

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

CIVIL CASE NO. 6 OF 1999

KIBO MATCH GROUP LIMITED.....APPLICANT/PLAINTIFF
VERSUS
MOHAMED ENTERPRISES (T) LIMITED.....RESPONDENT/DEFENDANT

R U L I N G

KALEGEYA, J.:

In this ruling, matters to be decided are two – the Defendant’s preliminary objections, and, Plaintiff’s application for temporary injunction. As each party wears the trappings of both an applicant and Respondent, depending on the matter being discussed, for avoidance of confusion in this ruling, I will not use these titles as is usually the case, and instead I will maintain the main titles of, **Plaintiff/Defendant**.

The above tussle emanates from the Plaintiff’s action against the Defendant by which he seeks, among others, a permanent injunction against the said Defendant, restraining the latter from infringing its registered Trade Mark. The plaintiff contends that it registered a Trade Mark by the name of “KANGAROO” as far back as 10th October, 1989 and that it has since then been exclusively manufacturing, selling, both internally and abroad, Match Boxes bearing the said Trade Mark; that however, in violation of that exclusive right the Defendants have been importing and selling Match Boxes with identical Trade Mark, and estimates loss as a result of this infringement to have struck a shs.1,544,498,687/= mark as at 30th Sept. 1999. Pending a final determination of the controversy, the Plaintiff applies for issuance of a temporary injunction to restrain the Defendant,

*“ Whether by its officers, servants, agents or any of them or otherwise
from infringing and/or passing off the Applicant’s Trade Mark by way of*

importation, distribution, sale, advertisement or otherwise of safety matches under the names and device of "KANGAROO....."

In response thereto the Defendant came up with preliminary objections that,

- " 1. The alleged trademark infringement is not a "commercial case" as defined in Rule 2 of the High Court Registries (Amendment) Rules 1999 read together with High Court Registries Rules, 1984.*
- 2. The affidavit of one Deodatus Lucas Ubena Kinawiro is hearsay evidence and not competent to support a chamber summons.*
- 3. The affidavit is otherwise defective in law."*

Capt. Kameja of Maajar, Rwechungura, Kameja & Nguluma, Advocates, represented plaintiff while Mr. Chandoo represented the Defendant. With the leave of the Court, the Counsel argued both the preliminary objections and the application for temporary injunction together and by way of written submissions.

I will deal first with the Defendants preliminary objections.

In support of the preliminary objections, Mr. Chandoo argued that "trade Mark infringement cases" are not Commercial Cases as defined under Rule of 2 of the High Court Registries (Amendment) Rules, 1999 read together with High Court Registries Rules 1984. Elaborating, he insisted,

"...the only possible definition clauses (iv) and (v) do not cover situation like the present one of alleged infringement of trademark. It would be stretching the definition too wide to hold that the trade mark cases are covered therein".

Mr. Chandoo also has a quarrel with the affidavit. He argues that Deodatus Lucas Ubena Kinawiro's affidavit simply refers to the Private Investigations report which is not signed and that therefore it is false when the verification clause therein states,

"What is stated above is true to the best of my knowledge". "Now that is not the knowledge of the Deponent (?). The affidavit ought to have disclosed the basis of his information", he charged.

In response, the Plaintiff's counsel argued, strongly, that the Defendant's importation, distribution and selling of match boxes are commercial activities and that as these infringe Plaintiff's trade Mark the resultant is a commercial dispute falling under the definition of a commercial case as provided in Rule 2 (a) (iv). Alternatively, he argued that the definition of a commercial case is very widely couched under Rule 2 (a) so as to encompass any matter of "commercial significance", which phrase covers the general ambit of use of "trade" or "service mark" on goods in commercial transactions. On the alleged defective affidavit he stated,

"There is nothing hearsay about Mr. Kinawiro's affidavit.....the Applicants was well aware of the infringement before commissioning the investigators ...they were called in ...to confirm by way of thorough investigation what the applicant already knew, that is the infringement of its trade mark by Respondent..."

I should outrightly state that the preliminary objections have no base on which to stand. Starting with the argument that disputes involving trade mark are not covered under the definition of the term "Commercial Case", a simple answer thereto can easily be provided by just quoting what is defined as a commercial case under Rule 2 of The High Court Registries (Amendment) Rules, 1999 (GN 141 of 1999) which is as follows:-

"Commercial Case" means a Civil case involving a matter considered to be of commercial significance, including but not limited to:

- (i) *the formation of business of Commercial Organization;*
- (ii) *the governance of a business or commercial organization;*
- (iii) *the contractual relationship of a business or commercial organization with other bodies or persons outside it;*
- (iv) *the liability of a commercial or business organization or its officials arising out of its commercial or business activities'*
- (v) *the liabilities of a commercial or business person arising out of that person's commercial or business activities;*
- (vi) *the restructuring or payment of commercial debts by or to business or commercial organization or person;*
- (vii) *the winding up or bankruptcy of a commercial or business organization or person;*
- (viii) *the enforcement of commercial arbitration award;*
- (ix) *the enforcement of awards of a regional court or tribunal of competent jurisdiction made in*
- (x) *accordance with a Treaty or Mutual Assistance arrangement to which the United Republic is a signatory and which forms part of the law of the United Republic;*
- (xi) *admiralty proceedings; and*
- (xii) *arbitration proceedings; "*

(it should however be noted that the items should be 11 and not 12. Item "x" is inadvertently indicated as it is not an independent Item but falls under item "ix" instead).

From what is provided above it would amount to absurdity to entertain an argument that a dispute in which one businessman fronts an action against the other complaining that that party has infringed his trade or service Mark by importing, distributing and selling products bearing identical Mark is not a commercial case. The dispute between the parties is obviously a "civil case" and the acts complained against arise from the parties commercial/business transactions. The plaintiff claims to be the owner of trade mark; claims sole and exclusive legal right of putting in the market match boxes bearing that trade mark; complains that the Defendant has surfaced with similar products bearing

identical mark hence capturing its otherwise potential customers though deception. Significance of a dispute over production and distribution of articles of common or public day to day utility like match boxes need no emphasis. With the above picture suffice to state that the dispute at hand squarely falls under the definition of a commercial case as provided for in item (iv) under Rule 2 above quoted. The objection on ground one is dismissed.

The same fate befalls the rest of the objections which in substance are one. The affidavit under attack has 8 numbered paragraphs. In para.1 the deponent describes his status in the plaintiff company while in para.2 and 3 he refers to details of the Registered trade mark – i.e. when registered, registration number and the general physical impression and how its manufactured goods have legally been on Tanzania Market. In para.4&5 deponent observes that Defendant has imported Match Boxes from India depicting identical Mark hence deceptive to general public. In the same para.5 deponent also refers to a report by a Private Investigation Agency which also confirms that the Defendants have been importing and distributing the matchboxes with the identical mark as alleged. Para.6 and 7 allege that the imported match boxes are of poor quality; that Defendant has profited though this deal and that Plaintiff has suffered loss of Shs.1,544,498,687 as at 30/9/99. In para.8 deponent states that if the injunction is not granted the loss will be colossal and the damage suffered will be of an unquantifiable degree.

With respect to Mr. Chandoo, I have not come across any paragraph which specifically offends him. As I have summarised above, all matters are stated by him (Kinawiro) to be in his personal knowledge. As rightly argued by Plaintiff it is categorically stated that the plaintiff sought assistance of private investigation just for details and confirmation. The plaintiff had already noted of the infringement before putting the investigators into the field. As a principal officer of the plaintiff Company he states that he was aware of this before the private investigation was conducted. Where are elements of alleged hearsay in this? The report may not be signed but at this preliminary stage this is quite irrelevant. The affidavit, and more specifically, the

verification clause, is legally perfect. The other part of the preliminary objection also crumbles. That seals off the fate of the preliminary objections.

We now turn to the application for temporary injunction.

In support of the application the Plaintiff's Counsel vigorously argued that on the set of facts the three conditions for issuance of a temporary injunction have satisfactorily been established. In support thereof he cited *Attilio vs Mbowe* (1969) HCD 284, *Giela vs Cassman Brown & Co. Ltd* (1973) E.A 358 and *CPC International Inc. vs Zainab Grain Millers Ltd, (CAT)*, Civil Appeal No. 49 of 1995. He argued that by proving that it is a registered proprietor of Trade Mark "Kangaroo" since 10th October, 1989, which mark depicts a picture of three Kangaroo and the word "Kangaroo" printed thereon in prominent yellow bold capital letters; and also having proved that defendant, imports, distributes and sells goods with a similar mark the plaintiff have established a prima facie case. On this he refers to *Colgate Palmolive Company vs Zakaria Provision Stores & others, (HC)* Civil Case No. 1 of 1997, and *(HC)* Civil Case No. 34 of 1999, *Tanzania Breweries Ltd vs Kibo Breweries and Kenya Breweries Ltd*. On irreparability of the injury he insists that if by 30/9/99 the loss has crossed already a Tshs.1.5 billion Mark, continuing breach will escalate the amount involved to an un-affordable sum in terms of payment thus ending up with just a decree for permanent injunction in case the matter is decided in their favour, and, that even in terms of a balance of convenience, the defendant has very little to suffer if temporary injunction is granted as compared to plaintiff because the former which is neither a registered owner or even a licensee of the trade Mark, will just have a temporary cessation of business while the latter's affected circle include loss of revenue and loss of good will due to deception/confusion resulting from the infringement.

In response, the Defendant's Counsel argued that Plaintiff's trade Mark is no longer valid as it expired seven years after registration in terms of section 23 of The Trade and Service Marks Act (Act No.12/86). Secondly, Defendant argued that S. 33 of the said Act,

“ Specifically preserved the anterior right of a person to continue to use the said mark. In other words it preserved the right of another person to continue to use a similar or identical trade mark if he had used the said mark prior to its registration.”

And, that on facts of this matter the Defendant started importing the identical goods as far back as 1988, before the trade Mark was registered, and relied on an IMPORT DUTY ENTRY document which is an annexure to the written statement of defence and which shows an importation of cartons of match boxes. Thirdly, seemingly intended to be in the alternative, Mr. Chandoo argues that Plaintiff

“has failed to produce a single document emanating from the Respondent to show that Respondent has imported or sold safety matches bearing the trade Mark of the Applicant”.

In reply thereto the Plaintiff's Counsel called upon the Court to disregard the Defendant's invitation to deal with issues triable in the main suit and points out such issues to include whether plaintiff's trade mark is still valid and whether it confers exclusive rights.

I will start by stating that principles governing issuance of an order for temporary injunction are generally captured under two main premises – the applicant should show a prima facie case with a probability of success against Defendant, and also should prove that if the injunction is not granted the injury that would be suffered would be irreparable by way of damages. Embraced under the last premise is the principle of balance of convenience: that the applicant would stand to suffer greater hardship if the order is refused than what the Respondent would suffer if granted (the Attilio; Giela and CPC International cases cited by Plaintiff are very clear on these principles).

On the basis of the pleadings and the party's arguments before me I have no hesitation to hold that a prima facie case has been established and so is the irreparability of the injury. The Plaintiff has put before us the following: that a “Kangaroo” trade Mark

was registered in 1989; that armed with this has manufactured and sold match boxes bearing the said mark; that Defendant then imported and sold match boxes from India bearing an identical trade mark and that as at 30/9/99 loss of revenue due to Defendant's infringement had reached over Tshs.1.5 billion. On the other hand, the Defendant did not bother to challenge any of the above and instead engaged in a technical front impliedly admitting what the plaintiff has contended. Defendant does not challenge that the trade Mark on plaintiff's match boxes and the one on the imported match boxes are identical. This is nakedly so notwithstanding Defendant's seemingly vacillation at one point: at one stage disputing having imported the offending goods and yet at the other admitting the same, but, finally, what one gathers from the all round arguments fronted is that they admit importation.

With respect to Mr. Chandoo, the technical arguments presented – that the trade Mark is no longer valid and that plaintiff have no exclusive right over its use – as rightly contended by the plaintiff, are issues which cannot be argued at this stage. These will be argued in the main hearing by production of relevant evidence.

On the facts of this case therefore there is no need of discussing the authorities relied upon by the plaintiff. This is so because the Defendant have not put up any challenge. The existence of a trade Mark has been established. Under S. 50 of the Trade and service Mark, in any legal proceedings, registration of a trade Mark is prima facie evidence of the validity of its original registration. The registration is in plaintiff's name. The Defendant imports goods bearing identical trade Mark. Defendant has not claimed any joint proprietorship nor to being a licensee or related. On whatever considerations, the plaintiff stands to suffer irreparably than the Defendant if injunction is refused. It is no wonder that the latter had the guts, at one point of disclaiming being an importer of the offending goods. From the totality of the above I am satisfied that the plaintiff has proved its application for temporary injunction and the same is accordingly granted.

L.B. KALEGEYA

JUDGE

I Certify that this is a true and Correct
of the original order Judgment Ruling
.....
Registrar
Commercial Court
Dar es Salaam
Dated 17/11/2000