

*Godrej Consumer Products Ltd v Target International (T) Ltd, Commercial Case 60 of 2019, High Court of Tanzania Commercial Division,*

Date of Ruling: 27<sup>th</sup> April 2021

Ruling

Fikirini J.:

This is a ruling on preliminary points of objection raised by the defendant counsel on two (2) points of law namely:

1. That this honorable court has no jurisdiction to entertain the suit
2. That the plaintiff in this suit has neither *locus standi* to sue nor legs to prosecute this matter before this court.

The defendant counsel urged the court to dismiss the application with costs.

Parties were ordered to file written submissions. The filing schedule was as follows: the defendant to file her written submission by or on 18<sup>th</sup> March 2021, reply written submission by or on 1<sup>st</sup> April, 2021 and rejoinder if any by or on 8<sup>th</sup> April, 2021. This was to be followed with ruling set for 27<sup>th</sup> April, 2021

During the hearing, the defendant was represented by Mr. Gulam hussain Yusufu Hassam learned counsel while the plaintiff enjoyed the legal service of Mr. Francis Kamuzora learned counsel.

Admitting that the preliminary point of objection should be on pure point of law which has been pleaded or which arises by clear implication out of pleadings, and if argued as preliminary point may dispose the suit, Mr. Hassan cited the case of *Mukisa Biscuit Manufacturing Company Limited v Westend Distributors Limited* [1969] E.A 696 and *National Insurance Corporation (T) Limited & Another v Shengena Limited*, Civil Application No. 20 of 2007.

Submitting on jurisdiction, it was his submission that, the plaintiff's case was primarily about the alleged importation by the defendant of counterfeit marks and/or offending goods into the Tanzania market which was a matter that squarely fell under summary proceedings within the original jurisdiction of the Chief Inspector as envisaged and provided under Part IV of the Merchandise Mark Regulations, Cap 85, 2018 R.E 2002 (the Act), GN No. 89 (the Regulations). Regulation 12 stated that:

"Any person who has reasonable grounds to suspect an importation or the exportation of the counterfeit marks or pirated copies in violation of his intellectual property rights or any offending goods may make an application in writing to the Chief Inspector which shall provide the following particulars; -

- (a) ....
- (b) the name of the suspected counterfeiters or infringers
- (c) the possible destinations from or to which the offending goods are consigned;
- (d) the reliable information as to the offenders or infringer's residence or address, the place of storage of the goods or location of infringer's factory or business premises;
- (e) adequate facts evidencing prima facie case of infringement and
- (f) sufficiently detailed description of offending goods to make them readily recognizable by the proper officer of the Custom department"

Expanding his submission, he submitted that, the intention of the Parliament was that, the matter of this nature should first be preferred and dealt with by the Chief Inspector under Summary Procedure, considering he has a specialized skill. Disputing paragraph 16 of the plaintiff's plea that this Court has jurisdiction and that the dispute involved was of commercial significance based on Trade and Service Mark Act, it was Mr. Hassan's submission that, the Regulations provided a specific forum with original jurisdiction in dealing with the disputes related to importation of counterfeit. He further submitted that, even if this Court was a specific forum for commercial cases, the Summary Proceedings before the Chief Inspector provided a relatively far more specific forum for dealing with dispute in relation to importation of counterfeit marks or offending goods into Tanzania market. To strengthen his position, he cited the case of *Director of Public Prosecutions v Kishinadiri Degeshi & 2 others, Criminal Appeal*

No. 339 of 2018, in which the Court cited its decision in the case of *John Sendama v Republic, Criminal Appeal No. 279 of 2013* when the Court of Appeal stated that:

"... Being a provision in a statute of general application may not apply where there is special provision in a specific statute dealing with the same subject matter."

*On top of that, Mr. Hassan made reference on* A. B. Kafaliya's Interpretation of Statute, Universal Law Publishing Co. Pvt Ltd, New Delhi India 2008 at p.5, *when the learned authors stated that:*

" The principle that, the general provision should give v/as to the specific provision it is well settled. Where legislature gives two directions one covering the large number of matters in general and another to only some of them, its intention is that, the later direction should prevail over the former one. When there is a conflict between provisions of special enactment and those of general enactment operating in the same field, the provision of special enactment should prevail."

Submitting on the 2<sup>nd</sup> preliminary point of objection, Mr. Hassam submitted that the plaintiff lacks the *locus standi*. To buttress his position, he cited the case of *Lujuna Shubi Balonzi v Registered Trustee of CCM (1996) T.L.R 203 p. 208*, in which the Court of Appeal held that:

In this country locus stand is governed by a common law. According to that law, in order to maintain proceedings successfully, a plaintiff or an applicant must show not only that the court has a power to determine the issue but also that he entitled to bring the matter before the court... Because a court of law is a court of justice and not an academy of law, to maintain an action before it a litigant r' must assert interference with or deprivation of or threat of interference with or deprivation of right or interest which the law takes cognizance of Since courts will protect only enforceable interests, nebulous or shadowy interest do not suffice for the purpose of suing or making an application"

Mr. Hassam also submitted on the term **locus standi** which has been defined in Black Law Dictionary, 9<sup>th</sup> Edition 2009 at p. 1028,

"as the right to bring an action or to be heard in a given forum"

In addition to that, he as well made reference to section 30 of the Trade and Service Mark Act, which provided that:

In addition to that, he as well-made reference to section 30 of the Trade and Service Mark Act, which provided that:

“No person shall be entitled to institute any proceedings to prevent or recovery damages, for the infringement of unregistered trade mark or service mark, but nothing in this act shall be deemed to affect the rights of action against any person for passing-off goods or service as the goods or service of another person, or the remedies in respect of them.”

Putting the definition and the provision together, he submitted that in order for the plaint to be valid, it should have featured and/or comprised of the following facts for the purposes establishing the plaintiff's *locus standi*: *one*, the plaintiff was the registered owner of the word "HIT" as a Trade Mark in Tanzania (Mainland) and Zanzibar. *Two*, defendant had interfered or deprived or threatened of interference with or deprivation of interference with or deprivation of, the plaintiff right or interest which the law takes cognizance of. He further urged that, the plaintiff plaint is neither registered owner of the word "HIT" as a Trade mark be in Tanzania Mainland or Zanzibar.

Contesting the annexed copies of the certificate of registration particular annexure 2 and 3 it was his submission that, those certificates showed titles which bear totally different names from the plaintiff's name, whereby annexure 2 the purported registered owner is *Indovest Limited Capital* while annexure -3 the purported registered owner is *Godrej Households Products Limited*.

Winding up his submission, he made and emphasized that the plaintiff is known as *Godrej Consumer Products Limited* which is different entity from *Godrej Households*

*Products Limited*. On the strength of his prayer, he prayed that, the plaintiff case be dismissed with costs.

Mr. Kamuzora in reply submission submitted that, the argument that Commercial Court has no jurisdiction to entertain the proceedings was highly misconceived and erroneous. He further argued that; the Mr. Hassam has failed to appreciate that the proceedings which were before Commercial Court have been filed in order to seek civil remedies which were not available before the Chief Inspector of Merchandise Mark. The Merchandise Mark Act and its supporting Regulations offered remedies which were criminal in nature while the proceedings before this Court was civil in nature and intended to obtain civil remedies for the plaintiff.

Citing sections 3, 6 and 10 of the Merchandise Mark Act, it was Mr. Kamuzora's assertion that the provisions clearly demonstrate that the Act was nothing but a Criminal Statute which the plaintiff has the option to enforce against defendant in criminal consequences, in which the Chief Inspector has powers of investigation, inquiries and to detain and intercept the goods.

Submitting on the Commercial Court jurisdiction to entertain cases based on Trade Mark *infringement* and *passing-off*, for the purpose of obtaining civil remedies, it was his stance that, has long been settled, making reference to the case of *Kibo Match Group Limited v Mohamed Enterprises (T) Limited, Commercial Division, Civil Case No. 6 of 1999* **and the latest decision on Trade Mark infringement as decided in the case of JC Decaux SA and another v JP Decaux Tanzania Limited, Commercial case No. 155 of 2018**(Copies supplied)

***Disputing the case of*** Director of Public Prosecution (supra) ***he*** submitted that, the case cited were irrelevant and did not support 1<sup>st</sup> point of objection, as the case addressed a situation where the same remedy can be granted by two separate forums,

one being a forum established under a subject specific legislation which was not the situation in the present proceedings. In that regard he submitted that, the first point of objection was misconceived and ought to be overruled and dismissed.

Coming to the 2<sup>nd</sup> point of objection, it was Mr. Kamuzora's submission that, the assertion that, the plaintiff was not the owner of the Trade Mark which appeared to be under the names of *Godrej Households Products Limited and Indovest Limited Capital*, it was his submission that, those were the matters of ownership or lack thereof were matters of fact which required evidence in order to be proved or disproved. Fortifying his position, he referred to the case of *Mukisa Biscuits (supra)*. And this can only be resolved during the trial of the main suit by submitting relevant evidence as per Rules 1(1) & (2) of Order XIV of the Civil Procedure Code, Cap 33, R.E 2019 (the CPC)

Therefore the 2<sup>nd</sup> point of objection ought to be dismissed as it was not a pure point of law.

Mr. Kamuzora further in his submission distinguished *infringement and passing off*, as two distinct causes of action. As cause of action based on registered trade mark that one was known as *infringement and* cause of action based on Common law rights was known as *passing-off*. Admitting that cause of action based on *infringement* might fall away, but right to sue for *passing off* would have survived. Therefore, he prayed the 2<sup>nd</sup> point of objection be dismissed as well.

Rebutting the submission, Mr. Hassam reiterated his earlier submission that, regulations provides for specific forum with original jurisdiction dealing with disputes in relation to importation of counterfeit as opposed to this Division of the High Court which cater as a general forum. Enriching his submission more, he referred this Court to Regulation 23 whereby the Chief Inspector was vested with powers to order the applicant to pay compensation for any harm or loss occasioned through the wrong detention of good resulting from frivolous application.

Responding to the submission on *locus standi*, he submitted that, the plaintiff's line of submission was utterly flawed because it purported to suggest that point of objection was raised and argued on the basis of pleadings, which was not the case. The points of objections were solely raised relying on the pleadings, from which the certificates of registration of the plaintiff as annexures - 2 and 3 showed titles bearing totally different names.

Discussing the two cited cases annexed as annexures GI - *Kibo Match Group Limited* (supra) and G2 - *JC Decaux SA & Ano* (supra), he submitted that they are distinguishable because neither in any of those cases did the Court consider and decide on the issue of the special forum. Therefore, prayed the plaintiff suit to be dismissed with costs.

Having closely examined the submissions by the counsels for the parties, the sole issue for determination before this Court of law is *whether the preliminary point of objection raised are pure point of law and meritorious*.

It is settled legal position that, the preliminary point of objection raised should be on pure point of law and which do not require adducing of evidence. The celebrated and frequently relied on stance in the *Mukisa Biskuit case* (supra) has been referred as well in *Cotwu (T) Ottu Union & Another v Honourable Iddi Simba, Minister of Industries and Trade & Others*, Civil Application No. 40 [2000] T.L.R. 88, *that in order for objection raised to sustain, it has to be on pure point of law*.

With that in place let me start with the 2<sup>nd</sup> point of objection that the plaintiff in this suit has neither *locus standi* to sue nor legs to prosecute this matter before this Court. It was Mr. Hassam assertion that, the plaintiff is neither registered owner of the word "HIT" as a Trade mark be it in Tanzania Mainland or Zanzibar. And the certificates annexed showed titles which bear totally different names from that of the plaintiff.

The argument sounds plausible, but examining it in light of the whole plaint, I am content that the 2<sup>nd</sup> preliminary point of objection raised does not fall within the ambit of the propounded principles. This is due to the fact that, the two certificates albeit in different names to that of plaintiff would require explanation or in other words the plaintiff had to shade or lead evidence proving the certificates had anything to do with her. Since it will require adducing of evidence to prove that the plaintiff was not the registered owner of the "HIT" Trade Mark and hence without *locus standi* as illustrated in *Lujuna Balonzi* case (supra), makes the point of objection raised not to fall under ambit of pure point of law.

This point is overruled.

Coming to the 1<sup>st</sup> point of objection that this honourable Court has no jurisdiction to entertain the suit, the foundation of this point of objection is paragraph 16 of the plaint which indicates that this Court has jurisdiction over the dispute. While the defendant is objecting to that, on account that the dispute which arose was not of commercial significance based on Trade and Service Mark Act and therefore it would rather go to a specific forum with original jurisdiction, which under the circumstances is Chief Inspector. Insisting on the position, Mr. Hassam for the defendant as well argued that, even if this Court is a specific forum for commercial cases yet Summary Proceedings before the Chief Inspector provided a relatively far more specific forum in dealing with disputes which are specifically provided for in the Merchandise Mark Regulations

It is settled legal position that, jurisdiction of the Court can only be granted by the law and not parties. Any proceedings conducted by a Court without jurisdiction, those proceedings are nullity and decision arising from such proceedings is therefore also nullity. *See: Desai v Warsaw (1997) E.A 351*. The same observation was made in the case of **Tanzania Electric Supply Company (TANESCO) v Independent Power Tanzania Limited (IPTL) [2000]**, *when the Court held that:*



"It is trite principle of law that, parties cannot be agreement or otherwise confer jurisdiction upon the court"

Rule 5 (1) of the High Court (Commercial Division) Procedure, 2012 as amended by High Court (Commercial Division) Procedure Rules, GN. No. 107 of 2019 (the Commercial Court Rules) conferred this Court jurisdiction on commercial matters by clearly providing that:

" There shall be a commercial Division of the High Court of Tanzania vested with both original and appellate jurisdiction over commercial cases."

And what amount to a commercial case has been defined under the provision of Rule 3 of the Commercial Court Rules to mean:

" A civil case involving a matter of commercial significance including any claim or application arising out of transaction of trade or commerce!" [Emphasis mine]

And from the *Black Law Dictionary*, word "commerce" has been simply translated as an exchange of good and service. If one goes by that short and restrictive definition, there is a danger of concluding that this Court is not a proper forum to deal with dispute on Trade and Service Marks disputes. Merchandise Mark Act and Regulations, although admittedly is a subject specific legislation, but its application is somehow restricted to remedies which are purely criminal in nature, while the proceedings before this Court is of civil nature and what the plaintiff is seeking is to obtain are civil remedies, which are totally outside the purview of the Merchandise Marks Act and the jurisdiction of the Chief Inspector as envisaged by Mr. Hassam.

Furthermore, even if it were to be concluded that the dispute was to fall within the Chief Inspector's ambit, yet carefully reading of Regulation 12 of the Merchandise Mark Regulations, Cap 85 2018 R.E 2002, submission to the Chief Inspector's jurisdiction was not mandatory. The provision states that:

*"Any person who has reasonable grounds to suspect an importation or the exportation of the counterfeit marks or pirated copies in violation of his intellectual property rights or any offending goods may make an application in writing to the Chief Inspector [Emphasis mine]"*

This connotes that submitting oneself to the Chief Inspector was optional, as the word used is "may." Under the provision of section 53 of the Laws of Interpretation Act, Cap. 1 R.E. 2019, the Act has not assigned the meaning of the word "may" as mandatory compared to "shall". Therefore, simple translation of the provision which carries the word "may" it means it can either be done or not.

As for the cases cited, I have this to say, on the cases cited by Mr. Hassam that of *Director of Public Prosecutions and John Sendema*(supra), as well as the remarks by *Kafaltiya* (supra), the cases and author's remarks were in reference to application of the statute of general application *viz a viz* a specific legislation. I am alive to the legal position that once there is a specific forum the Court before which the matter is placed is required to desist from assuming jurisdiction on a matter reserved for a different forum. In the present matter that is not the case as explained above in this ruling.

Mr. Kamuzora in his submission referred this Court to the cases of *Kibo Match Group Limited* **and** *JC Decaux* (supra) on the jurisdiction of the Commercial Court to adjudicate on matters pertaining to Trade Marks infringement and passing-off, for the purposes of obtaining civil remedies which is not what the Chief Inspector, under the Merchandise Marks Act and Regulations, would be provided to the full extent. I completely agree on his submission and find support in the two cited cases, that this Court is indisputably conferred with jurisdiction to entertain civil remedies emanating from infringement and passing-off claims.

In view of the above, I find the 1<sup>st</sup> point of objection is as well overruled And in conclusion, I find the preliminary points of objection devoid of merits and hereby dismiss them with costs. It is so ordered.

