

**THE REPUBLIC OF UGANDA**

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

**HCT-00-CC-CS-0430-2006**

**NANOOMAL ISSARDAS MOTIWALLA**

**(U) LTD**

**.....**

**PLAINTIFF**

**VERSUS**

**1. SOPHY NANTONGO**

**2. AFRICAN QUEEN LTD**

**3. UGANDA REVENUE AUTHORITY**

**4. UGANDA NATIONAL BUREAU OF STANDARDS**

**..... DEFENDANTS**

**BEFORE: THE HONOURABLE MR. JUSTICE YOROKAMU BAMWINE**

**JUDGMENT:**

The plaintiff is a limited liability company incorporated and carrying on business in Uganda. The 1<sup>st</sup> defendant is an adult Ugandan business woman running the 2<sup>nd</sup> defendant. The 3<sup>rd</sup> and 4<sup>th</sup> defendants are nominal defendants in this suit.

The plaintiff's claim against the 1<sup>st</sup> and 2<sup>nd</sup> defendants arises out of actions said to amount to infringement of the plaintiff's trade mark and passing off of the said two defendants' goods as goods of the plaintiff. The thrust of the plaintiff's case is that the defendants (1<sup>st</sup> and 2<sup>nd</sup>) are importing, selling and disposing of in Uganda hair dye bearing its registered trade mark 'KANTA'. The defendants deny it.

In matters of intellectual property, a trademark is a word, phrase, symbol, product feature or any combination of these that distinguishes in commerce the goods or services of its owner from those

of others. A trademark, therefore, is an indicator of source. It does not tell what the goods or services are, but where they come from. Trade mark protection is granted to trade dress – the packaging or overall look and feel of what constitutes a person’s product or services.

At the scheduling conference, it was agreed that the two defendants have been importing a product called Kanta Hair dye into Uganda since 2000. It is also an agreed fact that the plaintiff is the registered owner of a product called Kanta.

The issues are:

1. Whether or not the get-up of the plaintiff’s product and that of the defendants is the same.
2. Whether the plaintiff’s product has been on the market prior to that of the defendants.
3. Whether the plaintiff has acquired substantial good will and reputation in its product.
4. Whether or not the defendants are passing off the product as that of the plaintiff.
5. Whether the plaintiff is entitled to the remedies sought.

*Representations:*

Mr. Andrew Bagayi for the plaintiff.

Mr. Siraje Ali for the 1<sup>st</sup> and 2<sup>nd</sup> defendants.

As to whether the get-ups of the two products are the same, I have had opportunity to see the packaging of the plaintiff’s product (hereinafter conveniently referred to as ‘Kanta 1’) and the impugned product (Kanta 2). ‘Get-up’ can simply be defined as the visual features which distinguish a trader’s goods, most notably, the packaging of the goods. In cases where trade mark infringement is alleged, infringement occurs when a suspected infringer uses a mark for goods or services identical or closely related to those of the plaintiff. The test of infringement is likelihood of confusion. Likelihood of confusion is the probability that a reasonable consumer in the relevant market will be confused or deceived, and will believe the infringer’s goods or services come from, or are sponsored or endorsed by, the complainant or that the two are affiliated. Infringement thus is analogous to the tort of fraud. The duty of the Judge in a case such as this is to decide, upon seeing the goods, whether the plaintiff’s goods so nearly resemble the ones complained of as to be likely to deceive or cause confusion in the minds of the public.

The products in the instant case are identical in every possible way. The only difference, quite insignificant to a casual observer, in my judgment, is that Kanta 2 box pack has no address of the manufacturer, expiry date or the batch number. The rest is the same. My conclusion is that the get-up of the defendant's product is substantially the same as that of the plaintiff's product. Very few customers would tell the difference between the two.

The first issue is answered in the affirmative.

As to whether the plaintiff's product has been on the Uganda market prior to that of the defendants, the evidence of PW1 Rahul Jham is that production of their Kanta hair dye dates back to 1947 and that exports to Uganda date back to the sixties. From the evidence of PW4 Kamlesh Shah, he has been in the country since 1986. He started importing Kanta from the plaintiffs in 1987.

This evidence has not been challenged by the defendants. It is in my view immaterial that Rahul is a young man in his early thirties. He produced documents to back up his claim. His evidence is amply corroborated by that of PW4 Shah of Oswald Holdings Ltd. I have seen no reason to doubt it. I accordingly harbour no doubt in my mind that the plaintiff's product, Kanta 1, was on the market before the defendants started bringing in the impugned brand. I so find.

The second issue is also answered in the affirmative.

As to whether the plaintiff's product has acquired substantial good will and reputation in Uganda, I have considered the results of the market survey conducted by the plaintiff, P. Exh. 1X. The study was conducted in Kampala, Arua, Mbale and Mbarara. Targeted respondents were wholesalers and retailers. The study established a high awareness of Kanta brand. Over 86% of the dealers interviewed were aware of the plaintiff's brand. 64% of all the saloons and individuals interviewed were aware of it. This translated to an awareness of over 77%.

The defendants have not come up with a comparable report. The findings contained in the plaintiff's report have therefore not been challenged. Court is satisfied that the plaintiff's Kanta hair dye has acquired a substantial good will and reputation on the Ugandan market.

I so find.

The third issue is also answered in the affirmative.

As to whether or not the defendant's (1<sup>st</sup> and 2<sup>nd</sup>) are passing off their product as that of the plaintiff, passing off in cases of trademark infringement means the pretence by one person that his goods are those of another. In intellectual property law, where a person sells goods or carries on business under such name, mark, description or otherwise in such a manner as to mislead the public into believing that the goods or business is that of another person, that other person is said to be passing off his goods as those of the registered owner of the trade mark. A cause of action for passing off is therefore a form of intellectual property enforcement against the unauthorized use of a mark which is considered to be similar to another person's registered or unregistered trademark, particularly where the action for trade mark infringement based on a registered trade mark is unlikely to be successful (due to the differences between the registered mark and the unregistered mark). It is a common law tort which can be used to enforce unregistered trade mark. This in my view adequately takes care of learned defence counsel's argument that the plaintiff company was only registered in 2005 whereas the Kanta 2 brand was on the market long before 2000. The evidence on record sufficiently links the plaintiff company with the originator of the brand in India. It matters not in my view that the originator of the brand was a partnership whereas the plaintiff is a limited liability company. The instant case is for enforcement of a registered trade mark. Going by authorities, five characteristics which must be present in order to create a valid cause of action for passing off are:

- (i) a misrepresentation;
- (ii) made by a trader in the course of trade;
- (iii) to prospective customers of his or ultimate consumers of goods or services supplied by him;
- (iv) which is calculated to injure the business or good will of the trader (in the sense that it is a reasonably foreseeable consequence);

and

- (v) which causes actual damage to a business or good will of the trader by whom the action is brought or will probably do so.

See: **Reckitt & Coleman Ltd –Vs- Borden Inc. [1990] 1 WLR 491.**

In the instant case, the plaintiff has adduced sufficient evidence to show that Kanta 2 is a concocted replica of Kanta 1. The plaintiff has adduced evidence establishing a good will or

reputation on the market of its product. It (the plaintiff) has demonstrated a misrepresentation by the defendants, to the public, in the sense that the defendants' product has also been on the market selling along side that of the plaintiff. It has also demonstrated actual damage to its business occasioned by the defendants' product.

I have already noted that the name, colour and get-up of the impugned product must have been intended to confuse unsuspecting consumers of the genuine Kanta. Inside the small bottle packs containing the bottle with the hair dye, there is a pamphlet with directions on how to use the product. The pamphlet in Kanta 1 packs bears the plaintiff's name and address in English and other languages. Without shame, the defendants copied everything! I do not hesitate to declare it a clear case of intellectual piracy and dishonesty. It is unfortunate that the exporters' identity has not been ascertained.

When all is said and done, Court is satisfied that the defendants are passing off their product as that of the plaintiff.

I so find.

As to whether the plaintiff is entitled to the reliefs sought, it is submitted that it has suffered losses on account of a decline in its sales attributable to the mischief of the defendants, and has had to even shut down its factory for extended periods. PW4 Shah said his company stopped importing the product when the counterfeit over shadowed the genuine product. I accept that evidence. The plaintiff's head prayer is for a permanent injunction restraining the two defendants from use, further and continued use of the words/mark 'KANTA' along with shape and design of its black hair dye. It also seeks an order restraining them from the continued infringement of the trade mark; an order that they deliver up to the plaintiff all the infringing hair dyes and other materials relating to their trade mark and its product get-up, presumably for destruction. From the evidence, after the suit was filed and while it was pending hearing, the defendants also registered a similar trademark. I agree with the plaintiff that this registration was in bad faith given that the defendants knew that the plaintiff was already the registered owner thereof and the mark was subject of Court proceedings. It is in my view further evidence of dishonesty on their part.

Court is satisfied that the defendants' product does not show the date of manufacture or expiry. It is an obvious danger to the unsuspecting consumer. A trade mark owner who successfully shows

likelihood of confusion, has in my opinion, a right of action in damages or for an account, and for an injunction to restrain the defendant for the future. In view of my findings above, the plaintiff is entitled to the reliefs stated above, the subject matter of prayers (a), (b) and (c) in the plaint. I grant them.

The infringing Kanta hair dye (Kanta 2) and product get-up in which the defendants' Kanta is packed shall be delivered up to the plaintiff for destruction under the supervision of the officials of URA and UNBS, 3<sup>rd</sup> and 4<sup>th</sup> defendants herein.

The plaintiff also prays for general damages for the defendants' infringement of its trade mark and passing off, and the costs of the suit. I would agree with the submission of counsel for the defendants that the dilatory conduct of the plaintiff disentitles it to an order for an account.

As regards general damages for passing off and infringement, counsel for the plaintiff has not suggested to me any figure he would consider to be appropriate for the defendants' infringement of its trade mark. This Court is of course cutely aware that damages are intended as compensation for the plaintiff's loss and not as punishment to the defendant. In **Nice House of Plastics Ltd –Vs- Hamidu Lubega HCCS No. 0695 of 2006** (unreported), Court found no evidence of passing off. The plaintiff was awarded a sum of Shs.5, 000,000= in damages for the trade mark infringement. In the instant case, bearing in mind the plaintiff's disallowed prayer for an order of account; the fact that the defendants are importers and perhaps not manufactures of the impugned product; the proved loss suffered by the plaintiff; and doing the best I can in the circumstances of this case, I consider a sum of Shs.6, 000,000= (six million only) adequate compensation to the plaintiff for the wrongful acts of the 2 defendants. The amount is awarded to the plaintiff.

As regards the trade mark obtained by the 2<sup>nd</sup> defendants during the pendency of the suit, Section 14 (1) of the Trade Marks Act (Cap. 217), prohibits registration of identical or resembling trademarks. In view of that prohibition, Court takes liberty to invoke its inherent powers under S. 98 of the Civil Procedure Act, to cancel it. It is therefore cancelled.

The monetary award to the plaintiff shall attract interest at a commercial rate of 25% per annum from the date of judgment till payment in full.

In keeping with the principle that costs follow the event, the plaintiff shall have the costs of the suit.

The 2<sup>nd</sup> and 3<sup>rd</sup> defendants shall be discharged on account of no wrong doing on their part. I do so with no order as to costs for or against them.

I so order.

Yorokamu Bamwine

**J U D G E**

22/06/2007

**Order:** In my absence on the due date this judgment shall be delivered by the Registrar of this Court.

Yorokamu Bamwine

**J U D G E**

22/06/2007