IN THE HIGH COURT OF TANZANIA

COMMERCIAL DIVISION

AT DAR ES SALAAM

MISC. APPLICATION NO. 279 OF 2018

(ORIGINATING FROM COMMERCIAL CASE NO 132 OF 2018)

KENAFRIC INDUSTRIES LIMITED ..... APPLICANT.

VERSUS

LAKAIRO INVESTMENT GROUP

COMPANY LIMITED..... 1ST RESPONDENT.

LAKAIRO INVESTMENT

COMPANY LIMITED .....2ND RESPONDENT.

Date of Last Order: 21/05/2019

Date of Ruling: 28/06/2019

RULING:

MAGOIGA, J.

The applicant, KENAFRIC INDUSTRIES LIMITED by chamber summons under the provisions of Order XXXVII Rules 1 (a), 2 (1) and section 95 of the Civil Procedure Code, [Cap 33 R.E. 2002] instituted this application against the respondents praying this honourable court to grant the following orders, namely:

1. An injunction order to restrain the respondents whether acting by their directors, officers, servants, affiliates, or agents or any of them or

otherwise whosoever, from the production, supply and sale of the following products;

(a) "Super Veve" which is similar in design, labelling and packaging to the applicant's bubble gums known as "Special Veve,"

(b) "Pipi Kifua" and "Orange Drops" which are similar in the name and packaging to the applicant's sweets knowns as "Pipi Kifua" and "Orange Drops."

2. Costs of this application to be provided for.
3. Any other order(s) and reliefs that this honourable court deems proper and just to grant.

The application is accompanied by the supportive affidavit of Ms. Lorna Solopian, the principal officer and head legal and compliance of the applicant stating the reasons for grant of the orders sought.

Upon served with the chamber summons and affidavit, the respondents filed a joint counter affidavit deposed by ROSE LAMECK AIRO, the principal officer of both the respondents stating the reasons why the instant application should not be granted.

The facts of this case are that the applicant is a registered proprietor of the trade mark known as **'Special Veve"** in Kenya and has already processed for registration of the said mark at the African Regional Intellectual Property Organization (ARIPO) which will entitle the applicant universal protection in all member states of ARIPO, Tanzania inclusive. The fact go further that the applicant is also registered proprietor of trade marks **"Pipi Kifua"** and **"Orange Drops"** in Tanzania as such holds a proprietary intellectual right on the above trademarks. The applicant and 2nd respondent had a business relationship of principal and agency which is no longer in existence. It was further stated that sometimes in 2018 it came to the knowledge of applicant that the respondents have started manufacturing and selling bubbles gums and sweets which are confusingly similar to **"Special Veve"** and **"Pipi Kifua"** and **"Orange Drops"** in packaging, labelling and get up known as **"Super Veve"** and the latter two products in the same name. The applicant upon such discovery issued several demand notices to the applicant requiring the respondents to stop, cease, and desists from making production, supply and sale of the said products. The said demand notices follen on deaf ears of the respondents and the applicant opted to file commercial suit in this court for intervention of the dispute. It is upon that background, the

applicant has instituted this application praying for orders as contained in the chamber summons and which orders are seriously objected by the respondents, hence this ruling.

When this application was called for hearing, the applicant was enjoying the legal services of Mr. Jackson Bidya, learned advocate. On the other hand, the respondents were enjoying the legal services of Mr. Jovin Ndungi, learned advocate. Both counsel for parties were ready for hearing. The learned counsel did not file skeleton written arguments on this application.

Mr. Bidya stood to argue this application and told the court that the applicant is a plaintiff in commercial case no 132 of 2018 between the respondents pending before this court. The learned counsel for applicant urged this court to be pleased to grant temporary injunction order restraining the respondents from production, supply and sale of products namely **"Super Veve"** which are similar in design, labelling and packaging to the applicant's bubble gums known as **"Special Veve."** Also, **"Pipi Kifua"** and **"Orange Drops"** which are similar in name and packaging to the applicant. The learned counsel prayed for costs of this application and any order this court may deem fit and just to grant waiting the determination of the main suit.

The counsel for applicant recited the provisions under which the application is preferred and strongly argued that the rule provides powers of the court to issue orders prayed and restrained the respondents from committing the breach of contract. Mr. Bidya prayed that their affidavit in support of the application be adopted together with its annexures to form part of their submissions. According to Mr. Bidya, the grounds for grant of temporary injunctions were set in the legendry and famous case on injunctions, of ATTILIO v. MBOWE (1969) HCD 284, in which it was held that:

(i) There must be serious questions to be tried by the court which entitled the applicant to be entitled to the prayers.

(ii) To protect the applicant from injury which may be irreparable.

(iii) It must be shown that there is mischief from withholding the injunction or the balance of inconveniences is in favour of the applicant.

The learned counsel based on the above factors submitted that in their affidavit paragraphs 5-12 and 15 shows there was business relationship between the applicant and the respondents on distribution of confectionary products which are bubble gums and sweets. But according to the counsel

for applicant, later on the respondents breached the contract and started manufacturing the same products. To buttress his point, the learned counsel pointed out that annexures KIL- 1, 2, 3 and 4 shows that the products are the same. Therefore, it was Mr. Bidya's view that going by the pleadings there are serious question to be tried by the court such as passing off or infringement and as such satisfy the first requirement for grant of injunction.

Further submission by Mr. Bidya was that in the main suit, the applicant as plaintiff claim Tshs. 4 billion for loss of business and profit. What the court is to look at is whether the applicant/plaintiff has legal right worth to be protected and there is a probability of success in the suit. To buttress his point, Mr. Bidya cited the cases of JOHN KIPU VULCAN v. EAST AFRICA MOTIL CO LIMITED [1964]1 EA 62 and P.J PRODUCTS v. HARIA INDUSTRY [1970] EA 49 in which all these cases recognizes the right of a particular matter who had similar goods prevent others from using such make to mislead the public over the products.

According to Mr. Bidya, the above decisions are at home with protection of passing off afforded by Trade and Services Marks Act, 1986. Applicant's products are being infringed and he is suffering, so entitled to protection,

lamented Mr. Bidya. In the case of PARK DAVIES CO LTD v. OPER FARMS [1961] EA 556 the court stated that where there are resemblances in the container there is probability of infringement and creating a confusion to the two products. He, thus, concluded that at paragraph 2-12 raises serious questions to be tried.

With the second requirement, Mr. Bidya submitted that the contents of paragraphs 15 and 17 of the affidavit contain facts on suffering loss. And as to the third requirement is that there is hardship for withholding the injunction. In this application, the plaintiff's products have been distributed since 2014 in both rural and urban areas in Tanzania, Kenya and Uganda as shown at paragraphs 7 and 8 as such the company has suffered massive loss in terms of cash and still stands to suffer from manufacturing, supply and sale during the pending of this main suit. Mr Bidya cited the case of GILLE v. CRASMEN [1973] EA 358 to support this ground for grant for injunction.

Mr. Bidya concluded his submission by praying that this application be granted with costs.

On the other hand, Mr. Ndungi, learned advocate for respondents strongly objected the grant of the prayers sought and prayed that their affidavit be adopted to form part of their submissions.

According to Mr. Ndungi, section 32 (4) of the Trade and Services and Marks Act, [Cap 326 R.E. 2002] a person who is registered with a trade mark cannot be deemed to infringe the rights of other person who is also registered with similar marks. It was, therefore, the strong submission of Mr. Ndungi that the applicant together with the 1st respondent have different registered marks in Tanzania in terms of confectionery in manufacturing of sweets and both have no exclusive rights to use "Pipi Kifua" by being disclaimed which means not exclusive.

As to the bubble gums it was the reply of Mr. Ndungi that the applicant is not registered in Tanzania. What is his basis is KIL-1 which is a mere application to "ALIPO" submitted on 25th October, 2017.

Mr. Ndungi submitted further in reply that it was the duty of the applicant in trade mark infringement to demonstrate a prime facie case that the products or goods are being infringed by the respondents. Moreover, it was the reply by the counsel for respondents that before the court grants the injunction

has to look at the similarities and if there is confusion. The applicant has relied on annexure 6 which are photographs but the products are different in label, names, gate-up and no similarities save for names which are generic in nature.

On the claims of incurring losses, it was the submission in reply of Mr. Ndungi that the applicant has tried to rely on annexure 5 to show the losses but there are mere excel sheets of his own making but has utterly failed to indicate various audited accounts to show before the respondents what was his sales in Tanzania and what profit he was getting to entitled this court to interfere.

Further reply on balance of conveniences it was the submission of Mr. Ndungi that the same is in favour of the 1st respondents other than the applicant who is dully registered to use the marks and as such likely to suffer more because the industry is in Tanzania, she has employees and is engaged in various commitments like taxes and duties and support the government in industrialization process. The counsel for respondents urged this court to be jealous to protect the industrialization in Tanzania.

The argument that the second respondent has breached the agreement, it was the reply of the counsel for respondents that the trade mark infringement is different from contractual breach. If there is anything to do with contractual agreement then it is to be sought differently and not by way of Trade Services and Marks.

As to the authorities cited, it was the view of the counsel for respondents that they support the respondents' case and indeed the applicant has not proved any infringement and conclusively prayed that the instant application be dismissed with costs.

In rejoinder, it was brief reply by Mr. Bidya that this application does not require that the court should examine materials evidence to reach a conclusion because that will be prejudging the case. The purpose of the application, according to Mr. Bidya, is to take note of the materials evidence and not to look into them. In the upshot, the counsel for applicant reiterated his earlier prayers.

The task of this court now is to determine the merits or otherwise of this application. The application of this nature is not new in our courts and the cases cited by the counsel for applicant shows that the issue of temporary

injunction has long been in the domain of the courts for many years. However, each case is to be decided on its own merits.

In the instant application will take the guidelines and established factors by the legendry, famous and celebrated case of ATTILIO v. MBOWE (supra) in the determination of the merits of this application. The first factor to consider in the circumstances is whether there are triable issues between the applicant and the respondent in the main suit. After I have read the affidavit in support of the application and the counter affidavit as well having listened to the rival arguments of the counsel for parties, this court is of the considered opinion that without much ado this factor is clearly established by the applicant. The issues of who is the registered owner of the trade-marks and the uses of words "super and Special" indeed are issues that need this court's intervention between the two contending parties. This factor without much ado this court is of the opinion that is not difficult to establish and it is on that note this court hereby hold that the first factor is established in this case. But it should be noted that this factor alone is not enough to grant the prayers sought unless and until all factors as well established in ATTILIO (supra) case are met.

This now trickles down to the second factor which is to the effect that the applicant must be protected from further injury which is irreparable. The counsel for applicant on this point briefly submitted that in paragraphs 15 and 17 of the affidavit have all the material to prove this factor. In these paragraphs, in particular, paragraph 15 it was the submission of the counsel for applicant that the applicant will suffer irreparable loss and which cannot be quantified and be atoned by the award of the damages. And in paragraph 17 it was his submission that should the injunction be denied, the applicant main suit shall be rendered nugatory since the applicant shall proceed to suffer compound loss of its products names and the attached values of its products being removed in the markets of which cannot be recovered or atoned by damages. Therefore, he urged this court to find that this factor has been proved along with the first factor.

On the other hand, the counsel for respondent was not moved by the argument of the applicant. According to him, he argued that under the provisions of section 32(4) of the Trade Services and Marks [Cap 326 R. E. 2002] the person who is registered with Trade Services and Marks cannot be deemed to infringe the rights of other person who is also registered with

similar products but with different marks in Tanzania. As to the losses it was the submission of the counsel for respondent in rebuttal that the annexure 5 which the applicant wants to rely is not enough and it is her own making. However, same is not audited accounts showing what were his sales in Tanzania. Further submitting the counsel for respondent argued that the applicant failed to tell the court what profit was she getting. Another point raised was that as to the bubble gums, the applicant is not registered and as such cannot claim exclusivity and loss of irreparable loss.

I have seriously considered the rival arguments of the learned counsel on this point and am of the considered opinion that this point is not proved as alleged by the applicant. The applicant is contradicting herself because in the main suit she is claiming Tshs. 3,971,392,942 being special damages for loss of business and at the same time she is in the affidavit deposing that the loss she is incurring, if any, is irreparable! This is an obvious contradiction on the part of the applicant that you cannot change colours to suit your own personal pursuit. The quantification of the loss by the applicant to the tune of Tshs. 3.97 billion is an indication that the applicant if he can prove his case, he is entitled to be compensated and the damages can be atoned

accordingly. The respondent claims to be registered of the second category of bubble gums and Pipi Kifua and oranges, which claims the applicant did not dispute making the grant of the injunction amount to deciding the main suit before proof of who is the registered or not. On these reasons this court is not satisfied that the applicant will suffer irreparable loss which could, not be atoned in monetary terms while herself has quantified the same to the tune of Tshs. 4 billion. This factor is not proved in the circumstances of the application.

Having one factor failed, it suffices to dispose of this application, as correctly held in the case of ATTILIO (supra) that it is general principle that for injunction to be granted there are three conditions which must be satisfied and cumulatively proved before such an injunction can be granted. Nevertheless, the issue of balance of conveniences is as well to fail on account that until the court can discuss and interpret the use of the words "special and Super" and who is registered and not, who has exclusive rights or not all these in their totality points that the applicant has failed to prove any inconveniences that surpasses that of the respondent. The respondent,

if is precluded as correctly argued by Mr. Ndungi is likely to be inconvenienced than the applicant.

Other cases cited, after going through them are relevant during the hearing of the main suit which is pending.

That said and done, the application for temporary injunction is here by refused and this application is hereby dismissed with costs.

It is so ordered.

Dated in Dar es Salaam this 28th day of June 2019.

S. M. MAGOIGA

JUDGE

28/06/2019