

THE TRADEMARKS (AMENDMENT) REGULATIONS, 2021



INTELLECTUAL PROPERTY ALERT

**A step towards achieving the goals of
the National IP Policy**

In May 2019, the Ministry of Justice and Constitutional Affairs released the National Intellectual Property Policy (the “Policy”) intended to support efforts towards achieving objectives of Uganda Vision 2040, the Second National Development Plan and the 17 Sustainable Development Goals.

Like in many developing economies, the Policy is proof that the Government of Uganda appreciates the enormous potential of Intellectual Property (IP) in the socioeconomic development of a country. The Policy acknowledges that the role of IP in *“transforming Ugandan society from a peasant to a modern and prosperous country”* is rooted in the fact that most dynamic sectors of the economy are currently those involving knowledge-intensive activities that are contributing to accelerated scientific, technological, innovative and creative advances. For instance, food security and new plant varieties in agriculture are heavily reliant on IP; development of advanced and automated technologies in the industry sector rely on IP; development of software and hardware solutions also depend heavily on IP.

Inevitably, in the near future, all these sectors will become dependent on IP as a primary asset, more than on physical inputs or natural resources, in order to enhance productivity and product quality. Currently this primary asset is widely ignored in Uganda and since both the private and public sector do not see its value yet, its exploitation remains constrained.

The Policy identifies a number of major constraints but those which are necessary for this write-up include; low levels of IP awareness, especially in the informal sector which accounts for over 50% of the GDP; limited prioritization of Research and Development as evidenced by the Gross Expenditure on Research and Development (GERD) of 0.5%; low levels of IP registration; poor IP enforcement; lack of skills among IP professionals; and prohibitive costs associated with acquiring IP rights.

The Policy is intended to get rid of these constraints. It sets out three main policy goals which must be achieved in order to strengthen the IP system, that is; *to establish appropriate IP infrastructure that supports innovation and creativity; to develop human capital for the IP value chain; and to enhance utilization of the IP system.*

This write-up therefore looks at the changes introduced by the **Trademarks (Amendment) Regulations, 2021** and examines whether these changes are a move towards achieving the above mentioned goals.

The Trademarks (Amendment) Regulations, 2021

A trademark is an intellectual property right used to identify and distinguish goods or services of one undertaking from goods or services of another undertaking in order to avoid the likelihood of confusion amongst consumers. A Trademark may be a word, symbol, design, slogan, logo, sound, smell, colour, label, name, signature, letter, number or any combination of them and it should be capable of being represented graphically.

Companies legally distinguish themselves and protect their intangible assets by registering and protecting words or statements which identify with their goods or services. Once registered as trademarks, they turn into valuable exclusive assets. Such protection is vital for any company to have a strong market position, competitive advantage, higher profit or returns on investments and additional income, from licensing for instance.

Trademarks are the most popular Intellectual Property Right (IPR) in Uganda. However, due to the constraints already mentioned above, the number of registered marks is very low compared to the number of registered marks in similar economies. A few procedural changes have therefore been introduced in the Trademark (Amendment) Regulations of 2021 with regard to the registration, protection and enforcement of trademarks, aimed at making the process of trademark registration simpler.

The Changes introduced by the Amendment

1. Trademark Agents

Originally any Advocate of the High Court could act as a trademark agent, as long as he or she has been authorized by the trademark owner. However, given that IP is an optional unit of the law in many law school programs, many Advocates dealing in IP are not trained well enough to do so.

Policy Goal No. 2 under the National IP Policy is to develop human capital for the IP value chain since one of the most notable constraints is the lack of skills among IP professionals in the Ugandan IP system. In order to solve this problem, the Policy proposed that the Government should devise and implement a registration and certification system for IP professionals operating in Uganda, for quality service assurance purposes.

(1) S2 Trademarks Act 17 of 2010

(2) Mauritius: Is Mauritius The Right Choice For Holding Intellectual Property Rights? 25 August 2021 by Vera Albino

As a result, the Amendment revoked the previous definition of an agent and introduces an additional requirement. A trademark agent therefore need not only be an Advocate of the High court, but must also be registered by the Registrar of Trademarks.

Professionals dealing in trademarks must therefore apply to be registered and certified as trademark agents and must renew such registration annually. The Application Form is referred to as Form **TM-1A** and it has been inserted in the Second Schedule of the Regulations. Applicants will be required to pay **UGX. 50,000** for registration and renewal. Accordingly, a list of duly registered and licensed trademark agents will be updated and uploaded yearly.

2. Publication of Trademarks

During the process of trademark registration, if the Registrar of Trademarks is satisfied that a trademark has passed the substantial examination stage, a “Notice to Advertise” is issued, requiring the Applicant to advertise or publish the mark for 60 days in the Uganda Gazette.

The Uganda Gazette is an Official Government publication that contains Notices, Government declarations and supplements, Bills, Statutes, Statutory Instruments and Legal Notices. It is a weekly publication that is open and accessible to the general public. However, there has been a reduction in the popularity of the Uganda Gazette with its circulation being limited only to the legal fraternity and governmental bodies.

Previously, the Notice to Advertise could only be published in the Uganda Gazette by the Uganda Printing and Publishing Corporation (UPPC) at the cost of **UGX. 300,000**. This amount happened to be the largest in the cost of registering a trademark, the total amount for a local trademark being UGX. 475,000 and a foreign mark at USD. 560. The National IP Office could not do anything about this since the Uganda Gazette is a completely different office. Secondly, UPPC would take about two weeks before publishing a Notice. Thereby making it not only too costly, but also quite long a process.

(3) Article 257 of the Constitution of the Republic of Uganda defines the Gazette as the Uganda Gazette and includes any Supplement of that Gazette. The legal status of the Uganda Gazette is that it is the Official Government publication in which all important Government Communications to the public are usually effected by being published in the Gazette

In order to solve this problem, the first key action under Policy Goal No. 3 under the National IP Policy requires Government to empower the National IP office to serve as a one-stop IP development and service oriented entity. This would allow the National IP Office to control the entire process of registration including publication.

The Amendment therefore brings this solution to life, partially, by doing away with the strict requirement to use the official government gazette and grants the Registrar of Trademarks discretionary power to determine any other media for advertising such notices. Notices are currently being published by the Trademark Registry itself as required by the Registrar of Trademarks.

3. Classification of Figurative Elements of Marks

The National IP Policy also recognized the need for an effective linkage between National, Regional and International IP systems. As much as Uganda is signatory to a number of regional and international IP related agreements, the National IP System is not equipped to facilitate multi-sectoral compliance to the requirements and obligations of those agreements, treaties or protocols. The main cause has been attributed to operational constraints that include inadequate legislation, regulations, expertise and technological infrastructure.

Under Policy Goal 3 of the National IP Policy, one of the strategies proposed requires the Government to initiate and/or strengthen working relationships between the National IP Office and foreign National IP Offices; regional and international organizations, in order to build institutional and stakeholder capacity. This will be achieved through proactive efforts to fully align and utilize existing international IP alliances, as well as accession to other appropriate international IP treaties, protocols and agreements and relevant IP related associations that best complement national development objectives and strategies.

For instance, trademarks in Uganda are registered in particular classes which represent various distinct categories of goods and services. Previously, Classification of goods and services in Uganda has been reliant only on the **Nice Classification (NCL)**, established by the **Nice Agreement of 1957**. However, Regulation 12 of the Trademark Regulations was amended to introduce a new classification; the 7th Edition of the Vienna Classification, which is based on the figurative elements of a mark.

It was established by the *Vienna Agreement on Establishing an International Classification of the Figurative Elements of Marks done at Vienna in 1973 and Amended in 1985* (the “Vienna Classification”).

From a general perspective, every mark contains certain distinct graphical features whose representation may relate to; plants, animals, human beings, landscapes, colours and geometrical figures among many other features. The Vienna Classification contains a list of categories, divisions and sections in which the figurative elements of marks are classified. There are 29 categories in the Vienna Classification and a mark must be given a Vienna Code which is generated by indicating all the categories of elements that may exist in the graphical representation of one mark, regardless of the type of goods or services.

This amendment is in line with the Government’s strategies under Policy Goal 3 of the National IP Policy because, once a mark is given a Vienna Code by the Trademark Department of the Ugandan IP Office, that code will be recognized and acknowledged by other National IP Offices where the applicant may wish to register the mark. The Vienna Classification therefore eases the exchange of documents at the international level and it facilitates a comprehensive search on the Trademarks Register since the Nice Classification was based only on the type of goods or services that a mark relates to, ignoring the graphical features represented in the mark.

4. Notice before removal of trademark from the Register

In Uganda, trademarks are registered for an initial term of seven years and at the expiration of the initial term, a registered proprietor may elect to abandon the mark, or may renew the trademark by applying for renewal and paying a renewal fee. On renewal, the trademark registration is granted for ten years and it can be renewed as many times, for further periods of ten years.

However, it should be noted that registered Trademarks are not automatically removed where a registered proprietor does not apply and pay for renewal. The Registrar of Trademarks was required to notify the proprietor twice;

First, in not less than one month and not more than two months before expiration, the proprietor is notified that the expiration date is approaching; and second, in not less than two weeks and not more than one month before expiration, a notice is sent to both the registered trade/business address and the registered address of service.

On the date of expiration, the Registrar is required to advertise an expired trademark in the Uganda Gazette for one month, after which the trademark will be removed and the proprietor may be required to pay an additional fee if he/she wants the trademark to be restored.

The Trademarks (Amendment) Regulations have revoked the requirement for a second notice and the Registrar of trademarks is therefore, only required to notify the registered proprietor of the approaching expiration and then advertise the expired trademark for one month from the date of expiration.

The second notice under Regulation 49 of the Trademarks Regulations, 2012 was important because the trade/business address of the registered proprietor may be different from the registered address of service. An address of service is required where a proprietor does not reside or carry on business within Uganda and it is usually the address of the authorized trademark agent. However, since the Amendment intends to streamline trademark professionals in Uganda by creating an Agent Register, notifying trademark agents about expired marks has been made much simpler and the second notice is no longer necessary.

5. Certificate of Registration for an Altered Mark

Regulation 77 of the Trademark Regulations, 2012 allows a registered proprietor to apply to the Registrar where he or she desires to make an alteration or an addition to the registered trademark. Where such application was granted, the Registrar would simply make the addition or alteration to the trademark on the Register. However, this alteration or addition would not be made on the certificate of trademark registration which had already been issued to the proprietor.

In order to change that, the Amendment Regulations now require the Registrar of Trademarks to issue a certificate of registration for an altered mark or a mark that has been added to.

6. Extension of Time

Regulation 80 of the Trademarks Regulations, 2012 gave power to the Registrar to extend time for doing any act or taking any proceeding under the Regulations even though the prescribed period of time has expired. However, the said Regulation did not mention how the Registrar would be moved to extend time. Applicants were therefore required to request for such extension by way of letter addressed to the Registrar.

The Amendment has now introduced a formal application procedure for extension of time for doing any act or taking any proceeding under the Regulations. The application shall now be made using Form TM42A provided for in the Second Schedule and foreign applicants are required to pay USD 50 while national applicants are required to pay UGX. 25,000.

7. Trademark Search & the Registrar's Advice

Trademark searches in Uganda were carried out by writing to the Registrar and requesting for a search to be carried out for a mark on the trademark register. The Amendment has introduced Form TM 27 which applicants must use when requesting the Registrar to carry out a search on the register. However, a search report obtained from the Registrar does not guarantee that a mark may be registered or rejected. The mark would still have to go under a substantive examination before rejection or registration. In order to determine whether a mark can be registered even before applying, the applicant has to apply for preliminary advice from the Registrar, as to the distinctiveness of a desired mark.

Under the Amendment, applicants requesting for a search under Form TM 27 may also apply for preliminary advice by including Form TM 28.

CONCLUSION

The amendments introduced in the Trademarks (Amendment) Regulations of 2021 are all in line with the goals of the National IP Policy, 2019. They act as proof that the Government of Uganda has commenced the implementation of the IP Policy and that it is willing to fully exploit the benefits of intellectual property rights such as trademarks in Uganda. By making the National Trademark Office a one stop centre and establishing a register of trademark agents, the Amendment intends to strengthen the trademarks registration system in Uganda and in turn strengthen the IP system as a whole. It is definitely a step in the right direction.

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