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IN THE MATTER OF THE TRADE MARKS ACT CAP 506 OF THE LAWS OF KENYA

AND

IN THE MATTER OF COLLECTIVE TRADE MARK APPLICATION NO. 123612

“TEQUILA” (WORD) IN CLASS 33

IN THE NAME OF CONSEJO REGULADOR DEL TEQUILA, A.C.

RULING BY ASSISTANT REGISTRAR OF TRADE MARKS

BACKGROUND

On 11th August 2022, Consejo Regulador Del Tequila, A.C. (hereinafter referred to as “the Applicant”) filed an application to register the mark “TEQUILA” (word), T.M.A No. 123612. The application was filed in respect to goods in class 33 of the International Classification of Goods and Services as follows:

Class 33: Alcoholic beverages made from agave tequilana weber blue variety in accordance to the regulations of the appellation of origin Tequila in force.

The application was duly examined in accordance with the provisions of the Trade Marks Act, Cap 506 of the Laws of Kenya. On 10th March, 2023, the Trade Marks Examiner issued a provisional refusal notice indicating that the application had been refused registration on the grounds that it is similar to other marks existing on the Trade Marks Register with the following particulars:

TMA NO. 71804 - “TEQUILA CAMINO (word & device)” in class 33 in the name of BACARDI & COMPANY LIMITED; TMA No. 102209- “254 TEQUILA (word)” and TMA No. 104494- “SIR CARLOS TEQUILA (word & device)” all in the name of LONDON

DISTILLERS (K) LTD, existing in the Register since 30th June 2011, 17th May 2018 and 22nd October 2018 respectively.

Through a letter dated 13th June 2023, the Applicant filed written submissions against the Trade Mark Examiner's notice and submitted inter alia as follows:

1. That the Applicant has conducted a search to confirm the status of TM No.71804, cited trade mark, which was listed on the examination report as "lapsed". That the search confirmed that this trade mark registration was not renewed when it fell due in 2021.
2. Being that this mark was not renewed when it fell due, the Applicant submitted that it shall no longer validly exist on the Register, and requested that the Registrar take the necessary steps to remove this mark from the Register, which should not act as a bar to the registration of the subject collective mark application in the name of CONSEJO REGULADOR DEL TEQUILA, A.C.
3. That moreover, there is established precedent (c.f.: the two cited marks) that no single party may claim exclusive rights to the word "TEQUILA" in class 33 in respect of a trade mark, and we submit that these established principles should be held to apply to the cited registration no. 071804.
4. That as set out on the examination report, both of these trade marks were registered subject to the condition that the Applicant disclaim the right to the exclusive use of the word "TEQUILA". As such, the owner may claim no exclusive rights to the word "TEQUILA", nor preclude others from its registration nor its use in the course of trade. Accordingly, these trade marks shall not act as a bar to the registration of the collective mark "TEQUILA" by CONSEJO REGULADOR DEL TEQUILA, A.C., and on that basis, the Applicant requested that these two citations be overturned.
5. That as set out herein, the two "TEQUILA"-formative marks in the name of LONDON DISTILLERS (K) LTD. were registered subject to the entry of a disclaimer of the word "TEQUILA", being the word that the Applicant is seeking to register herein. The Applicant reminded the Examiner that the Applicant, CONSEJO REGULADOR DEL TEQUILA, A.C., is seeking to register a collective mark.

6. That as the Examiners at the Registry have rightly identified, the word “TEQUILA” may not be monopolised by any single party in connection with goods in class 33 as a trade mark. The Applicant submitted that “TEQUILA” shall be registerable as a collective mark, i.e., its use by various parties in the course of trade may be governed by the rules governing the use of the collective mark.
7. That on the basis of the foregoing the Applicant submitted that the three cited trade marks shall not act as a bar to the registration of the subject collective mark application, and the Applicant respectfully requests that the application be permitted to proceed to formal acceptance.

The Trade Marks Examiner issued a further examination report on the 8th December 2023, indicating that the trade mark had been accepted to proceed for registration, subject to the condition that the Applicant disclaims the right to the exclusive use of the word “TEQUILA” separately and apart from the mark as a whole. The Applicant was requested by the Examiner to add a more distinctive element/feature to the mark since Tequila is an Appellation of Origin.

By a letter dated 11th March 2024, the Applicant filed written submissions against the Trade Mark Examiner’s further report and submitted inter alia as follows:

1. Application No. 123612 is a collective mark application for the geographical indication “TEQUILA”. The applied for goods are “Alcoholic *beverages made from agave tequilana weber blue variety in accordance to the regulations of the appellation of origin Tequila in force.*”
2. That the main feature of a collective mark is that it is used as an indication to the relevant public that goods or services originate from a member of a particular association. It is therefore a sign of membership.
3. That Collective mark application no. 123612 has been filed to ensure that use of the TEQUILA name in Kenya is only by those permitted to do so and to protect against unauthorized use of the TEQUILA mark by parties who are not permitted to use it.
4. The Applicant, CONSEJO REGULADOR DEL TEQUILA, A.C. is accredited by the Mexican Government. The Regulations governing use of the mark (which were

submitted at the time of filing alongside this application) specify that the Applicant has been accredited by the Government.

5. That accordingly, it should be noted that CONSEJO REGULADOR DEL TEQUILA, A.C. is the regulatory body responsible for verifying compliance with the regulations governing the production and sale of TEQUILA products.
6. While the Act empowers the Examiners to request disclaimers as they see fit, it is the Applicant's opinion that different considerations shall apply for collective marks as applied to trade marks.
7. The purpose of a disclaimer is to define the rights arising from a registration; specifically, to identify the features or elements of a mark to which the Applicant may not claim any exclusive right.
8. That in this instance, the Applicant for the collective mark is the accredited body for the regulation and governance of the use of the geographic indication "TEQUILA", appointed by the Government of Mexico.
9. That the disclaimer endorsement as requested by the Examiner would fundamentally undermine the Applicant's ability to act in their appointed capacity on behalf of the Government of Mexico. It would prevent the Applicant from being able to enforce their rights against unauthorized use of the TEQUILA mark by unregulated third parties who are not permitted to use it.
10. That the purpose of the collective mark application, to the benefit of the public, is to obtain registered protection for the geographic indication to ensure that products bearing "TEQUILA" have a specific origin. An endorsement of a disclaimer would be detrimental to this purpose.
11. That the Applicant's ability to authorise only approved producers to use the TEQUILA name is ultimately of benefit to the consumer, who shall understand that the collective mark "TEQUILA" identifies a specific type of alcoholic beverage. Without the Applicant's ability to regulate use of the mark, a consumer could be led to believe that they are purchasing a product that meets the high standards to which genuine TEQUILA must adhere and originates from an authorised producer, when in fact the product does not meet those standards.

12. That as the Examiner will appreciate, one of the primary functions of trade and collective mark legislation is to protect the consumer from being deceived or misled as to the origin or nature of the product that they are purchasing. We submit that the registration of this collective mark, without the disclaimer that the Examiner has requested, shall ensure that the consumer can purchase the products in question without risk of deception or confusion in this regard.

The Applicant requested that the collective mark application be permitted to proceed to registration without a disclaimer.

RULING

I have studied the documents on record and considered the Applicant's submissions against the Examiner's request for a disclaimer. I am of the view that the issue for determination is whether the Applicant's mark should proceed to registration with or without a disclaimer of the word "TEQUILA" separately and apart from the mark as a whole.

Section 40A (5) of the Trade Marks Act provides that Geographical names or other indications of geographical origin may be registered as collective trade marks or service marks.

Further, Section 40A (6) provides that the provisions of the Trade Marks Act shall, except insofar as may otherwise be provided, apply to a collective trade mark or service mark.

The Registrar of Trade Marks is empowered under Section 17 of the Trade Marks Act to require a proprietor of a trade mark to make such disclaimer as the Registrar may consider necessary for the purposes of defusing the rights of such a proprietor under registration.

The Section provides two particular circumstances when the Registrar may hold the proprietor not to be entitled to the exclusive rights that registration would otherwise confer upon him. These are:

If a trade mark-

- a) Contains any part not separately registered by the proprietor as a trade mark;
or
- b) Contains matters common to the trade or to the provision of services of that description or otherwise of a non-distinctive character.

The Supreme Court, in *the Registrar of Trade Marks vs Ashok Chandra Rakhit Ltd* on 15th April, 1955 stated that “real purpose of requiring a disclaimer is to define the rights of the proprietor under the registration so as to minimize, even if it cannot wholly eliminate, the possibility of extravagant and unauthorized claims being made on the score of registration of the trade marks.”

In *Australian Airlines (1989) 16 IPR 270*, the Court observed that the use of a disclaimer is to delineate the proprietor’s rights in a mark, not to confer monopoly.

The KIPI Trade Marks Manual of Examination Procedures at page 62 states that the purpose of a disclaimer is to prevent proprietors of a mark to claim exclusive rights to the parts of marks that are non-distinctive or common to the particular trade.

From the examination report dated 10th March 2023, the Examiner had cited prior existing similar marks in the Register of Trade Marks as a ground for refusal of registration of the Applicant’s mark.

I have perused the Register of Trade Marks and established the existence of marks which have been registered with a disclaimer of the word “TEQUILA” as follows:

TM No.	Trade Marks	Class(es)
102209	254 TEQUILA registered with a disclaimer of the word “TEQUILA” separately and apart from the mark as a whole.	33
104494	Sir Carlos Tequila, registered with a disclaimer of the word “TEQUILA” separately and apart from the mark as a whole.	33

Looking at the above, it is apparent that there are existing prior rights that need to be considered. Disclaimers have been entered in respect to the above marks. It is important to consider the existing prior rights in class 33, which are validly subsisting in the Register of trade marks when considering the Applicant's application. It is my view that the Applicant's mark should be considered to proceed to publication subject to the entry of a disclaimer of the word "TEQUILA".

As requested by the Examiner, the Applicant may add a distinctive element/feature to the word "TEQUILA".

DECISION

For the reasons set out above and having taken into account all the circumstances of this case, I rule as follows:

1. The Applicant's application for the registration of T.M.A No. 123612 shall not proceed to publication in the Industrial Property Journal without a disclaimer of the word "TEQUILA".
2. The Trade Mark Examiner's report dated 8th December 2023, requiring the Applicant to disclaim the right to the exclusive use of the word "TEQUILA", is hereby upheld.

The Applicant should however note that this decision and the subsequent decisions are not a bar to any opposition proceedings that may be filed under the provisions of the Trade Marks Act once the mark is duly published in the Industrial Property Journal. Should an opposition be filed, the same will be considered on its merits by the Registrar of Trade Marks in accordance with the provisions of the Trade Marks Act.

Ruling delivered at Nairobi this 28th day of March 2025



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CONCILIA WERE
ASSISTANT REGISTRAR OF TRADE MARKS