

**IN THE HIGH COURT OF TANZANIA
(COMMERCIAL DIVISION)
AT DAR ES SALAAM**

COMMERCIAL CASE NO. 76 OF 2005

**BATA LIMITED CANADA.....PLAINTIFFS/APPLICANTS
VERSUS
BORA INDUSTRIES LIMITED.....DEFENDANTS/RESPONDENTS**

R U L I N G

Date of Submissions – 1/9/2006

Date of Ruling – 8/9/2006

MASSATI, J:

Along with the suit the Plaintiff filed an application for temporary injunction: -

“...against the Respondents, its agents servants and workmen restraining them from manufacturing distributing and selling of slippers with the mark “Bora” pending determination of the main suit”.

The Respondent resists the application. The application had to be determined and it was heard by way of written submissions.

The application is supported by the affidavit of one ALLAN NJOROGE. According to the affidavit, the Applicant is the registered proprietor in Tanzania and throughout the world of the Trade mark (BATA). That the Applicant has traded extensively in that trade mark in Tanzania and East Africa and has thus acquired a substantial goodwill and reputation with that trade mark. It is further deponed that since June 2005, the Respondent has begun to sell in Tanzania, slippers in a get up similar to that of the Applicant. The deponent then concludes that according to advice from his lawyers, this constitutes infringement of the trade mark and passing off, which causes, and will continue to cause damage to and irreparable loss to the Applicant unless the Respondent is restrained by an injunction. In a reply to a counter affidavit taken out by a Mr. Edwin Kidiffu, the Applicant repeats these averments, and further imputed that the Respondent's Trade mark "BORA" is identical in design and get up to that of "BATA" and that it was not true that the Respondent has a monopoly in the Tanzanian market on shoes, slippers and rubber products. The Applicant also joins issue with the Respondent on the question whether the Applicant's failure to compete in the Tanzania market was the sole cause of damage to the Applicant's reputation.

In support of the application, Dr. Twaib, learned Counsel for the Applicant submitted that the principles applicable in the grant of temporary injunctions as set out in **E.A. INDUSTRIES LTD VS TRUFFOD LIMITED**, [1972] E.A. 420, **GIELLA VS CASSMAN BROWN & CO LTD** [1973] E.A. 358 and **ATILIO VS MBOWE** [1969] HCD n. 284, have been met. On the principle that the Applicant must establish a prima facie case he submitted that although it was held in **AKTIE BOLAGET JOKOPING - VULCANINDSSTRICKSPA BRIKSAKTIEBOLAG VS EAST AFRICAN MATCH COMPANY LTD** [1964] E.A. 62 that the burden of proof in the case of an infringement of a trade mark was on the Plaintiff, it is well settled that a prima facie case is established by looking at the plaint and its annexures. He said this did not mean that the court should declare the Applicant a winner. He drew to his support the reasoning of the Court of Appeal in **CPC INTERNATIONAL INC. VS ZAINABU GRAIN MILLERS LTD** CAT Civil Appeal No. 49 of 1999 (unreported) and the decision of this court in Commercial Case No. 278 of 2002 (unreported) - **BATA LIMITED CANADA VS OK PLAST LIMITED**; and **TANZANIA TEA PACKERS LTD VS THE COMMISSIONER OF INCOME TAX AND ANOTHER** Commercial Case No. 5 of 1999 (unreported). He concluded that in the present case, the pleadings

together with the annexures presuppose the existence of a prima facie case.

On the second principle that the Applicant must establish whether the court's interference was necessary to protect the Applicant from suffering irreparable loss, Dr. Twaib, submitted that, through the affidavit, the Applicant has established the acquisition of goodwill in the business of selling slippers, and has also established that the Respondent has begun to sell similar goods. He said this was an infringement and an assault on the goodwill. Relying on the observations of Kalegeya J, in **BATA LTD VS OK PLAST LTD** case, the learned Counsel submitted that loss of goodwill was irreparable.

On whether the application has met the balance of convenience test the learned Counsel for the Applicant submitted that with over 60 years spent by the Applicant in promoting BATA products, the Applicant stood to lose more than the Respondent who simply infringed the trade trade mark and get up, and especially now that the Respondent's products are still in the market.

On the premises, the learned Counsel submitted that the Applicant deserved the prayers sought.

As hinted above the application was vehemently opposed by the Respondent. Mr. Rajesh Gunamal, filed a 19 paragraph counter affidavit. According to Mr. Gunamal the Applicant is not registered proprietor of the "BATA" trademark in Tanzania, but that the Respondent is the registered proprietor of the BORA Trade Mark. The Respondent also denies that the Applicant is in exclusive use of the goods with the trade mark "BATA". According to Mr. Gunamal the Respondent acquired the trade mark "BORA" from its predecessor, Tanzania Shoes Company Limited who had been the registered proprietor of BORA trade mark since 1967. And so the trade mark was well known in Tanzania and it was not true that the device was used to mislead the trading and general public, but on the contrary, the use of the trade mark was bona fide. In conclusion, Mr. Gunamal depones that the Applicant has not shown any grounds to support the orders sought and prays for the dismissal of the application.

In support of the counter affidavit, Mr. Duncan, learned Counsel for the Respondent submitted by first criticizing the citation of s. 95 and Order XLIII rule 2 of the Civil Procedure Code saying they are irrelevant and superfluous respectively, and the phrase "*any other enabling provisions of the law*" as "*useless embellishment*". Quoting extensively, from **RICHARD**

KULOوبا's "PRINCIPLES OF INJUNCTION" OUP Nairobi [1987] Mr. Duncan, submitted at length on the nature of the relief of temporary injunctions, before restating the principles on which injunctions could be granted by courts.

In addition to the cases already cited by Dr. Twaib, Mr. Duncan cited **NOORMOHAMED JAN MOHAMED VS KASSAMALI VIRJI MADHANI** [1953], 20 EACA 8, **JOHN SKIPPER AND NEIL ARCHIBALD MC DUFF VS MBL INTERNATIONAL** Civil Case No. 262 of 1988 (unreported) and **AMERICAN CYNAMID CO VS EHTICON LTD** [1975] All ER. 504. He said according to the **AMERICAN CYNAMID** case in order to succeed in an application for temporary injunction, the Applicant has to show: -

- (1) That the Application is not frivolous or vexatious,
- (2) That there is a real question to be tried; and
- (3) That there is a real prospect that he would succeed in his claim.

He said these principles are common law principles which are not binding on this court, but that he could tie them within the principles stated in **ATILLO VS MBOWE** case. He also agreed that in so doing the court is only to look at the pleadings. Applying these principles, Mr. Duncan, submitted that since the Applicant has not shown that it is the registered proprietor of the BATA trade mark, as opposed to the Respondent's BORA trade mark, the Applicant has not made out a prima facie case. Turning to the second principle that the application must demonstrate a likelihood of success, Mr. Duncan borrowed the arguments in **HUBBARD VS COSPER** [1972] 1All ER 1032 that this means the applicant must present an arguable case that the Defendant's act is wrongful. But in the present case the Applicant has not shown that the "BATA 1" Trade Mark was registered in its name. And under the law (s. 30 of the Trade Marks Act) precludes unregistered users of the trade mark from instituting proceedings to prevent or recover damages. On the other hand the Respondent is the registered owner of BORA Trade Mark. Thus it cannot be said that the Respondent's acts are wrongful. Therefore the Applicant has failed to disclose an arguable case. On the third principle of balance of convenience, the learned Counsel, submitted that since the Respondent has lawfully acquired the trade mark **BORA** which is well

known in the country and since it is protected under s. 50 (1) of the Trade and Service Marks Act, and since the Applicant did not oppose the registration of BORA Trade Mark under s. 27 of the Act, the Applicant is now estopped from complaining to the court after it has now actually applied for rectification of the register. So, this means that the Applicant was/is aware that there is adequate protection under the Trade and Service Marks Act, and so the Applicant should not have come to this court. In support for this proposition, the learned Counsel cited **BIR SINGH VS PARMAR** [1971] E.A. 209. He said the Respondent stands to suffer more damages by granting the injunction, than by not granting it. He said this was so, because the Respondent has dominated the market since 1967, and the Applicant has failed to compete, and so does not suffer any damages because of the Respondent's acts. In conclusion, Mr. Duncan submitted that on all fronts, the Applicant has failed to demonstrate that it is entitled to the orders sought. So he prayed that the application be dismissed with costs.

In reply Dr. Twaib, first attacked the manner in which the Respondent raised some preliminary objections against the application. He said, in practice this should have been preceded by a notice. In support he cited my early decision on an application for security for costs in

this same case. Therefore he submitted that the said arguments should be ignored.

On the substance, Dr. Twaib submitted that it was not true that BATA Trade Mark was not registered, because it is: He said, even if it was not, injunction would still lie to prevent the Respondent from passing off the Applicant's goods as hers. He said, statutory laws such as the Trade Marks Act, are narrower than equity; and that common law rights and equity such as passing off, are recognized and protected in law by way of issuance of injunctive orders. For this, he cited **KULOBA'S PRINCIPLES OF INJUNCTIONS** (op cit).

Restating the principles of granting injunctions in Trade Mark cases, Dr. Twaib borrowed a passage from **WOODROFFE LAW RELATING TO INJUNCTION WITH MODEL FORMS OF PLAINT AND APPLICATIONS**, [1992] 2ND REVISED AND ENLARGED EDITION at p. 306, that, injunction will issue where it is –

“ ascertained that there is such a resemblance as that ordinary purchasers purchasing with ordinary caution are likely to be misled.”

He submitted that from the pleadings and the annexures, one would easily see that the slippers are deceptively similar. Thus, a prima facie case has been made out, and that the Respondent has not countered the Applicant's case at all. Borrowing again from WOODROFFE (Supra) the learned Counsel picked the following passage from p. 312:

“Once the Plaintiff has established that he has got a prima facie case in respect of same and similar goods he would be prima facie entitled to ad interim injunction and heavy burden would be upon the Defendant to prove that the Plaintiff should not be granted an interim injunction.”

Dr. Twaib went on to submit that the Applicant has managed to raise triable issues. He said at this stage, it is not justifiable to attack the Applicant's case. He referred this court to a passage in the speech of Lord Diplock in the **AMERICAN CYNAMID CO** case (Supra) that:

“It is no function of the court at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult

questions of law which call for detailed argument and mature consideration. These are matters to be dealt at the trial.”

He went on to reiterate his earlier submission that loss of goodwill is irreparable. On the other hand, the Respondent's loss could be atoned to by way of damages, and so, concluded the learned Counsel, the Applicant was entitled to the orders sought. Dr. Twaib has also annexed some prints of the slippers of BORA and BATA to his submission. The learned Counsel then asked the court to *“look at the two slippers in issue”* so that it notices how deceptively similar they are.

Let me begin with points of procedure raised in the submissions of the learned Counsel. Dr. Twaib, learned Counsel for the Applicant has complained that the Respondent's Counsel has raised preliminary objections on points of law without notice. That is a valid observation. I stand by my position explained in my previous ruling on security for costs that it is more decent if objections on points of law would be preceded by notice. I would thus ignore the points raised by Mr. Duncan especially as they do not affect the jurisdiction of this court. Next, Counsel must be reminded that submissions are meant to be confined to legal

arguments, and not be used as avenues for introducing evidence. If authorities are necessary I would cite **MORANDI RUTAKYAMIRWA VS PETRO JOSEPH** [1990] TLR 49 where the Court of Appeal of Tanzania held that submissions made by a party are not evidence. And on numerous occasions, this court has held that any evidence introduced via written submission is expungable (See **VETA V GHANA BUILDING CONTRACTOR**, Civil Case No. 198 of 1995 DSM (unreported). Similarly in the present case, I would expunge the annexures annexed to the Applicant's Rejoinder submission.

Having said so, I think the learned Counsel are all at one on the principles applicable in the grant of injunctions. Just to recapitulate, the accepted principles are: -

- (i) The Applicant must demonstrate a prima facie case.
- (ii) That the applicant has a legal right and the court's interference is necessary to protect it.

- (iii) That on a balance of convenience the Plaintiff would suffer more hardship if the injunction is not granted than would the Defendant, if the order is granted.

Beginning with the last principle, I agree with Dr. Twaib that, on the authorities, it is now clear that loss of goodwill is irreparable. Therefore on that score, I agree with him that if the Applicant has a goodwill on the Trade Mark BATA the balance of convenience would be in favour of the Applicant.

Next, since the other remaining principles are related, I will tackle them together. Whether a prima facie case exists depends, in my view, on whether the Applicant has a legal right to protect to warrant the court's interference. I also agree with the learned Counsel that a prima facie case is established if the Applicant can show that his claim is not vexatious or frivolous and that it raises serious questions to be tried. And that, at this stage the court cannot go into a detailed analysis of the affidavit evidence of the parties and attempt to decide difficult questions of law or facts. There is also no doubt that at this stage the court would be guided by the pleadings.

Applying the above principles, I have no doubt in my mind that looking at paragraph 4 of the plaint the Applicant alleges that it is the registered owner of the BATA Trade Mark. And this is borne out by the Certificate of Registration of the Trade Mark and its renewal (Annexure BATA 1). According to this Certificate the Trade Mark was registered on 9th May 1946. So it is true that BATA Trade Mark is now 60 years old in Tanzania. And on 27th May 2002 this was renewed to be valid for the next 10 years. On the other hand, it is also true that BORA Trade Mark was registered on the 3rd July 1968. This is borne out by the Certificate of Registration attached to the Written Statement of Defence (Annexure Bora Defence I). The defence also attached to the said defence as Annexure BORA Defence 2 trade marks registered on 24 March 2005 as pleaded in paragraph 8 of the Statement of Defence. In reply, the Applicant has alleged in paragraphs 9 and 10 of the Reply to the Written Statement of Defence, that the registration of the Trade Mark in question was not done in good faith, and that there are now proceedings to challenge that registration pending with the Registrar of the Trade Marks. It is further alleged by the Applicant in paragraph 10 of the Reply that the Defendant's Certificate of Registration is not associated with Trade Mark No. B 1777 earlier given to the Defendant, and that

the new registration is associated with Trade Mark No. B11777 a trade mark in a different class.

The above allegations are serious ones, and cannot be resolved at this stage of the suit, but they are sufficient to establish that the Applicant has made out a serious question to be tried and that he has a legal interest to protect to warrant the court's interference, notwithstanding that the Applicant did not attach the alleged registered trade mark as Mr. Duncan has attempted to argue.

On the premises I am inclined to grant the application. The Respondent, its, agents, servants and workmen are temporarily restrained from manufacturing, distributing and selling slippers with the mark **"BORA"** during the pendency of this suit. However this order will be valid for 6 months from the date of this order, or up to the determination of the suit, whichever is earlier. Costs shall be costs in the suit.

Order accordingly.

S.A. MASSATI

JUDGE

13/9/2006

2,908 words

I Certify that this is a true and correct
of the original/order Judgement Rulling
Sign Bubise
Registrar Commercial Court Dsm.
Date 14/9/2006