shares are transferable by a written transfer in common form⁵ these recent developments, along with the court's hesitance to grant its judicial blessing to the 1st Respondent's improper intentions, may have influenced the court to rule in favour of the Appellant. Although there are other procedural requirements for the transfer of shares in a company such as a written resolution from the members of the company, special resolution, and some others, the implication of the court's decision suggests that once there has been a duly executed Deed of Transfer of Shares, it is deemed to be a valid transfer regardless of whether the other procedural requirements have been complied with.



⁵ [COMPANIES ACT, 2019 \(ACT 992\).pdf \(parliament.gh\)](#)



UGANDA

Mss Xsabo Power Limited & 4 Others v Great Lakes Energy Company NV
(3) (Arbitration Cause 75 of 2023) [2024] UGCommC 76 (18 April 2024) – Public Policy, A Ground for Setting Aside An Arbitral Award

Summary of Facts

Mss Xsabo Power Limited (Xsabo Power Ltd), Bryan Xsabo Strategy Consultants (U) Limited (BXSC), Mola Solar Systems (U) Limited (MSS), Consicara Global Investors Limited (CGIL), and Dr David Alobo (Claimants) entered into an investment agreement with Great Lakes Energy Company NV (Defendant) for the development of the Kabulasoke Solar Power Project, a 90-acre solar farm at Gomba District in Uganda. The Claimants incorporated a project company⁶ of which the Defendant became a shareholder by purchasing a certain amount of shares and contributing financially to the execution of the project.

Subsequently, the Defendant was tasked with sourcing engineers to construct the solar power station at Kabulasoke Gomba District. However, a dispute arose where BXSC and MSS accused the Defendant of inflating the cost for the engineering and construction of the project to the tune of \$6,000,000.00 without the knowledge of the project company, fellow shareholders and promoters. The Defendant was further accused of obtaining secret commission under the Engineering, Procurement and Construction (EPC) contract dated 27th November 2017. The Claimants sought to rescind the investment agreement and revoked the shares allotted to the Defendant. The Defendant relied on the Arbitration Clause contained in the Investment Agreement and commenced arbitral proceedings at the London Chamber of International Arbitration (LCIA) and commenced an action at the Commercial Division of the High Court of Uganda seeking interim protective measures restraining the Claimants and their agents or representatives from accessing and utilising funds remitted by the Uganda Electricity Transmission Company Limited (UETCL) into the Bank account of Xsabo Power Ltd pending the conclusion

⁶ A private company incorporated for the purpose of executing the project.

of the arbitral proceedings. The court granted an order in favour of the Defendant restraining the Claimants and their agents or representatives from accessing or utilising the funds in Xsabo Power Ltd's accounts without the consent of the Defendant (as shareholders of the company) until the final determination of the arbitral proceedings.

On 11 March 2022 and 10 June 2023, the Defendant obtained an arbitral award in its favour wherein the tribunal ordered the Claimants to pay damages with interest to the Defendant and further ordered that the Defendant's liability for secret commission of USD \$3,089,235 and USD \$775,257 together with all interest thereon for which the Defendant was liable to the Claimants has been fully satisfied in the calculation of the amount due to be paid by the Claimants. The Defendant further applied before the court for the recognition and enforcement of the partial awards in its favour. The Claimants on this note, sought to set aside the Defendant's application on the grounds that the partial awards are contrary to the public policy of Uganda.

The court held that the awards could only be set aside at the seat of arbitration and that the application for recognition and enforcement had satisfied the necessary legal requirements. The court, however, found that the partial awards were contrary to international public policy and public policy of Uganda to the extent that it compelled a continued business relationship between the parties rather than the award of damages. Consequently, the court granted the partial award to the extent of its conformity to Uganda's public policy. The Claimants contested this decision highlighting the fact that the partial awards granted in favour of the Defendant were contrary to public policy on several grounds including the fact that Defendant had breached its fiduciary duty by acting dishonestly and pocketing a secret commission from the project with regards to the inflated EPC contract price relating to the cost for the engineering and construction of the project.

The LCIA decided to dismiss the claims and cross-claims made in the arbitral proceedings by the Claimants and granted a final award in favour of the Defendant directing the Claimants to pay the Defendant damages with interest and legal and arbitration costs. Furthermore, the tribunal offset the Defendant's liability for secret commission in the calculations for the total sum to be awarded to the Defendant.

The Claimants further dissatisfied, contested the final award handed in favour of the Defendant at the High Court of Uganda Commercial Division.

Notable Issue for Determination

One of the issues considered for determination was: *Whether the Final Arbitral Award is in conflict with the law and public policy of Uganda on the grounds of unequal treatment and a failure to comply with due procedure.*

Arguments

The Claimants argued that the final award was contrary to public policy of Uganda and a violation of the principle of equal treatment alleging that the Tribunal reneged on its promise to compute secret interests on the secret commission however, awarded interests on the damages and sums payable to the Defendant which increased the amount payable by the Claimants. They objected to the enforcement of the final award.

The Defendant argued that the Claimants seek to relitigate the issues already determined on the merit by the Tribunal. The Defendant also argued that they had excessively invested in the project and the Tribunal decided based on the evidence and the computation of what is due to the parties. The Defendant further argued that the Tribunal declared the Defendant liable for the sums of the secret commission together with interest claiming that the amount due for the final award had been off set.

Decision of the Court

The court held that public policy exception must be interpreted narrowly. The court defined public policy as a set of public, private, moral, and economic legal principles for the preservation of society in a given nation and at a given time. The court further held that certain acts are against public policy where they promote a breach of the law, against the policy behind the law or harm the state or its citizens. Thus, an award can be set aside for public policy if it can be established that it is inconsistent with the constitution or other laws of Uganda or it is inimical to the national interest of Uganda or where the reasoning or conclusion goes beyond mere faults or incorrectness and constitutes a palpable inequality that is so far-reaching and outrageous in defiance of logic or accepted moral standards that a fair-minded person would consider that the conception of justice would be intolerably hurt by the award. Based on this rationale, the court held that there is no public policy consideration which should rescue the enforcement of an award, the court held that the public policy considerations were outweighed by the interests of finality, further stating that an award warrants interference by the court under section 34 of the Arbitration and Conciliation Act only when it contravenes a substantive provision of the law or is patently illegal or shocks the conscience of the court to the extent that it renders the award unenforceable in its entirety or in part.

The court considered the provisions of the New York Convention Article V(1)(b) and Article V(2)(b) stating that the provisions do not explicitly provide that unequal treatment of parties in arbitral proceedings is a ground for refusal of recognition and enforcement of awards.⁷ However, it can be inferred from the above provisions that states are permitted to refuse recognition or enforcement of arbitral awards where the party against whom the award is invoked was not given proper notice of appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case.

⁷ [Convention on the Recognition and Enforcement of Foreign Arbitral Awards \(New York, 1958\) \(un.org\)](#).

⁸ [Arbitration and Conciliation Act - UJJI](#)

⁹ [Key Arbitration Case Law Developments in Uganda -MJA and HDG.pdf \(mmaks.co.ug\)](#), AND [Great Lakes Energy Company NV secures major victory against Xsabo Power Limited \(nilepost.co.ug\)](#).

The court further stated that, Article V(2)(b) of the New York Convention provides that recognition and enforcement of arbitral awards can be refused on the grounds of inconsistency with public policy of the state. The court also stated that section 18 of the Arbitration and Conciliation Act⁸ imposes a duty upon arbitrators in domestic arbitrations to treat the parties with equality, giving each party reasonable opportunity for presenting his or her case. Premised on this, the court established that the concept of equality in both international and domestic arbitration means providing the parties the opportunity to present their claim, defence and evidence so that neither side is in a weak position against the other. The court concluded that accounting or arithmetic mistakes do not amount to a failure to treat parties with equality and therefore, does not warrant a denial of recognition and enforcement of an arbitral award.

Comments

Recently, Uganda has had a host of cases seeking to set aside domestic awards or seeking to enforce and recognise foreign awards.⁹ The fact that Uganda is a member of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (New York Convention), introduces the applicability and enforcement of foreign awards in Uganda, hence the reliability of the provisions of the convention for the parties to argue their case. The said provisions have also been domesticated to some degree in Uganda's Arbitration and Conciliation Act 2000 which also expresses the unwillingness to interfere with the awards granted by arbitral proceedings. This case established that public policy only suffices as a ground of refusal to recognise an arbitral award where the decision is unconscionable or results in an injustice considering the circumstances of the case.

CONTACT US:

Lagos

15 Military Street,
Onikan,
Lagos.

T: +234 201 700 2570-9

Abuja

3 Lobito Crescent,
Wuse 2,
Abuja.

T: +234 209 700 2570-9

For more information, please contact litigation@alp.company

DISCLAIMER

All rights asserted and reserved. This publication is for general guidance only. It does not contain definitive advice. Whilst every effort has been made to ensure accuracy, this publication is not an exhaustive analysis of the area of law or issues discussed. ALP NG & Co. cannot accept responsibility for any loss incurred by any person acting or refraining from acting as a result of the material in this publication. If you require any advice concerning individual problems or other expert assistance, we recommend that you consult a competent professional adviser.

ALP NG & Co. is an Africa-focused law firm with member law firms across Africa.