

THE REPUBLIC OF UGANDA

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

HCT-00-CC-CS-0602 OF 2005

NICE HOUSE OF PLASTIC LTD.....PLAINTIFF

VERSUS

MOSES BUULE..... DEFENDANT

BEFORE: HON. MR. JUSTICE LAMECK N. MUKASA

JUDGMENT:

The Plaintiff's claim against the Defendant in this suit arose out of alleged actions of infringement of the Plaintiff's trademark and passing – off of the Defendant's goods as goods of the Plaintiff and was seeking for permanent injunction restraining the Defendant from any further acts of infringement of its trademark and passing – off of the Defendant's goods as goods of the Plaintiff, an order for delivery up to the Plaintiff of all infringing tooth brushes and other materials relating to the Plaintiff's trademarks and get – up, an account of profits, general, exemplary and aggravated damages for infringement and costs.

Briefly the Plaintiff's case is that it is the registered owner of the trademarks namely "NICE" when used together with the shape and design of a tooth brush, and "NICE TOOTH BRUSH" for use in relation to the packets of its tooth brushes and toothbrushes respectively and has in the course of its ordinary business packaged and marketed its products using a particular get-up that is now associated with its products.

The Plaintiff, Ms nice house of Plastics Ltd, claimed that the Defendant, Moses Bbuule, had imported into Uganda for sale and disposition several cartons of toothbrushes bearing the word or mark "NICE". The packaging of each individual toothbrush bears the mark 'NICE TOOTHBRUSH' and the packet for each dozen of toothbrushes also bears the words/mark 'NICE' together with the shape and design of a toothbrush and 'NICE TOOTHBRUSH'.

By order of Court dated 6th September 2005 summons were served on the Defendant by substituted service by way of an advert published in the Monitor Newspaper of 18th September 2005. The Defendant did not file any written statement of defence and the matter was set down for hearing *ex parte*. Counsel for the Plaintiff was Mr. Fredrick Mpanga. He framed the following issues for court's determination:-

1. Whether the Plaintiff is the owner of the trademarks "NICE" and "NICE TOOTHBRUSH".
2. Whether the Defendant infringed the Plaintiff's trademarks.
3. Whether the Defendant's action in the manner in which he packed and labelled the toothbrushes imported into Uganda amounts to passing off of the Plaintiff's trademarks and product get – up.
4. Whether the Plaintiff is entitled to the remedies prayed for.

Issue No.1: Whether the Plaintiff is the owner of the trademarks 'NICE' AND 'NICE TOOTHBRUSH'.

"Trademark" is defined by section 1(1) of the Trademarks Act (Cap 217) thus:

"means, except in relation to a certification trademark, a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user of the mark, whether with or without any indication of the identity of that person, and means, in relation to a certification trademark, a mark registered or deemed to have been registered under section 39".

"Marks" is defined to include a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination of them. Proof of ownership of a trademark is by registration as proprietor thereof on the Register of Trademarks. A section 6(1) of the Trademarks Act provides that a person registered as proprietor of a trademark is by such registration given or be deemed to have given to that person the exclusive right to the use of the trademark in relation to those goods. Upon registration the applicant is issued with a certificate as evidence of ownership of the trademark. This is provided for by section 21 of the Act.

To prove ownership of the trademarks the Plaintiff called two witnesses. PW1, Ms Sarah Walusimbi, the Company Secretary of the Plaintiff Company who testified that the Plaintiff Company, is the owner of the trademarks “NICE” AND “NICE TOOTHBRUSH”. That the trademarks were sealed and registered on the Register of Trademarks on the 21st July 2005 under part A of the Act, for goods in class 16 and class 21 being packets of toothbrushes and toothbrushes respectively. The effective dated of the Trademarks is the 9th March 2005 and both are registered in the names of Nice House of Plastics Ltd, which is the Plaintiff Company. She also stated that she did not know of any other Company in Uganda that was in the business of manufacturing toothbrushes. That as a Company Secretary of the Plaintiff she was not aware of any other person authorised to the use of the Trademarks either as a licensee and/or registered user. The witness exhibited a Certificate of Registration of the word “TOOTH BRUSH” for the Tooth brushes received as Exh. P1 and Certificate of Registration of the mark “NICE” for the packets of tooth brushes as Exhibit P2.

PW2, Ms Fiona Bayiga, is a Senior State attorney in the Registrar General’s Department, Ministry of Justice and the Head of the Intellectual Property Section. She testified that trademarks were part of the Intellectual property section. She stated that the Trademarks Registrar shows “NICE” and NICE TOOTH BRUSH” as trademarks registered in the names of the Plaintiff Company. That the said trademarks were registered on the 21st July 2005 as numbers 24787 and 24792 for goods in class 16 and class 21 respectively. She also stated that there was no licensee or registered user of the trademarks on the Trademark Register. The witness identified exhibits P1 and P2 which she said tallied with the Register record for the two certificates.

Mr Mpanga submitted that the above evidence is sufficient to show and had shown and proved that the Plaintiff Company is the Registered proprietor and therefore owner of the trademarks “NICE and NICE TOOTHBRUSH”. I agree and so hold. The evidence further proves that the Plaintiff Company is the only person with exclusive rights to deal or use the Trademarks for the goods in respect of which they were registered. The first issue is resolved in the affirmative

Issue No. 2. Whether the Defendant infringed the Plaintiff’s trademarks.

Section 6 of the Trademarks Act provides that the right of a proprietor of a trademark “*shall be deemed to be infringed by any person, who not being the proprietor of the trademark or a registered user of the trademark using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to be taken either –*

- (a) *as being used as a trademark; or*
- (b) *in a case in which the use is use upon the goods or in physical relation to them or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trademark or to goods with which that person is connected in the course of trade.”*

For infringement to arise, the mark alleged to infringe a registered trademark must be used in a trademark sense. That is as a symbol that the goods originate from the proprietor of the mark thereon or that there is connection in the course of trade between the goods and the mark or trademark.

Ms. Sarah Walusimbi testified that around July/August 2005 the Plaintiff Company received information from an Enforcement Officer of the Uganda Revenue Authority (URA) that they had impounded goods of one Moses Buule which had been imported into the country which goods comprised of cartons of toothbrushes bearing the Plaintiff’s trademarks. The Plaintiff on the basis of that information lodged a complaint with URA. They were provided with samples of packets of the impounded toothbrushes. On examination the packets were found to contain toothbrushes bearing the mark/brand “NICE TOOTHBRUSH” while the packets/packaging had on them the mark/brand “NICE”. The packaging was also identical or very similar in appearance and impression to that used by the Plaintiff in its business. The witness tendered the Plaintiffs packet received as exhibit P3 and the sample of the packet supplied by URA as Exhibit P4. The packets of the toothbrushes consigned to the Defendant bore the mark “NICE”. The said mark is identical to the Plaintiff’s trademark NICE for packets of toothbrushes registered as per Certificate No. 24787 – Exhibit P2. The blister packs for each individual toothbrush consigned to the Defendant also had in it the mark “NICE TOOTHBRUSH”. It was tendered as Exhibit P7. The witness also tendered the Plaintiff’s blister pack for an individual toothbrush as exhibit P5. It had also the mark “NICE TOOTH BRUSH”. The two blister packs were very similar in appearance and impression. The Plaintiffs toothbrush was tendered as exhibit P6 while a toothbrush from the sample

obtained from URA was tendered as Exhibit P8. The witness pointed out to Court the similarities and differences on the various items exhibited above.

I have carefully studied the two sets of exhibits, that is the samples of the Plaintiff's product and packaging and the sample of the toothbrush and packing obtained from URA I have found striking similarities in the two sets. The samples from URA had marks which are identical or very similar to the Plaintiff's registered trademarks namely "NICE" and "NICE TOOTHBRUSH". The trademarks had been used in relation to goods which are identical or similar namely "NICE" for packets of toothbrushes and NICE TOOTH BRUSH" for toothbrushes. Such usage of marks and on goods similar to the Plaintiff's registered trademarks and goods amounted to infringement of the Plaintiff's said trademarks.

As to the identity of the infringing party the Plaintiff adduced the evidence of two officials from URA, namely Patrick Shono Okello, the Acting Manager Enforcement Division of URA and Yusuf Bagonza also from the Enforcement Division of URA. Okello testified that he was in possession of the official URA documents, namely Commercial Invoice, Bill of lading, Road Custom Transit Declaration Form (C-63), Bills of Entry and Payment Receipt. The said documents were tendered and marked exhibits P8, P9, P10, P11 and P12 respectively. The witness testified that items 10 and 11 of the Commercial Invoice (Exhibit P8) indicated that 70 cartons of 48 dozens per carton, and 15 cartons of 100 dozen per carton of toothbrushes were bought from the U.A.E and imported into Uganda by Moses Bbuule. The witness clarified that the connection between the Commercial Invoice (Exhibit P8) and the Bills of Lading (Exhibit P9) was the name of the consignee or importer who was Moses Bbuule.

Okello informed court that information regarding a consignment as obtained from the Commercial Invoice and the Bill of Lading is filled into the Transit Declaration Form C-63 (Exhibit P10). The witness testified that the above documents show that 85 cartons of toothbrushes were imported into Uganda through Malaba from the United Arab Emirates by Moses Bbuule. The documents were showing Mbale, Uganda as the last destination. That for proposes of payment of taxes a customs bill of entry (exhibit P11) was prepared which also named Moses Bbuule as consignee. Among the items verified were 70 cartons of 48 dozens of toothbrush Nice Brand, 5 Cartons of 100 dozens of toothbrush small size- Kids Corona and 10 cartons of 100 dozens of Toothbrush Big size Corona. The witness further

testified that the taxes levied on the goods imported upon the above-mentioned documents including the toothbrushes were paid to URA by Moses Bbule as evidenced by the receipt issued – Exhibit P12.

The above evidence shows that the importer and owner of the goods imported into the country on the said documents was Moses Bbuule the Defendant. The evidence shows that among the goods were 70 cartons of 48 dozens of toothbrush NICE brand.

Yusuf Bagonza testified that following a complaint by Nice House of Plastics Ltd the Plaintiff, he was on 1st August 2005 involved in an exercise whereby goods involving toothbrushes were impounded from Jumbo Accede adjacent to Buganda Bus Park while being off-loaded. The goods were transferred and deposited at URA Nakawa Inland Port. The goods were found in possession of a lady whom the witness later learnt from the particulars filled on the Deposit Note as Harriet Nassali. The deposit slip was tendered as exhibit P13 and describes the goods deposited as 70 cartons of tooth-brushes. The witness clarified that the person named on the Deposit Note is the person from whom the goods are impounded from, who could be or not be the owner.

In Ross T. Smyth & Co Limited v/s T.D Bailey, Sons & Co. [1940] 3 All ER 60 it was held that the person named as the consignee in a bill of lading is deemed to be the owner of the goods listed therein. In the instant case the Defendant Moses Bbuule is the consignee named in the Bill of Lading and in all the other importation documents and the one who paid the taxes for the goods which included the 70 cartons of toothbrushes of the NICE brand. Harriet Nassali, from whom the toothbrush cartons were impounded, did not provide any evidence of ownership. Therefore Moses Bbuule, the Defendant is deemed to be the importer and owner of the toothbrushes and product get – up which infringed the Plaintiff’s trademarks.

Section 6 of the Trademarks Act provides, subject to sections 9 and 10 thereof, that in cases of a registered trademark, the registered proprietor is the person with the exclusive right to use the trademark in relation to the goods in or respect of which it is registered. Such right in the trademark deemed to be infringed by a person who not being proprietor of the trademark or a licence or registered user uses a mark which is identical or a mark which so nearly resembles the registered trademark as to be likely to cause confusion in the course of trade in

relation to any goods in respect of which it is registered and in such manner as to render the use of the mark likely to be taken as being use of a trade mark.

Mr. Mpanga, counsel for the Plaintiff, submitted and I so find that the toothbrushes imported into Uganda by the defendant were labelled or branded in such a way as to make any person believe that they are the products or toothbrushes of the Plaintiff Company. The Plaintiff's packet at the back has the words "Manufactured by Nice House of Plastics---". The Defendant's packet has similar statement at the back. Both blister packs in the inside have the Plaintiff's name "NICE HOUSE OF PLASTICS LTD". The packets are of the same colour. Save for the minor differences pointed out by the Plaintiff's Company Secretary, who by virtue of her employment with the Plaintiff Company was very familiar with the Plaintiff's product and get-up, there are a number of striking similarities in the get – up of the two products. The Plaintiff's evidence clearly show that the Defendant had no other reason of importing into Uganda toothbrushes labelled and packed as NICE TOOTHBRUSH and NICE respectively. The Defendant was using the Plaintiff's trademarks namely NICE and NICE TOOTHBRUSH as marks of origin of the imported toothbrushes. I therefore find that the Plaintiff has proved that the Defendant's usage of the Plaintiff's said trademarks amounted to infringement of its trademarks by the Defendant.

Issue No. 3. Whether the Defendant's action in manner in which he packed and labelled the toothbrushes imported into Uganda amounts to passing off of the Plaintiff's trademarks and product get – up. In Abercrombie & Kent Ltd v/s Abercrombie & Kent (U) Ltd [1997 – 2001 UCL 157 as to the cause of action of passing-off C.K Byamugisha J. (as she then was) stated:

"The legal basis for an action of passing off is that it is wrong for the Defendant to represent, for trading purposes, that his/her goods on the market or the business is that of the Plaintiff. It is immaterial whether the representation made is effected by direct statements or by using the badges or get – up by which the goods or business of the Plaintiff are known by the ordinary consumers".

In Keerly's Law of Trade Mark at page 203 it is stated thus:-

"The principle of law may be very plainly stated, that nobody has a right to represent his goods as the goods of somebody else. How far the use of particular words, signs or pictures, does or does not come up to the proposition enunciated in each particular

case must always be a question of evidence, and the more simple the phraseology, the more like it is to a mere description of the article sold, the greater becomes the difficulty of proof, but of the proof establishes the fact the legal consequence appears to follow”.

Lord Hulsbury L.C in the case of Reddaway v/s Banhan [1896] AC 199 at page 204 stated:

“...I believe the principle of law may be very plainly stated, and that is, that nobody has any right to represent his goods as the goods of somebody else”.

In Warnink v/s Townend & Sur (Hull) [1979] AC 731 at page 742 Lord Diplock identifies five characteristics which must be present in order to create a valid cause of action for passing – off namely:

- 1- a misrepresentation;
- 2- made by a trader in the course of trade;
- 3- to prospective customers of his or ultimate consumers of goods or services supplied by him.
- 4- which is calculated to injure the business or goodwill of another trader, and
- 5- which causes actual damage to a business or good will of the trader by whom the action is brought or will probably do so.

To prove its case in passing off the Plaintiff relied on the evidence of its Company Secretary Ms. Sarah Walusimbi. In her testimony the witness explained the similarities and differences between the packets and blister packs of the Plaintiff and those in which the toothbrushes imported by the Defendant were packed. The differences pointed out were that the bottom back of the dozen pack for the Defendant’s toothbrushes had “Designed in Germany” under the Plaintiff’s name instead of the Plaintiff’s postal address, that the Defendants dozen packet unlike the Plaintiff’s did not have a bar code. The Defendants packet had “NICE ADULT TOOTHBRUSH” while the Plaintiff’s genuine packet had “NICE CLASSIC TOOTHBRUSH” on the sides and at the top of the back of the packet. The inside of the blister packs of the Defendants toothbrushes were exactly the same as the Plaintiff’s in colour, design, wording, brand name of manufacturer and in describing the features and uses of the toothbrush. The back of the blister pack for the Defendant’s toothbrush is in all ways identical to the Plaintiff’s blister pack and bears of the Plaintiff trademark “NICE TOOTHBRUSH”. The colour designs and arrangements are also the same.

In Hassanali M. Sachoo v/s Jon Kopings O.V.T [1958] EA 463 Sir Kenneth O' Connor, P quoted Warrington, J in Schweppes Ltd v/s Gibben 8 [1905] 22 RPC 113,619 cited in Kerly 7th Ed at page 646 where he said:-

“It seem to me that each of these cases must be looked at by itself, and the Judge looking at the label or the get-up or the device, whatever it may be that is complained of, with such assistance as to the practice of the trade as he can get from witnesses must decide for himself whether the article complained of is calculated to deceive or not”.

The Judge also quoted Lord MacNaghten in Hennessy & Co. vs Keating (9) (1908) 25 RPC 361 where he said at page 367:-

“The eye no doubt is generally the best test, and you will have to come to a comparison of the marks or labels sooner or later. Generally, but not always, the comparison is enough”.

The two quotes above show that in cases of passing off the Judge should also look at the mark before him to determine the similarities. I had the opportunity to carefully look at the packets, blister packs and toothbrushes of the Plaintiff and of the Defendant exhibited. I have found a lot of striking similarities. The witness' ability to distinguish between the two packets and blister packs must have been because she is an employee of the plaintiff company and was conversant with the nature and packaging of its toothbrushes. Otherwise they were difficult to distinguish.

Ms. Walusimbi further testified that the Plaintiff was the only Company manufacturing toothbrushes in Uganda and had been in that business for the last 35 years. That the Plaintiff Company had over the period acquired a reputation and goodwill in the quality of its toothbrushes and in the trademarks NICE and NICE TOOTHBRUSH and in its product get – up. Her testimony was to the effect that the general public identified the Plaintiff's toothbrushes from the way they are packed.

Considering all the Plaintiffs evidence before me and the law I agree with Mr. Mpangas's submission that the similarity in the nature in which the toothbrushes imported in Uganda by the Defendant were branded and packed to the way the Plaintiff's brands and packs its

toothbrush show an intention by the Defendant to pass-off its goods as the goods of the Plaintiff for the purposes of riding on the Plaintiff's good will and reputation. As testified by Ms. Walusimbi the Defendant's toothbrushes if released to the public would injure the Plaintiff's business in terms of loss of sale and revenue as the public would purchase the same believing them to be the products of the Plaintiff. That would be unfair competition.

The Plaintiff has established that it has a business reputation, which it has built over the years under the trademarks NICE and NICE TOOTHBRUSH and the get-up. Therefore it has a right to restrain anyone else from injuring its business by using the same trademarks, packaging, and get-up. The third issue is also answered in the affirmative.

Issue No. 4. Whether the Plaintiff is entitled to the remedies prayed for.

The Plaintiff prayed for orders that a permanent injunction issues against the Defendant restraining him from the use and further and continued use of the marks NICE and NICE TOOTHBRUSH in regard to packets of toothbrushes and toothbrushes, the infringement of the Plaintiff's trademarks namely NICE and NICE TOOTHBRUSH, the use and continued use of the packets, packing and/or get-up identical/similar to the ones used by the Plaintiff and from branding his products with marks similar to the Plaintiff's trademarks. I have already found that the Plaintiff has proved that the Defendant has infringed on the Plaintiff's trademarks NICE and NICE TOOTHBRUSH. The Defendant is not a registered user or licensee of the said trademarks and therefore had no right to use the said trademarks. The Plaintiff has also shown that the Defendant's actions amounted to passing off his trade goods as goods of the Plaintiff, to the detriment of the Plaintiff's business. The Plaintiff has shown that it is likely to suffer damage if the Defendant continues to infringe its trademarks and or if the Defendant continues to pass-off his goods as those of the Plaintiff. In the circumstances I find that the plaintiff is entitled to the Injunction Orders sought and I so order.

It is further directed that the Plaintiff in conjunction with the Uganda Revenue Authority should make joint arrangements and cause the infringing consignment of toothbrushes consignment to the Defendant and currently detained in bond 391, as per this Court Order dated 11th November 2005, to be destroyed by burning or in such other manner as can get them destroyed and completely disposed off.

The Plaintiff had also prayed for general damages. The evidence on record shows that the consignment was impounded and detained by Uganda Revenue Authority before any of the goods so imported by the Defendant were put on the Ugandan market. There had not been any effect on the Plaintiffs goods in the market. The general principle behind an award of general damages is to try and place an injured party in as good a position in money terms as he would have been had the wrong complained of not occurred. The Plaintiff has not shown any damage which has yet arisen as a result of the infringement and/or passing off complained of. Similarly there were no profits earned by the Defendant to account for. Therefore these two prayers fail.

The Plaintiff is awarded costs of this suit.

Hon Mr. Justice Lameck N. Mukasa

JUDGE

23/04/2007