

**THE REPUBLIC OF UGANDA,
IN THE HIGH COURT OF UGANDA AT KAMPALA,
(COMMERCIAL DIVISION)**

MISCELLANEOUS APPLICATION NO 256 OF 2004

(ARISING FROM CIVIL SUIT NO. 176 OF 2011)

INTERCONSUMER PRODUCTS LTD} PLAINTIFF

VERSUS

NICE AND SOFT INVESTMENTS (2003) LTD} DEFENDANT

BEFORE HON. MR. JUSTICE CHRISTOPHER MADRAMA

RULING

The applicant's application is for a temporary injunction to restrain the respondent, its servants and/or agents and/or distributors from manufacturing, selling or exposing for sale or in any way dealing in cosmetics using the names "Nice & Soft" and for costs of the application.

The grounds of the application are that:

1. The applicant has been trading in cosmetics known as "Nice & Lovely" since 2003 and has acquired a substantial reputation.
2. The respondents without any form of authority are selling cosmetics goods in Uganda under the mark "Nice & Soft" and have attempted to register a trademark under the said names to the detriment of the applicant.
3. The respondent's conduct if not restrained will cause irreparable loss to the applicant's trademark for damage alone cannot atone if an interim order is not issued.
4. The applicant's trademark is in danger of being wasted and irreparably damaged by virtue of such use by the respondent who is selling inferior goods similar to those of the applicant.
5. That is in the interest of justice that this application be granted.

The application is supported by the affidavit of Esther Kilonzi sworn on April 27, 2011. The application was lodged in court on the 18th of May 2011 and is further supported by a supplementary affidavit of Charles Njenga, the Company Secretary of the Applicant and sworn

to on the 7th of June 2011 at Kampala. The deponents contend that the trademark “Nice & Lovely” had acquired a substantial reputation and the respondent was selling inferior products under a similar trade dress which would injure or dilute the reputation and business of the applicant. That the respondent was passing off its products as that of the applicant by using a similar trade dress or getup. The applicant is an assignee of trade Mark 20189 registered in Part A class 3 of the repealed Trademarks Act cap 217 in the names of Britania Cosmetics Ltd. The assignor to the applicant in Britania Allied Industries Ltd. In the affidavit in reply sworn by Eddie Frederick Kasajja the respondent’s answer is that the applicant’s affidavit in support of the application sworn by Esther Kilonzi is defective and renders applicant’s application fatally defective. That is no merit in the application because it does not satisfy conditions for grant of a temporary injunction. The respondent has applied for registration of the trade mark NICE & SOFT which application was advertised in the Uganda gazette. That the names “Nice & Soft” the respondent uses is distinguishable from the applicant’s trademark. Further that the applicant has no monopoly in the use of the words “Nice” or “Lovely”. The respondent’s products are for distribution in Sudan. The products have also been approved by Uganda National Bureau of Standards for sale in Uganda. Last but not least the deponent avers that the applicant seeks an injunction in the same suit and a temporary injunction should be denied at this stage.

At the hearing the parties were represented by learned counsel Yesse Mugenyi for the applicant and learned counsel Bamwite for the respondent.

Learned counsel for the applicant Yesse Mugenyi, submitted that the application is lodged under the provisions of order 41 rules 1 and 2 to restrain the respondents from manufacturing, selling or exposing for sale or dealing in any way in the cosmetics with the words “Nice & Soft” and for costs.

Counsel summarised the facts in the affidavit of Esther Kilonzo and the supplementary affidavit of Charles Njenga as well as grounds in the chamber summons. The applicant’s case is that the respondents without any form of authority from the applicant started selling cosmetics in Uganda with a similar trademark “Nice & Soft”. Court was referred to several exhibits for purposes of comparison of the products of the applicant with that of the respondent. Annexure inter alia is a variety of the product range of the applicant. They show that the product range of the applicant has the logo “Nice & Lovely”. The ones of the respondent are marked “Nice & Soft”.

Learned counsel submitted that the applicant’s case is that the colouring and the whole get up of the product referred to in the application is almost the same. Samples of the products were availed to the court for examination and comparison. The applicants case is that the comparison would demonstrate that the colours of the applicant’s and respondents products are the same and almost the whole get up or trade dress are the same. Court was referred to the “body milk lotion”, perfumed baby jelly, baby jelly, baby powder, and other products which I do not need to go into details thereof to support the submission that they were the similar and likely to deceive potential customers.

Learned counsel for the applicant argued that the applicant has two causes of action namely the tort of passing off and infringement of the applicant's trademark. Learned counsel relied on the decision of honourable Justice Bamwine in the case of **Napro Industries Ltd vs. 5 Star Industries Ltd HCC 325 of 2005** for the definition of a passing off action. "Passing off" actions are confined to the deceptive use of trade names, marks, letter and other indicia. The principle underlying this action is the common law adage that a man is not to sell his own goods under the pretence that they are the goods of another man." Secondly a "get up" was defined in the case as the visual features which distinguish a trader's goods by the packaging thereof. It is the badge of the plaintiff's goods and associates the goods with the plaintiff in the mind of the public. Learned counsel submitted that it is the duty of a judge to reach a decision upon comparing the products whether the plaintiffs goods so nearly resemble the ones complained of as to be likely to deceive or cause confusion in the minds of the public.

The second cause of action of the applicant is that the applicant by using the word "Nice & Soft" on their trade dress for cosmetic products, are infringing the trademark "Nice & Lovely". A registered trademark is protected in the syllables. In the case of **Parke Davis & Co Ltd v Opa Pharmacy Ltd [1961] 1 EA 556**, where the court found that the registered trademark Capslin was infringed by the respondent selling a similar ointment under the name Capsopa because the first two syllables were identical and it was likely to cause confusion. Accordingly because the applicant has registered has the words "Nice &", the respondent's first two letters are the same. The word "Nice &" is registered by the applicant and the mere fact that it is registered has exclusive rights to the words "Nice". Annexure A, B, C, D, and E to the affidavit in rejoinder shows that the trade mark "Nice & Lovely" is valid. The ruling of honourable lady Justice Stella Arach lays the test to be applied in such an application in **MA 773 of 2004 Napro Industries vs. Five Start Industries Ltd**. In the case of **Britannia L vs. Sun Confectionary industries** Hon Geoffrey Kiryabwire in MA 288 of 2005, held that test required in an action of this nature for the granting of a temporary injunction is now fairly well settled. The first test is whether there are serious questions to be tried, which test is a variant of the prima facie case test. Counsel submitted that the applicant has availed and compared the products and that they have a similar get up. Hon Justice lady Justice Stella Arach held in the Napro case (supra) that the facts that the products by the parties are similar and were being sold using a similar trade name capable of causing confusion in the public was sufficient to show that the applicants case raises serious issues that need to be tried by the court.

The second test set up is whether the applicant will otherwise suffer irreparable losses that cannot adequately be compensated by an award of damages if the injunction is not granted. Learned counsel contended that the applicant cannot in the circumstances tell how much damage has been done or is likely to be done. Counsel further referred to the case of **Hassanali Sachoo vs. Jonkopings 1958 EA 464** which holds that in cases of passing off it is very hard to compute damages. Even if the respondent is ordered to render an account of their profits, they won't be

honest enough. In that case it was conceded that even if the respondents were told to render an account of their profits they would not be able to do so.

Counsel contented that it is impossible to be certain whether the respondent will render a true and correct account and more so because their products do not disclose who is manufacturing the products as this is written in very small letters. Counsel further argued that in cases of intellectual property violations it may not be easy to assess the level of loss and thus determine whether damages would suffice.

Learned counsel submitted that the 3rd and final test is that of the balance of convenience. It is the contention of the applicant that they have been trading in their products since 2001. They are proprietors of the trade mark “Nice & Lovely”. The respondent has no trade mark at all. It is very clear that the applicant is being inconvenienced when you look at the similarities of the products in that their get up is so similar.

The applicant is being compelled to compete against his own products because their products are almost the same. Counsel referred to the case of Napro where it was the court found that the balance of probability favoured the applicant who stands to suffer more if the injunction is refused than what the respondent will suffer if it is granted. Finally he submitted that the applicant will definitely suffer more than the respondent if this injunction is not granted and prayed that I grant the application.

In reply learned counsel Bamwite relied on the affidavit in reply sworn by Eddy Freddie Kasajja on 5th July 2011 opposing the application. As far as his objections to the application on the ground of the place of commissioning the affidavit in support and the alleged contradictory dates as to when the applicant commenced doing business in its products this is a preliminary point of law which I will consider below.

Learned counsel submitted further to his objections referred to above that the applicant’s application does not satisfy the conditions for the grant of a temporary injunction. He agreed with the decision in Napro Industries vs. Five Star about the grounds for granting an injunction.

As far as the question of whether the applicant has raised triable issues is concerned, learned counsel submitted that probability of success must be disclosed. He contended that there may be triable issues but when there are no chances of succeeding in the main suit by the applicant.

Learned counsel for the respondent argued that the applicant’s complaint is that its trade mark was infringed. The trademark is “A” to the application. The affidavit in reply sworn by Kasajja paragraph 7 thereof it is averred that the respondent applied to register its trademark “Nice & Soft” and it is due for consideration by the Registrar of Trade Marks. He referred to the advertisement in the gazette annexure B” and refers to the trade mark annexure “A”. The trade mark registered was “Britannia Nice & Lovely”.

Counsel argued that the trade mark of the respondent does not have the word “Britannia” and clearly differs from the trademark of the applicant. Learned counsel contended that in its normal course of business the applicant diverted from the trade mark registered in 1998 and there are no chances of the applicant succeeding in the suit. Moreover he contended that the applicant is merely an assignee of that trademark.

Counsel further submitted that the trademark 20189 which the applicant relies on does not give anybody exclusive use of the words “Nice & Lovely”. The respondents carried out a search in the registry showing that the words “Nice & Lovely” and even “Soft” have been extensively used by various persons undeterred. The names registered and attached to the affidavit of the responder in reply at paragraph 9 thereof and annexure “D” are: “Nice Oils”, “Nice Rose”, “Pretty Nice”, there is “Nice and clear” and “Nice and Lively”. There is also “Fair and Lovely”, “Lovely”, “Black and Lovely”, “Dark and Lovely”. Other registered names are “beauty and lovely”, “clear and lovely”, “dark and love ultra cholesterol” Consequently counsel argued that the applicant cannot claim to have exclusive rights over the words “Nice” and “lovely”.

Learned counsel for the respondent submitted that the court should not go into details of the products but consider the alleged similarity at the hearing when the parties have adduced evidence. He contended that even by looking at the six products referred to by his learned colleague in annexure “G” and annexure “B”, it has not been proved that potential customers or clients would be confused. He contended that an examination of the avocado oil produced by applicant differs from that of the respondent and cannot cause confusion. That avocado is the raw material and one cannot say it is oil from jackfruit. As far as there was reference to glycerine, this is clearly marked “hand and body lotion”. As far as annexure “B” is concerned, the product involved moisturises and rejuvenates and the containers differ and cannot confuse anybody.

Counsel referred to the product called “body milk lotion”. He contended that word “lotion” is common and on the other hand is the terms “hand and body milk”. These two terms are not similar and cannot confuse anybody. They for instance have the words “beauty without compromise” which differentiates from products of the applicant. As far as the applicant’s product “perfumed jelly” is concerned the contents of the containers differ from that of the respondent. The container of the respondent is all round whereas the container for “Nice and Lovely” has some inner curves. Secondly the baby milk on the nice and soft and that of nice and lovely are distinguishable and will be proved at the hearing.

Learned counsel for the respondent also referred to the baby powder. The respondent’s product has a baby photo while that of the applicant has a drawing of a baby lying down and these distinguishing features can be proved at the hearing.

Counsel further contended that as far as the lemon product of respondent is concerned, the containers thereof differ. Moreover the product of the applicant is called “Neem” and not “lemon”. He submitted that it has not been proved that these products can cause any confusion.

Learned counsel further submitted on the test of whether if the injunction is not granted the applicant would suffer irreparable loss. Counsel argued that there is no evidence before court proving that if injunction is not granted the applicant would suffer irreparable damage. Referring to paragraph 10 of affidavit in reply the respondent avers that he is doing business in Sudan and the products were brought from Sudan. He contended that the respondent has no products Uganda and this goes to the territorial jurisdiction of courts in Uganda. There is no merit in the application. The onus is on the applicant to prove irreparable injury.

Referring to the case of **Cut Tobacco (K) Ltd vs. BAT (K) Ltd [2001] 1 24** counsel pointed out that the Court of Appeal of Kenya held that in considering an application for a temporary injunction the court should not look at it as if it is hearing the main suit. Without proof of irreparable loss the injunction should not be granted.

As far as the balance of convenience is concerned, counsel contended that the respondent's products are in Sudan and it followed that the applicant will not suffer any inconvenience if the temporary injunction is not granted. Secondly looking at the plaint the applicant is asking for an injunction, and that is all it seeks, if the injunction is granted at this stage it would dispose of main issue in the suit.

In rejoinder learned counsel for the applicant made a reply to the submissions on point of law objecting to the application which I will set out presently in my judgment. As far as the application to register the words "Nice & Soft" is concerned, counsel contended that the registrar cannot register the same because the applicant has exclusive use of the said words and is entitled to its protection. Counsel referred to the ruling in *Napro (supra)* where the learned judge relied on section 13 of the repealed Trademarks Act which provides that "It shall not be lawful to register as a trademark or part of a trademark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design".

The respondents application for registration of the trademark "Nice & Soft" was gazetted on 25th February 2011 and referring to the case of **Parke Davis & Co Ltd v Opa Pharmacy Ltd [1961] 1 EA 556** counsel argued that this is a question to be determined on the merits whether actually part of someone's trademark can be registered.

As far as the contention that the respondents products have been produced for the Sudanese market is concerned, paragraph 8 of the respondent's affidavit which makes it clear that the product is being made for the Ugandan market and that the applicant is trying to prohibit competition. He concluded that his learned friend is not sincere. In the alternative and on the balance of convenience the respondent will not suffer any loss if a temporary injunction is granted.

Counsel again invited the court compare the products and establish whether there is a similarity likely to confuse. In any case if the respondent does not produce for the Ugandan market they

have nothing to suffer if the injunction is issued. The affidavit that the respondent has started selling products in Uganda has not been rebutted by the respondent. The respondent says its products are made for the Ugandan market. He reiterated his prayers for the grant of a temporary injunction with costs.

I have carefully considered the pleadings of the parties, the evidence on record, inclusive of the exhibits of products and the submissions of counsel. Learned Counsel Bamwite firstly attacked the affidavit in support of the application and contended that it rendered the applicants application defective and that the application ought to fail on this ground alone. Such a submission if upheld would have the effect of disposing of the applicant's application in its entirety and shall be tried first in terms of order 15 rules 2 of the Civil Procedure Rules. Order 15 rules 5 provides that where issues of fact and issues of law arise in the same suit and the court is of the opinion that the case or any part of it may be disposed of on issues of law only, it shall try those issues first.

Counsel relied on the affidavit in reply sworn by Eddy Freddie Kasajja on 5th July 2011 opposing the application. The affidavit in support of the application is sworn by Esther Kilonzi on the 21st April of 2011. The respondent's counsel pointed out that the affidavit indicates that it was sworn at Kampala but was signed by a public notary in Kenya Nairobi. He wondered how an affidavit sworn to in Kampala was commissioned by a Notary Public in Nairobi Kenya. He submitted that the Oaths Act cap 19 section 5 requires a person swearing an affidavit to appear before the person administering the oath. He contended that section 5 of the Oaths Act was not complied with. He concluded that the defect is fatal to the applicant's application. This is because a Notary Public of Kenya cannot administer oath in Uganda. Counsel pointed out that this is the main affidavit in support of the chamber summons and the subsequent affidavits do not rectify this defect. Secondly Counsel contended that there are inconsistencies and contradictions both in the application and affidavits which point to falsehoods in the application as to when the applicant started dealing in the products. In paragraph 2 of the affidavit of Esther Kilonzi, it is averred that the applicant has been trading in the products since, but she does not mention when the applicant started dealing in the products. On the other hand and in the body of the chamber summons, it is in the pleading of the applicant that the applicant has been trading in the products since 2003. Again in the affidavit of Charles Njenga sworn on 2nd June paragraph 2 thereof, it is averred that the applicant started trading in the products of the applicant since 2001. Counsel contended that these were major contradictions and should not be overlooked. He further referred to the affidavit in rejoinder sworn by Charles Njenga on 27th July 2011 wherein is attached a deed of assignment executed in July 2009. Counsel contended that the date when the applicant started dealing in the products the subject matter of this application as to whether in 2001, 2003 or 2009 is in issue. Counsel concluded that these contradictions and inconsistencies rendered the application incompetent. They show that the applicant did not come to court with clean hands. Counsel relied on **Bitaitana vs. Kananura [1977] HCB 34** that a defective affidavit rendered an application defective.

In rejoinder/reply to this preliminary point of law the applicants counsel conceded that the affidavit in issue is stated to be sworn in Kampala but this was in error. He admitted that it was notarised in Nairobi. Referring to the Court of Appeal case of **Tarlok Singh vs. Road Master Cycles CA 46 of 2000** he submitted that the case decides that errors in respect of an affidavit relating to date and place of commissioning is not fatal and the court can have the errors corrected. He argued that such an affidavit is not defective and the court can proceed to act on it so long as it does no cause injustice to the other party.

Counsel further argued that the applicant had relied on two other affidavits and a supplementary affidavit in rejoinder. Those affidavits were on court record and he prayed that reads them and determines the application on the merits. Concerning the contradiction in years as to when the applicant begun its business, by the time application was filed it gave the period as 2003 but the affidavit of Charles Njenga in supplement is clear that the date was 2001. Counsel argued that this affidavit takes precedence over the chamber summons and was not a major contradiction. He contended that the trademark was acquired in 2009. There is no need to go into the history of how a trade mark was acquired. There is a decision made by an earlier court. Counsel contended that the registration of a trademark operates as prima facie evidence.

The objection of the respondents counsel touches on two matters namely an error in the place of commissioning the affidavit of the applicant in support of the chamber summons in that it was sworn in Kampala yet by a Notary Public at Nairobi. His argument being that a notary public of Kenya cannot commission an affidavit in Uganda. The second matter concerns a contradiction in the dates of when the applicant commenced business contained in the chamber summons and the affidavits in support.

To begin with, the first objection of the respondent is based on non compliance with section 6 of the Oaths Act cap 19 2000 Laws of Uganda. Section 6 of the Oaths Act provides:

“ 6. Place and date of oath.

Every commissioner for oaths or notary public before whom any oath or affidavit is taken or made under this Act shall state truly in the jurat or attestation at what place and on what date the oath or affidavit is taken or made”

The provision requires that the place where the oath or affidavit is taken should be indicated. It also provides that the date shall be stated. In this case the affidavit is on type script and drawn by Messrs Mugenyi and Company Advocates. The words “Sworn by Ms Esther Kilonzi at Kampala in the jurat is typed by the said firm for they type “Drawn and filed by: “Messrs Mugenyi and Company Advocates”. The Notary Public only had a space for writing the date and the Month. The fact that the affidavit is sworn at Nairobi or by someone from Nairobi is proven by the seal of a notary public of Nairobi. Accompanying the seal is also a stamp showing that the affidavit was commissioned by Arthur K. Igeria Notary Public of Nairobi. The only logical conclusion on the balance of probabilities is that affidavit was drawn in Kampala and sent for commissioning in

Nairobi. The place Kampala was typed by the lawyers who drew the affidavit and was not entered by the commissioner or notary public. My conclusion is that this error arises from counsel for the applicant typing the affidavit and sending it to the Notary Public. They left no place to state the place of commissioning.

The second aspect of the matter is that if the affidavit was taken in Nairobi within the jurisdiction of a Notary Public of Kenya, then it is taken under the laws of Kenya. Authority in Uganda to administer oaths is found under section 11 of the Oaths Act which provides that:

“11. Authority to administer oaths.

(1) The Chief Justice, a judge of the High Court, the chief registrar of the High Court, a magistrate, a notary public and any commissioner for oaths may administer any lawful oath or take any lawful affirmation or affidavit which may be required to be taken or made for the purpose of complying with the requirements of this Act or of any law for the time being in force in Uganda or elsewhere, except where such procedure is expressly or by necessary implication manifestly excluded by the terms of such law as aforesaid; and the presumption shall be against any such exclusion.”

It is a Chief Justice, a judge of the High Court, Chief Registrar, a magistrate, a notary public and any commissioner of oaths who may take any lawful affirmation or affidavit in Uganda. This is made under the Oaths Act cap 19 laws of Uganda. However the Oaths Act recognises oaths taken under a foreign law and outside Uganda under section 12 of the same Act. Section 12 provides:

“12. Taking oaths out of Uganda

(1) Any oath or affidavit required for any court or matter in Uganda, or for the purpose of the registration of any instrument in any part of Uganda, may be taken or made in any place out of Uganda before any person having authority to administer an oath in that place.

(2) In the case of a person having such authority otherwise than by the law of a country out of Uganda, judicial and official notice shall be taken of his or her seal or signature affixed, impressed or subscribed to or on any such oath or affidavit.”

An oath taken outside Uganda has to be administered by a person having authority to do so. This authority would obviously be under a foreign law. In this case if the notary public was in Nairobi as can be inferred, it would be an oath taken under the laws of Kenya. Be that as it may, failure to state the right place of commissioning an affidavit is not fatally defective. Firstly stating the place and date of commissioning is done by the Commissioner for oath or person administering the oath. Secondly judicial precedence is that a defect in naming the date or place of commissioning is not fatal to the application and may be amended to read the correct place or

date. In the Court of appeal case of **Tarlok Singh Saggu vs. Roadmaster Cycles (U) Ltd Civil Appeal No. 46 of 2000** the issue before the court was whether an application should be struck out because the affidavit in support was not dated on the date it was commissioned. The court held at page 7 - 8:

"it is trite that the defect in the jurat or any irregularity in the form of the affidavit could not be allowed to vitiate an affidavit in view of article 126 (e) of the 1995 constitution which stipulates that substantive justice shall be administered without undue regard to technicalities. I should perhaps mention that the jurat is the short statement at the foot of the affidavit indicating when, where and before it was sworn. It would follow that the learned judge had the power to order that the undated affidavit be dated" or that the affidavit to be re sworn before putting it on record. He was also correct to penalise the offending party costs.... The errors or omissions regarding the date, place and the commissioner, cannot vitiate an application."

The court settled the law that an error concerning the place of commissioning is not fatal and does not vitiate the affidavit. I am bound to follow the authority of the Court of Appeal. In this case the correct place may be substituted by amendment to the typescript to replace "Kampala" for the proper place. In any case it is obvious that it was not the notary public who typed the script "Kampala". The objection of the respondent founded on section 6 of the Oaths Act is therefore overruled.

As far as the second ground of objection to the application is concerned, the respondents issue is that ground (a) of the chamber summons pleads that the applicant begun trading in cosmetics known as "Nice & Lovely" since 2003. The affidavit in support sworn by Esther Kilonzi attaches the certificate of registration of the trademark in Uganda registered on the 13th of January 1998. The affidavit also annexes a deed of assignment of the trademark to the applicant on the 9th of February 2009. Last but not least counsel referred to the supplementary affidavit of the applicant sworn by Charles Njenga that the applicant begun doing business in the products in 2001.

The respondents counsel relied on the case of **Bitaitana vs. Kanamira (1977) HCB 34**. In that case the appellant's notice of motion was supported by an affidavit of one of the appellants adopted by the other appellants. The trial Magistrate found that the affidavit was false in that paragraph 6 thereof was inconsistent with paragraph 2 of the Notice of Motion. He held that the lie went to the root of the application. On appeal it was submitted for the appellants that the inconsistencies were not grave. Allen J held that inconsistency in affidavits cannot be ignored however minor since a sworn affidavit is not a document to be treated lightly. Where an affidavit contains an obvious falsehood it becomes suspect. The High Court further held that an application supported by a false affidavit is bound to fail because the applicant does not come to court with clean hands.

In this case there is no evidence of inconsistencies as far as statements on oath are concerned. The inconsistency with the chamber summons should be considered in the context that the

chamber summons is signed by counsel for the applicant and issued by court. The chamber summons states that the grounds of application are set out in the affidavit of Ms Esther Kilonzi which is attached. The said affidavit does not contradict ground (a) of the chamber summons. The bone of contention raised by the respondents counsel is contained in a supplementary affidavit filed on court record about 38 days after the chamber summons was issued by court. The chamber summons was issued on the 19th of May 2011 and the supplementary affidavit of Charles Njenga filed on court record on the 27th of June 2011. Paragraph 2 of the said affidavit avers that the applicant has been trading in the said produces “Nice & Lovely” since 2001 and has acquired a substantial reputation thereof. The affidavits of Charles Njenga and Esther Kilonzi are not contradictory on the question of dates when the applicant commenced business. Counsel for the respondent in his address conceded that the affidavit of Esther Kilonzo does not indicate when the applicant commenced business. As far as the application is concerned there is no contradiction with the affidavit in support. For the above reasons the case of **Bitaitana vs. Kanamira** (supra) is distinguishable. If there is an error in the pleading concerning the dates, it is an error of the drafting counsel. Accordingly the second ground of objection to the application also fails and is overruled.

Going to the merits of the application, the applicant’s application was lodged under order 41 rules 1 and 2 of the Civil Procedure Rules.

Under order 41 (1) of the Civil Procedure Rules, the applicant has to prove by affidavit or otherwise that:

“(a) any property in dispute in a suit is in danger of being wasted, damaged, or alienated by any party to the suit, or wrongfully sold in execution of a decree; or

(b) that the defendant threatens or intends to remove or dispose of his or her property with a view to defraud his or her creditors.”

It is an essential requirement of order 41 rules 1 to be invoked that the matter in dispute should be “**property**”. Secondly the property should be the subject matter of the dispute in the suit. Thirdly the applicant has to prove that the property which is in dispute is in danger or being wasted, damaged or alienated by a party to the suit. The court is then moved to save the property. Alternatively, if the property is not in dispute, the defendant must have threatened or intended to remove it or alienate it in any way with a view to defraud his or her creditors. The term property under order 41 rules 1 in the applicant’s case has to be addressed. Is it the proprietary right assigned to the applicant conferred by the registered trademark? Can be asserted that such proprietary right to a trademark is in danger of been wasted or alienated? Will the rule include the products under the disputed trade dress? Would this be the property in dispute in the rule? Does this rule cover the applicant’s application? It can be maintained that what is in dispute is the proprietary interest in the trademark which is in danger of been wasted? I will for the purpose of this application find that order 41 rule 1 is applicable if properly applied.

Order 41 rule 2 also provides for a different scenario. It reads as follows:

- (1) In any suit for restraining the defendant from committing a breach of contract or other injury of any kind, whether compensation is claimed in the suit or not, the plaintiff may, at any time after the commencement of the suit, and either before or after judgment, apply to the court for a temporary injunction to restrain the defendant from committing the breach of contract or injury complained of, or any injury of a like kind arising out of the same contract or relating to the same property or right.
- (2) The court may by order grant such injunction on such terms as to an inquiry as to damages, the duration of the injunction, keeping an account, giving security or otherwise, as the court thinks fit.
- (3) In cases of disobedience, or of breach of any such terms, the court granting an injunction may order the property of the person guilty of the disobedience or breach to be attached, and may also order the person to be detained in a civil prison for a period not exceeding six months unless in the meantime the court directs his or her release.”

The court in the latter rule has power to prevent breach of contract or other injury of any kind through a restraint order or injunction. The words: “other injury of any kind” under the above rule is wide enough to cover the applicant’s application. The principles courts have used to grant injunctions are well set out in the Court of Appeal case of **Giella v Cassman Brown And Company Ltd [1973] EA 358**. The court held that firstly, an applicant must show a prima facie case with a probability of success. Secondly, an interlocutory injunction would normally not be granted unless the applicant might otherwise suffer irreparable injury, which cannot be adequately compensated by an award of damages and thirdly, where the court is in doubt, it will decide the application on the balance of convenience. In the case of **Noormohamed Janmohamed vs. Kassamali Virji Madhani [1963] 1 EACA 8** it was held that the major purpose of a temporary injunction is to maintain the status quo until the matter in controversy in the suit have been finally determined. The authorities cited by the counsels on the principles to be used in cases of this nature are not disputed and state the principles courts relied on in applications for grant of temporary injunctions involving trade mark disputes. These are the cases of **Cut Tobacco (K) Ltd vs British American Tobacco (K) Ltd [2001] 1 EA 24**, **Hassanali M Sachoo vs Jonkoping Och Vulcans Tandsticksfabriktebolag [1958] EA 463**, **HCCS 0325 of 2004 Napro Industries Ltd vs Five Star Industries and Another** decided by Hon. Mr. Justice Yorokamu Bamwine High Court Judge at the Commercial Division as he then was and **HC MA 773 of 2004 arising from HCCS 325 of 2004 Napro Industries Ltd vs Five Start Industries and Another** decided by Hon. Lady Justice Stella Arach Amoko High Court Judge at the Commercial Division as she then was.

There is preference for the principle that all the applicant needs to prove in an application is not so much that he has a prima facie case with a high likelihood of success but that the plaint raises

serious questions to be tried and which merit judicial investigation and adjudication and that the suit is not frivolous or vexatious. In the case of **American Cyanamide Co. v Ethicon [1975] 1 ALL E.R. 504**, Lord Diplock held that where facts are in dispute in the affidavit evidence, and the rights of the parties remain uncertain until a final verdict is given the courts function at this stage is not to resolve conflicts of evidence based on affidavits but to wait for more detailed argument before the case is finally resolved. All the plaintiff needs to show by his action is that there are serious questions to be tried and that the action is not frivolous or vexatious. In such cases the application for a temporary injunction would be decided on the balance of convenience.

As far as the test of a prima facie case is concerned, the plaintiff of the applicant is for passing off and infringement of trademark. The applicant's pleading is that it has been trading in cosmetics known as Nice & Lovely and has acquired a substantial reputation under the trademark "Nice & Lovely". The alleged infringement is sale by the respondent of cosmetics in Uganda under the name "Nice & soft" without the licence of the applicant.

Under the Trademarks Act 2010 section 1 thereof defines "passing off" to mean "falsely representing one's own product as that of another in an attempt to deceive potential buyers". Section 35 of the Act further saves the common law tort of "passing off" and further gives the meaning of a passing off action. It provides that:

"Nothing in this Act shall be taken to affect the right of action against a person for passing off goods or services as the goods and services of another or the remedies in respect of the right of action."

The common law ingredients of a passing off action are exhaustively defined and explained in the case of **Reckitt and Colman Products Ltd v Borden Inc and others [1990] 1 All ER 873** where it was held that misrepresentation leading to selling of another man's goods as the goods of another is an invasion of proprietary rights and is actionable. In a passing off action the plaintiff has to prove reputation or good will and the law seeks to protect that good will so acquired. In case of a registered trade mark the protection afforded to the trader is in the get-up rather than the good will. However similarity in get up of products may amount to passing off at common law because of confusion or deception to potential customers buying goods sold under a similar getup as the goods of the plaintiff. In cases of infringement the plaintiff needs to prove that the respondents get up is likely to deceive members of the public. On the other hand a common law passing off action requires evidence of actual sale of goods as that of the plaintiff. The trademarks Act or Statute gives the right of exclusive use of the Trade Mark. Passing off is in the goods rather than in the mark. Passing off is a distinct cause of action arising from the sale of goods as that of another person though similarity in get up, may in some cases, also amount to passing off at common law.

In a common law action for passing off it must be shown that the goods were sold as that of the plaintiff. On the other hand, infringement of trademark is in the similarity. A trademark is

defined as “a sign or mark or combination of signs or marks capable of being represented graphically and capable of distinguishing goods and services of one undertaking from that of another undertaking”. The statutory definition of “passing off” has added another approach in wording of the definition by stating that the defendant falsely represents the goods as that of another in an attempt to deceive potential customers. In this definition it is not essential to prove that there was an actual sale of the goods as that of another though an attempt to do so has to be shown. Secondly there has to be a false representation.

From the definition it is essential to show that there is a reputation and good will in the trademark acquired over time. The parties have not properly defined the terms trademark for purposes of this application. Is the complaint of the plaintiff/applicant in the use of the trademark name, the getup or both? As far as the trademark attached as annexure “A” to the affidavit of Esther Kilonzi is concerned, it has the words:

“ Britania

Nice & Lovely

Petroleum Jelly

For your family

110 g

Store in a cool dry place”

The Registrar of Trademarks in the certificate of registration of trademark specifies that this trademark shall give no right to the exclusive use of the words PETROLEUM JELLY FOR YOUR FAMILY”, “100g”, “STORE IN A COOL DRY PLACE”. It was registered in part “A” in the names of Britania Cosmetics Ltd on the 8th of August 1996 in respect to body lotions, perfumes, and body jelly.

The deed of assignment to the applicant is by Britania Allied Industries Limited which is the assignee of Britania Cosmetics Ltd the owner of the Trade Mark.

I have further noted that paragraph 2 and 3 of the affidavit in rejoinder of Charles Njenga avers inter alia that the applicant is a manufacturer of cosmetics known as “Nice & Lovely”. He attached the trademark certificate, its renewal and certificate of assignment dated 10th February 2009 to the applicant. What were being assigned are the proprietary rights to Trademark No. 20189 registered in part A in respect of, body lotion, perfumes and body jelly.

The trademark referred to above includes the names “Britania Nice & Lovely” and not just “Nice & Lovely”. Secondly it is the combination of words that is protected by law. Counsel for the applicant made a strong submission as far as the trade dress of the respondent’s products is concerned. The trade dress or get-up counsel referred to are attached to paragraphs “F” and “G”

of the affidavit of Charles Njenga. He further submitted on the other marks and colours in the get up. According to a book by **Nard, Barnes and Madison, The Law of Intellectual Property** at page 40 thereof traders package or design their products in such a way that attracts their customer's attention and indicates to customers that the product comes from a unique place. The definition of a mark under section 1 of the Trade Marks Act 2010 includes any mark or devise. This may include a combination of words. The definition of a mark is material for its protection under the Trademarks Act 2010.

The crux of the applicant's complaint in the use of a similar getup by the respondent is that the use of similar marks with trade dress or combinations of colours and designs amounts to passing off at common law or infringement of a trademark already registered. A mark registered under Part A acquires the protection of exclusivity under section 36 of the Trademarks Act 2010. Similarity may be assessed by the judge. In **Smith Kline and French laboratories ltd (SKF) vs. Sterling Winthrop Group Ltd [1975] 2 All ER 578** the definition of a trade Mark was considered. Section 68(1) (UK Act has the same wording as our section 1 (1) of the repealed Trade Marks Act cap 217 or section 1 of the Trademarks Act cap 2010 of Uganda. The court noted that the mark had to be distinctive and adapted to distinguish the goods from that of other traders/manufacturers.

Per Lord Diplock

The colour combinations have thus been shown by undisputed evidence to serve the business purpose of a trade mark. They do precisely what a trade mark is meant to do: they indicate to potential buyers that the goods were made by SKF and not by any other manufacturer. ...'

"My Lords, I see nothing in this context that requires one to exclude from the definition of 'trade mark' a mark which covers the whole of the visible surface of the goods to which it is applied. Such a mark is as capable of indicating a connection in the course of trade between the goods and the proprietor of the mark as it would have been if it had only covered half or three-quarters of the visible surface. No one has been able to point to any business purpose that would be served by drawing a distinction between marks that cover the whole and those which cover part of the surface. For my part I should be loath to ascribe to Parliament an intention to do anything so irrational.

However, a mark may fall within the definition of trade mark but may still not be registrable. So it is necessary to see whether there is anything in the provisions of the 1938 Act dealing with registration that would exclude from registration a mark which covers the whole of the visible surface of the goods to which it is applied. Section 9 states what a trade mark must consist of in order to be registrable in Part A of the register. The colour combinations used on the capsules and their pellets for which registration is sought by SKF come under the heading 'any other distinctive mark' in s 9(1) (e). I shall

have to revert to the meaning of ‘distinctive’ when I come to deal with the second ground of the respondents’ attack on the registration of the marks; but for the purpose of dealing with the main point in this appeal I will assume that the requirement of distinctiveness is satisfied.”

As we have noted the said trade mark was registered in part “A”. Under section 9 of the Trademarks Act, Act 17 of 2010 it is a requirement for registration in part “A” for the trademark to consist of at least one of the variables listed under the section. This includes in section 9 (c) “an invented word or invented words”. This section reproduces section 11 (1) (c) of the repealed Trade Marks Act cap 217 2000 laws of Uganda. The side notes of both the new section and the repealed section provide and I quote: “distinctiveness requisite for registration under part A”. Section 9 (d) of the Trademarks Act 2010 also provides that the mark may consist of: “a word or words having no direct reference to the character or quality of the goods, and not being in accordance to its ordinary signification a geographical name or surname”. This is in pari materia with section 11 (1) (d) of the repealed Trade Marks Act cap 217.

It follows that the registered trademark No. 20189 in the names of Britania Cosmetics Ltd registered a combination of the words with exclusivity given to the combination of words “Britania Nice & Lovely.” The trade mark certificate attached does not indicate what colour it is. It is a black and white photocopy and the colour combination cannot be ascertained. Prima facie the get up other than the combination of words are not part of the registered mark in dispute. In the absence of a copy of the coloured picture or photo of the trade mark lodged with the Registrar of Trademarks which trademark is the subject of assignment to the applicant, it cannot be said that any particular get – up comprising of any combination of colours or other designs such as the baby, or other designs and colours are part of the registered trade mark relied on by the applicant. To make matters worse, annexure “G” to the supplementary affidavit by Charles Njenga in further support of the applicant’s application displays a series of different coloured products of the applicant. The colour combination for each product is relatively different. There are also different pictures involved for different products of the applicant. Which of them was the registered trade dress or get – up? In other words the court cannot rely on a black and white photocopy of a trademark where there are questions of colour and pictures to be determined as far as get up or trade dress is concerned. Section 4 of the repealed Trade Marks Act cap 217 provides that:

“no person shall be entitled to institute any proceedings to prevent, or to recover damages for, the infringement of an unregistered trademark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect of those rights of action.”

This provision is reacted in two provisions of the new Act namely sections 34 and 35 of the Trademarks Act 2010 which provide:

“34. No action for unregistered trademark.

A person may not institute proceedings to prevent or to recover damages for an unregistered trademark.

35. Passing off.

Nothing in this Act shall be taken to affect a right of action against a person for passing off goods or services as the goods or services of another or the remedies in respect of the right of action.”

To conclude on the question of prima facie or triable issues, there is no evidence or prima facie fact in the affidavit in support of the application to assess that the get – up used for comparison of products of the applicant with that of the respondent was ever registered with the registrar of Trademarks and assigned to the applicant. This is evidence can now only be proved in the hearing of the main suit. As far as the get –up or trade dress is concerned and only for purposes of the injunction, I find that in the absence of evidence which may be adduced in the trial, it is not possible to determine the question stated by the applicant for comparison of getup for purposes of granting an injunction in the cause of action for infringement of a registered trademark.

As far as the words or combination of words are concerned, I will for purposes of compliance timelines state that the applicant’s suit was filed on the 18th of May 2011. The respondent filed an affidavit in reply by one Eddie Fredrick Kasajja and avers in paragraph 7 thereof that it applied to register the trademark “Nice & Soft” with the registrar of trademarks. The application is dated 12th of October 2010. The advertisement in the Gazette is dated 20th of January 2011 and is gazetted in the Uganda Gazette on the 25th of February 2011. The application is by Nice and Soft 2003 Investment Limited. Annexes “B” and “C” to the respondent’s affidavit in reply sworn by Eddie Frederick Kasajja refer.

The Trademarks Act 2010 came into force on the 3rd of December 2010 and the aforementioned respondent’s application is deemed to have been filed under it. Section 11 thereof requires such an application to be published for at least 60 days. Under section 12 of the said Act a person may within the prescribed time from the date of publication lodge an objection to the registration of the trademark with the registrar of trademarks. A right of appeal lies to the High Court. Sixty days from the 25th of February 2011 elapsed in April 2011 and the suit was filed on the 18th of May 2011 outside time. Though the High Court may be taken to have unlimited original jurisdiction, it must be asserted here that the primary authority to vet a mark as to whether it is a mark whose registration is forbidden or not is the specialised agency in the name of the registrar under the Uganda Registration Services Bureau Act. Moreover the crux of the matter is that the applicant has not pleaded whether he has or has not objected to the respondent’s application for registration of the words “Nice & Soft”. The chamber summons avers that the respondent has applied to register the words “Nice & Soft”. This does not by itself amount to an objection to

registration per se. Secondly if there is no such objection against the application of the respondent the applicant should indicate why it was desirable to come straight to the High Court. In the absence of such an averment the public policy is that the matter should first be determined before the Registrar who has the statutory mandate to reject registration of similar marks or marks likely to cause confusion. Moreover the registrar of trademarks is the state expert on questions of similarity and may be called to give written opinions to the High Court under the Trademarks Act 2010 where rectification is desired. The option to whether to apply for a remedy to the high court or registrar of trademarks is further determined by the Trademarks Act 2010 section 63 thereof. An application is made to court where there is an action pending concerning the trademark, in any other case, the application is made to the registrar. In this case the application for registration was before the registrar prior to the filing of the suit which suit does not aver that it is a challenge to registration. To grant an injunction would interfere with the powers of the Registrar of Trademarks who has statutory powers to sieve which marks may be registered in a matter that remains pending before him or her. An injunction under the procedure adopted at this stage would be premature and would interfere with the powers of the registrar without the court being seized with all the relevant facts of the said application.

More can be said about the Trademarks Act cap 2010 and injunctions. Under the new law applications for injunctions are filed under section 79 of the Trademarks Act 2010. The ground under which it is filed are specified in section 79 (1) that “a person whose rights under the Act are in imminent danger of being infringed or are being infringed may institute civil proceedings in the court for an injunction to prevent the infringement or prohibit the continuation of the infringement.” The law further gives an applicant the right to apply ex parte in chambers to the court for removal from the infringing person’s premises or control the infringing materials. However this is for infringement of a trademark without prejudice to a common law right of action in passing off. In the premises as far as the alleged infringement by use of the words “Nice & Soft” are concerned, the application fails for not disclosing the necessary materials to determine a prima facie case for purposes of the grant of an injunction against the use of the words “Nice & Soft” which use of words are yet to be determined for purposes of registration by the Registrar of Trademarks.

This leaves the common law tort of passing off. Section 35 of the Trademarks Act 2010 provides that that nothing in the Act shall be taken to “affect a right of action against a person for passing off goods or services as the goods or services of another or the remedies in respect of the right of action” refers.

In the case of **Reckitt and Colman Products Ltd v Borden Inc and others (Supra)** The essentials of a common law passing off action summarised by Lord Jauncey of Tullichettle are that the basic underlying principle of the action is that “a man is not to sell his own goods under the pretence that they are the goods of another man”. The defendant must have made a misrepresentation that has deceived or is likely to deceive members of the public into believing that its goods are that of the plaintiff. It is a prerequisite that the plaintiff’s goods have acquired a

reputation and are known by some distinguishing feature/s. The right that is protected by a common law cause of action of passing off is the goodwill likely to be injured by the misrepresentation of the respondent's goods as that of the plaintiff. It is therefore essential to plead the reputation or good will acquired the basic facts of misrepresentation, the fact that goods were sold as that of the plaintiff or that the public are likely to be deceived into believing that the respondent's goods are that of the plaintiff and damages would ensue. In addition the applicant has to show that irreparable injury that cannot be atoned for by way of damages would occur.

In this case the plaintiff/applicant pleaded the ingredients of passing off, namely the acquired reputation. As far as the distinguishing features of its mark are concerned, the plaintiff relied on the get up of products produced in court. However it must be proved in the application that there was deception or likely to be deception by sale of products. The applicant referred to a range of the applicant's products and compared similarity with the respondent's products. He did not compare them to the registered trade mark which is the right assigned to the applicant. The evidence shows that this right was assigned in the year 2009 and not 2001 or 2003. The applicant's case is based on registration and the assignment of a trademark under the Trademarks Act cap 217 (repealed). The evidence so far adduced shows that the trademark in issue is with respect to a combination of words. I refrain from establishing whether the words "Nice & Soft" are similar to the words "Nice & Lovely" or are likely to lead to confusion and hence passing off without the accompanying trade dress in evidence. Such a finding is on the main matter in controversy and on the merits and should be left for determination in the main suit. In the premises I am not satisfied that this is a proper case for the grant of a temporary injunction. The applicant's application falls short of the test for a prima facie or arguable case and is accordingly dismissed with costs.

Ruling delivered at the Commercial Court in Kampala this 30th day of September 2011

Hon. Mr. Justice Christopher Madrama

In the presence of

Yesse Mugenyi for the applicant,

Bamwite Edward for the Respondent,

Parties not in court,

Ojambo Makoha Court clerk

Hon. Mr. Justice Christopher Madrama

30th of September 2011

Counsel Mugenyi states:

I apply for leave to appeal.

Court: I do not think that leave to appeal is required. If leave to appeal is required the same is hereby granted.

Hon. Mr. Justice Christopher Madrama

30th September 2011.