

A **KIWI EUROPEAN HOLDINGS BV v. SAJAD ALI LIMITED**

B HIGH COURT OF TANZANIA
(Commercial Division)
AT DAR ES SALAAM
(Nsekela, J.)

C COMMERCIAL CASE No. 26 OF 2001

Intellectual Property – Trade Mark – Infringement of trade mark – Cumulative effect of sections 31 and 32(1)(a) of the Trade and Service Marks Act 1986

D *Intellectual Property – Trade Mark – Infringement of trade mark – Whether trade mark so resembling a registered trade mark as likely to deceive or cause confusion – Duty of the trial judge to decide whether the trade mark complained of so resembles a registered trade mark as to be likely to deceive or cause confusion*

E *Evidence – Burden of proof – Burden of satisfying the court that there has been infringement of trade mark – The party that alleges has the burden to prove*

F The Plaintiff was the registered proprietor in Tanzania of the trade mark “KIWI”. One day, a Product Development Representative of the plaintiff whose functions included monitoring “KIWI” shoe product and monitoring, counterfeit products in the market, bought from the defendant’s shop a KIWI shoe polish which turned out not to be a true “KIWI” product although it had many features of one, including the logo on it, but the year of its manufacture was missing and the motto on it was slightly different from the true KIWI’s. The Plaintiff then sued the defendant for infringement of the plaintiff’s registered trade mark and calculated to cause confusion and passing off. G H The defendant admitted that they had been importing “KIWI” products from Dubai since 2001 but denied that the KIWI bought from their shop was part of those goods.

I **Held:** (i) In general, proof of a single act of infringement by the defendant is sufficient to justify the plaintiff in bringing his action;

(ii) The cumulative effect of sections 31 and 32(1)(a) of the Trade and Service Marks Act 1986 is that the right to exclusive use upon registration of a trade mark cannot be infringed unless it is proved that the offending mark is either identical with the registered trade mark or it so resembles the registered trade mark as to be likely to deceive or cause confusion in relation to the goods in respect of which the mark is registered;

(iii) The burden of satisfying the court that there has been an infringement of trade mark is on the party who alleges the infringement; it is for him to pursue that there is a resemblance between the two marks and that such resemblance is deceptive;

(iv) It is the duty of the judge to decide whether the trade mark complained of so resembles the registered mark as to be likely to deceive or cause confusion in the minds of the public;

(v) In deciding the question of similarity between two marks, one has to approach it from the point of view of a man of average intelligence and of imperfect recollection, and that an ordinary purchaser is not gifted with immense powers of observation;

(vi) The use of the plaintiff’s logo on the product bought from the defendant’s shop that was likely to deceive or cause confusion in the trade.

Judgment for Plaintiff

Cases referred to:

(1) *Acktibolget Jonkeping Vulcan Industricks – fabriksatebolag v. East African Match Co.* [1964] E.A. 64.

Statutory Provisions referred to:

(1) Sections 31 and 32(1)(a)(i) of the Trade and Service Marks Act 1986

JUDGMENT

(Delivered 03 June 2005)

Nsekela, J.: The plaintiff, Kiwi European Holdings B.V. was the registered proprietor in Tanzania of the trademark “KIWI” as detailed in paragraph 4(I) to (II) of the plaint. The plaintiff instituted this

A suit against the first defendant, Sajjad Ali Limited, for infringement of trademark and passing off. The allegations underpinning the action are contained in paragraphs 4 to 12 of the plaint. The essence of the plaintiff's case is to be found in paragraphs 9 and 10 of the plaint which are in the following terms:

9. The use by the first defendant of the word "KIWI" on the said shoe polish and on the packaging not of the plaintiff's manufacture or merchandise is an infringement of the plaintiff's Registered Trade Marks and is calculated to lead to deception and to the belief that the first defendant's shoe polish marked "KIWI" are the shoe polish of the plaintiff and it is further calculated to cause, and must have caused, the said shoe polish; not of the plaintiff's manufacture or merchandise, to be passed off as, and to be believed to be, the "KIWI" shoe polish of the plaintiff.

PARTICULARS

The plaintiff will rely on the similarity of the goods bought from and imported by the first defendant with the genuine goods bearing the Registered Mark of the plaintiff, as in itself establishing the probability of deception and/or confusion. Specimen of the plaintiff's genuine products and those imported and sold by the first defendant will be produced at the hearing.

10. The plaintiff will further contend that the said mark and packaging of the first defendant's goods were designed and adopted with the object of enabling the shoe polish of the first defendant to be deliberately mistaken for the well known product of the plaintiff.

At the commencement of the trial, two issues were framed and recorded by the court as follows

- (1) Whether or not the first defendant has infringed the plaintiff's trade mark "KIWI" as alleged in paragraph 5 of the plaint.
- (2) To what reliefs are the parties entitled to."

To establish its case, the plaintiff called two witnesses. PW1 was one Chalo Kassim, who at the material time was working in Tanzania as a Product Development Representative. His functions included monitoring Kiwi shoe products and monitoring counterfeit products in the market. He testified that the plaintiff was the registered trademark owner of KIWI in Tanzania as evidenced by Exhibit P1, which was admitted in evidence without objection from Mr Mngoya, learned advocate for the first defendant. PW2 also tendered in evidence Exhibit P2, Kiwi shoe polish. He then described the distinctive features of Exhibit P2 which include a Kiwi logo and below that logo was the year 1906; there was a motto for the polish "nourishes protects and shines;" it had a distinctive bar code; a country of origin and the address of the manufacturer. In the course of his duties, PW1 came across Exhibits P3, which was also admitted in evidence with objection. PW1 found it at Sajjad Ali's Shop. PW1 then made a comparison of Exhibits P2 and P3. He testified that the kiwi logo was the same, but Exhibit P3 did not have the year when the shoe polish was first manufactured; the motto on Exhibit P3 is "water resistant, leather nourishing;" in Exhibit P3 the contents are indicated on top whereas on Exhibit P2, it is on the side; Exhibit P3 does not have a bar code. PW1 added that Exhibit P3 is made in Kenya by Kiwi Brands Ltd, P.O. Box 30477 Nairobi.

When opened inside it had an aluminium foil, the base was not even and had paraffin smell. PW1 also testified that selling Exhibit P3 was cheating the public into believing that it was Exhibit P2. When cross-examined by Mr Mngoya, PW1 stated that the plaintiff was the only company manufacturing Kiwi. Their competitors were Dragon Shoe Polish from China; Lude from China and Golden Shine from Kenya and that they had not encountered any other person infringing the kiwi traded mark apart from the first defendant. PW2 was one Joyce Sojo, an employee of the Tanzania Revenue Authority (TRA) since 1996. PW2 testified to the effect that an informer tipped Tanzania Revenue Authority that the defendant company had imported goods from Tanga Port and were on their way to Dar es Salaam to be off-

A loaded. The goods were then intercepted at Ubungo. The aim was to verify whether or not taxes had been paid. The boxes when opened were found to contain a variety of goods including cell batteries, pencils, shoes polish. The shoe polish found looked like Exhibits B
P2 and P3. PW2 then proceeded to explain the differences between the two exhibits, for instance in one there is a year indicated but not in the other; the presence of a bar code in one and its absence in another; the names of the manufacturers were also different. She C added that all the taxes had been duly paid and that was the end of their business.

The defendant called two witnesses as well. DW1 was Sajjad Gulamali a businessman dealing in sundry items. He testified that in 2001, D they imported kiwi products from Dubai through Tanga Port. The goods were in containers. One container was opened and Tanzania Revenue Authority officials sealed the container and did not take any samples. There was a second visit by TRA officials excluding E PW1 and PW2 and that PW2 never saw any goods in boxes. The TRA officials wanted to verify payment of taxes. DW1 also testified that he imported kiwi because customers wanted them and that he was not aware of any counterfeit kiwi products. The kiwi he imported F resembled Exhibit P2.

The first issue framed and recorded was whether or not the first defendant has infringed the plaintiff's trademark "KIWI". This is the crux of the matter. Before considering this issue, let me first G reproduce in part paragraph 5 of the first defendant's written statement of defence. It reads as under:

H 5. That further to the preceding paragraph, the first defendant states that the amount imported is insignificant – about 600 cartons only – which has not been motivated by any deception on the part of the first defendant ..."

I Paragraph 5 above shows at the very minimum, the first defendant had imported "600 cartons only". In his evidence DW1 said in part:

Exhibits P2 and P3 were not part of the goods. A

It will be recalled that Exhibit P3 was tendered in evidence by PW1. This was the counterfeit shoe polish – PW1 bought from the first defendant's shop. DW1 is not telling the truth. Exhibit P3 was part B of the goods that DW1 had imported. Indeed, in his evidence DW1 stated thus –

Since 2001 we imported KIWI products. We import our goods from one C supplier in Dubai.

There is no doubt that PW1 went to the first defendant's shop to purchase the counterfeit Kiwi shoe polish in order to procure evidence in proof of the alleged infringement of the plaintiff's registered D trade mark. There is also the evidence of PW2 who testified to the effect that the boxes when opened were found to contain a variety of goods including Kiwi shoe polish resembling Exhibits P2 and P3. The learned authors of *Kerly's Law of Trade Marks and Trade E Names* (12 ed 1986) have this to say at page 340 paragraph 15 – 116.

In general, proof of a single act of infringement by the defendant is sufficient to justify the plaintiff in bringing his action, and the evidence relied on is frequently the sale by the defendant of the spurious goods to the plaintiff F or his agent, who has bought them merely for the purpose of procuring evidence. Though orders of this sort, generally referred to as "trap orders" have not infrequently been the subject of unfavourable comment, they are often the only means by which evidence can be obtained, and if they G are fairly given, there is no impropriety in adopting this procedure.

I have no hesitation at all in believing the evidence of PW1 that the first defendant sold Exhibit P3 and issues Exhibit P4. As the plaintiff's H trade mark is registered under the provisions of the Trade and Service Marks Act 1986 (the Act), I hold that the plaintiff is entitled to the protection conferred on them by section 31 of the Act which provides –

I 31 Subject to the provisions of this Act and any limitations or conditions entered in the register, the registration of a trade or service mark

- A shall, if valid, give or be deemed to have given to the registered proprietor the exclusive right to the use of a trade mark in relation to any goods including sale, importation and offer for sale or importation.
- B In an action based on an alleged infringement of a trade mark, the central question to be answered is whether the right conferred on the proprietor or the mark by registration thereof has been infringed or not. Trade mark infringement is governed by section 32(1) of the Act. It provides as follows.
- C 1. The exclusive right referred to in section 31 shall be deemed to be infringed by any person who, not being the proprietor of a trade mark or registered user thereof using by way of the permitted use, uses a sign either:
- D (a) identical with or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade or business, in relation to any goods in respect of which it is registered or in relation to any closely related goods and in such manner as to render the use of the sign likely to be either -
- E (i) as being used as a trade mark or business or company name, or
- F The cumulative effect of section 31 and 32(1)(a) of the Act is to the effect that the right to exclusive use upon registration can not be infringed unless it is proved that the offending mark is either (i) identical with the registered trade mark or (ii) it so nearly resembles
- G the registered trade mark as to be likely to deceive or cause confusion in the course of trade in relation to the goods in respect of which the mark is registered. It is not the case for the plaintiff that Exhibit P3 is identical with the trade mark on plaintiff. The sole question
- H of fact which has now to be decided is whether it is possible to hold on the evidence on record that the alleged infringing mark so nearly resembles the registered trade mark or the plaintiff in the course of trade in relation to the KIWI shoe polish. It is trite law that the
- I burden of satisfying the court that there has been an infringement

A of trade mark is on the party who alleges the infringement and that it is for him to prove that there is a resemblance between the two marks and that such resemblance is deceptive. In the case of *Aktibolget Jonkeping Vulcan Industrietsfabriksatebolag v. East African Match Co* (1964) EA 64, Udo Udoma, C. J. stated thus at page 67:

B As a general proposition of law, I think I am right in stating that the burden of satisfying the court that there has been an infringement of its trade mark is on the plaintiff company. It is for the plaintiff company to prove that there is a resemblance between the two marks, and that such resemblance is deceptive. (It is also a well established principle of law that is the duty of the judge to decide whether the trade mark complained of so resemble the registered mark as to be likely to deceive or cause confusion in the minds of the public. From that duty the judge cannot abdicate).

D It will be recalled that PW1 testified at considerable length on the distinctive features of Exhibits P2 and P3, making a detailed comparison between them. What is essential however are the broad essential features of the two marks. The basis idea of the plaintiff's mark is the KIWI logo. From the evidence of PW1, it is the same logo which appears in Exhibits P2 and P3. The use of the plaintiff's logo in Exhibit P3 is likely to deceive or cause confusion in the trade. It has often been stated that in deciding the question of similarity between the two marks, one has to approach it from the point of view of a man of average intelligence and of imperfect recollection, and that an ordinary purchaser is not gifted with the power of observation of a Sherlock Holmes.

F In the result, I hold that the first defendant had infringed the registered trademark of the plaintiff. I therefore enter judgment against the defendant with costs excepting prayers (c) and (d). It is so ordered.