
USE YOUR TRADE MARK OR LOSE IT

Introduction

In our 1st series article published in March 2025, we established that a trademark serves as a unique identifier for goods and services, granting exclusive rights to its proprietor subject to the requirement to use the trade mark to avoid it from being expunged from the register.

In this 2nd part series on the '**use your trade mark or lose it**' legal topic, we will focus on three potential key defenses a trademark owner can rely on to fight off an action to cancel his/her registered trademark on the ground of non-use. We will also try to discern courts' understanding and requirements on the thresholds a respondent is required to establish in order to successfully rely on these defenses. These defenses are; proof of actual use of the trademark *bonafide* intention to use the trademark upon its registration and special circumstances excusing non-use of the trademark.

Proof of Use

When asserting use as a defense, it is crucial to understand what would constitute '**use**' that will be acceptable to the courts in order to defeat an action for removal of a trademark from the register. Section 29 (1) (a) of Trade Marks Act (the '**Act**') specifically requires the '**use**' of a trademark to be '**bona fide**'.

The answer to the above question is found in the decisions of the courts. In **ABSA Kenya Limited v Barclays Bank of Kenya [2020] KEHC 6116 KLR**, the court outlined the principles of *bonafide* and genuine use of a trademark. The court stated that *bonafide* use refers to sincere and honest intention of using a trademark in connection with specific goods or services to facilitate and further trade and not as a mere formality to retain rights. Genuine use means actual commercial exploitation of the mark, consistent with its essential function of identifying the origin of goods or services. It should be understood that there is no statutory requirement for a trademark owner to have sold a specific quantity of goods, services or of sales value over a given period of time for the '**use**' to be sufficient. Notwithstanding this, courts in Kenya have held the view that commercial use should not be **minimal, non-commercial** in nature, shouldn't be **sporadic, token** or '**superficial**' aimed at merely preserving trademark rights. Whilst the nature and quantum of evidence adduced by parties before the courts is never the same in all cases, the courts apply settled legal principles on *bonafide* use to assess whether such evidence meets the required acceptable threshold. The courts, in their decision, also take into account the circumstances of each particular case and the economic sector concerned.

In jurisdictions such as England, USA and India, courts have determined that '**use**' of a trademark can be in any form or way. Their courts have accepted, as acceptable form of '**use**', advertisement without even the existence of the goods, price lists and promotional literature in connection with the goods or services and commercial activities undertaken by a trade mark owner to put the goods in the market or offer services bearing a trade mark. The courts in Kenya are highly unlikely to take the same view. Prudence therefore demands that in order to avoid cancellation of trademark(s) on the ground of non-use, a trademark owner must demonstrate continuous and actual reasonable sale of goods or services bearing the trademark to the public.

Intention to use

An action for removal of a registered trademark from the register under Section 29(1) (a) of the Act may be based on the ground that the trademark was registered without any *bonafide* intention to use it in relation to the goods or services for which it was registered. The expectation or intention that a trademark owner will put into commercial use his/her trademark after its registration is a defining character found in the definition of the term '**trademark**' under the Act.

To counter a non-use cancellation action, the trademark owner may raise the defense that he/she had the '**intention**' to use the trademark at the time of registering it. The courts would generally be able to discern such an '**intention**' from the information and evidence furnished by a trademark owner. The actions of making informal local market inquiries, entering into contractual negotiations with a local distributor for the shipment of goods and obtaining government regulatory approval is likely to be regarded by courts as '**intention**' to use/sell the goods or offer services bearing a trademark. The Indian case of **Kabushiki**

Toshiba Vs Toshiba Appliances [2008] INSC 361 PTC 394 (SC) and the local case of **Lion Match Company (PTY) Limited Vs Match Masters Limited [2023] KEHC 23820 (KLR)** illustrate the nature and scope of the evidence which a trademark owner may adduce to prove the '**intention**' to use a trademark.

To gain a better understanding of what legally constitutes an acceptable '**genuine intention**' to use a trademark, the court in the case of **Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars (Edms) Bpk (1963) (2) SA 10 (T) 27G-H** held that the intention must primarily aim to protect, facilitate and further trade in the relevant goods and services and not merely to preserve the mark for strategic purposes.

Special circumstances excusing non-use

Pursuant to Section 29(3) of the Act, a trademark owner may also rely on the defense that the non-use is due to **special circumstances** in the trade or in relation to particular services and not to any intention to abandon the trademark. In order to successfully rely on this defense, the trade mark owner needs to demonstrate valid reasons for non-use. These reasons should be independent of the owner's will.

The key considerations applied by the courts in assessing '**special circumstances**' were discussed in the New Zealand case of **Manhaas Industries Ltd Vs Fresha Export Ltd [2012] NZHC 1815**, which the Kenyan courts are likely to adopt on account of the shared common law. These are; they must be '**peculiar or abnormal**' and arise from external forces and not the owner's voluntary actions, that it is sufficient to show that circumstances made use impractical in a business sense even if not impossible and finally, there must be a causal link between the '**special circumstances**' and the non-use of the trade mark. For instance, it is unnecessary to show that '**special circumstances**' made use of the trade mark impossible but instead

enough to demonstrate that those circumstances made it impracticable in a business sense to use the trade mark. More specifically, proper reasons that the courts are likely to find as acceptable as constituting ‘**special circumstances**’ include force majeure, import restrictions or tariff and government regulations, amongst others.

Conclusion

It is clear from the above discussion that the law has provided an ‘escape route’ for trademark owners to avoid cancellation of their trademarks and to continue maintaining them on the register despite not putting their trademark(s) into commercial use. This window is premised on meeting the conditions of actual use, intention to use and special circumstances.

In our next and final 3rd series, we will provide a summary of useful and practical guidance to trademark owners on how to maintain and safeguard their trademark rights and avoid losing them to business rivals for no other reason than for simply failing to be prudent on usage of their trademarks. That can help avoid unnecessary, costly and protracted litigation and time in the courts to fight off trademark cancellation proceedings.

If you have any questions arising from this article, you can contact our intellectual property law team lead partner Patrick Ikimire at Pikimire@Kapstrat.com.



Patrick Ikimire, Partner

Pikimire@kapstrat.com