

THE REPUBLIC OF UGANDA

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

HCT-00-CC-CS-0695-2006

NICE HOUSE OF PLASTICS LTD : PLAINTIFF

VERSUS

HAMIDU LUBEGA : DEFENDANT

BEFORE: THE HONOURABLE MR. JUSTICE YOROKAMU BAMWINE

J U D G M E N T:

The plaintiff's claim against the defendant arises out of actions said to amount to infringement of the plaintiff's trade mark and passing off of the defendant's goods as goods of the plaintiff. The thrust of the plaintiff's case is that the defendant has imported and intends to sell and distribute/dispose of in Uganda tooth brushes bearing its registered trade marks namely 'NICE' and 'NICE TOOTH BRUSH'.

The plaintiff tried to serve the defendant on the address indicated in the importation documents but failed. Court made an order for substituted service but still the advertisement in the Monitor Newspaper of Wednesday December 27, 2006 elicited no response from him. Judgment was accordingly entered against him on 23/2/2007 and the suit was set down for formal proof under the provisions of 0.9 r. 8 of the Civil Procedure Rules. In view of that judgment, the issue as to whether he has imported and intends to sell and distribute/dispose of the goods, the subject matter herein, was decided by Court upon the defendant's failure to file a defence. Herein, I have to decide whether the plaintiff is entitled to the reliefs sought.

The first relief sought herein is a permanent injunction restraining the defendant from use and/or continued use of the word/mark 'NICE' along with the shape and design of a tooth brush 'NICE TOOTH BRUSH' and the name of the plaintiff, 'NICE HOUSE OF PLASTICS'.

In matters of intellectual property, a trade mark 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 trade mark, therefore, is an indicator of source. It does not tell what the goods or services are, but where they come from. In the instant case, PW1 Sarah Walusimbi, the Company Secretary of the plaintiff, testified that the plaintiff company owns intellectual property which includes the registered trademarks 'NICE' and 'NICE TOOTH BRUSH'. That the aforesaid trade marks were registered in the names of NICE HOUSE OF PLASTICS LIMITED on 21/7/2005 for tooth brushes and packets of tooth brushes as Nos. 27492 and 27487 and for goods in class 21 and class 16 retrospectively. This evidence has been confirmed by PW2 Mercy Kyomugasho Kentaro Ndyahikayo, an Advocate, State Attorney and Assistant Registrar of Trade marks in Uganda. The certificates of registration have been exhibited in Court. In these circumstances, Court is satisfied that the plaintiff is the owner of the trademarks 'NICE' and 'NICE TOOTH BRUSH' in Uganda.

As to whether the defendant's importation of the 25 cartons, the subject matter of this suit, amounts to an infringement of the plaintiff's trademarks, a trademark infringement plaintiff must show a valid, protectable trademark in which he has rights prior to those of the defendant. The plaintiff herein has through the evidence of PW1 and PW2 shown that the trademarks which are the subject of this suit have not been the subject of any assignment, registered user or third party rights. 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 that the impugned goods or services come from, or the sponsored or endorsed by the protected user or that the two users are affiliated. Infringement is thus analogous to the tort of fraud.

In the instant case, from the evidence of PW1 Ms Walusimbi, the plaintiff learnt of the existence of the impugned goods from the officials of the Uganda National Bureau of Standards, UNBS. These officials intercepted a consignment of 25 cartons of tooth brushes bearing the plaintiff's trade marks. There is evidence that the goods were imported into the country by the defendant. The interception was at Busia Customs Boarder point. There is no evidence of any circulation of such goods in the country prior to the importation of this particular consignment. I have seen the

sample which PW1 Ms Walusimbi managed to procure from UNBS. The packaging is stunningly similar to that of the plaintiff: same get-up and almost same everything. It has been submitted that a registered proprietor of a trade mark acquires exclusive rights to deal with the trade mark in respect of which the registration has been done. I agree with this submission. Any person who uses the trade mark without the consent of the registered proprietor infringes the trade mark. Court is satisfied that the defendant herein has infringed the plaintiff's trade mark.

As to whether or not the plaintiff has made out a case of passing off, Court is of the view that a cause of action for passing off is a form of intellectual property enforcement against the unauthorized use of a mark which is considered to be similar to another party's registered or unregistered trade marks, particularly where the action for trademark infringement based on a registered trade mark is unlikely to be successful (due to the differences between the registered trade mark and the unregistered mark). It is a common law tort which can be used to enforce unregistered trade marks.

The instant case is for enforcement of registered trade marks. Furthermore, going by the authorities, five characteristics which must be present in order to create a valid cause of action for passing off are:

- (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 good will of the trader (in the sense that it is a reasonably foreseeable consequence), 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.

See: (1) Spalding (AG) & Bros –Vs- AW Gamage Ltd & Anor (1915)
32 RPC 273, HL

(2) Reckitt & Coleman Ltd –Vs- Borden Inc. [1990] 1 WLR 491.

In the instant case, it is very clear to me that the defendant's act of importing the goods in question amounted to an infringement of the plaintiff's trade marks. The possibility of the infringement based on a registered trade mark being unlikely to succeed does not, therefore, arise.

From the record, the plaintiff did not bother to lead evidence establishing a good will or reputation of its product. It has not even demonstrated a misrepresentation by the defendant to the public, in the sense that there is no evidence on record of any circulation of similar impugned goods to the public prior to the interception of the consignment in question by customs officials. While the intention of the defendant may indeed have been to pass off his goods as those of the plaintiff, the incomplete nature of the attempt leads the Court to the view that a case of passing off has not been sufficiently made out. I so find.

As to whether the plaintiff is entitled to the reliefs sought, the plaintiff has prayed for a permanent injunction restraining the defendant from use and/or continued use of the word/mark 'NICE' along with the shape and design of a tooth brush 'NICE TOOTH BRUSH' and the name of the plaintiff, 'NICE HOUSE OF PLASTICS'. It has also prayed for a permanent injunction restraining the defendant from the continued infringement of the plaintiff's trade marks 'NICE' and 'NICE TOOTH BRUSH'.

The plaintiff further prays for an order that the defendant delivers up to the plaintiff all the infringing tooth brushes and other material relating to the above mentioned trade marks, and its product get-up.

From the evidence of PW3 Kobel Linda, an inspector with UNBS, the tooth brushes are not genuine. They were analysed and they failed the test. In my view, a trade mark owner who successfully shows likelihood of confusion is entitled to both injunctive relief and money damages from the infringer. In view of my findings above, the plaintiff is entitled to the above three reliefs. I grant them. The infringing tooth brushes and product get-up in which the defendant's toothbrushes are packed shall be delivered up to the plaintiff for destruction under the supervision of officials of Uganda Revenue Authority (URA) and Uganda National Bureau of Standards (UNBS). The plaintiff also prays for general damages for the defendant's infringement of its trade marks and passing off, the costs of the suit and such other remedies as this Court may deem fit and proper in the circumstances.

I have already disallowed the claim for passing off. As regards general damages, counsel has not suggested to Court any figure he would consider to be appropriate for the defendant's infringement of its trade marks. 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. Bearing in mind the defendant's unsuccessful attempt to import into the country goods likely to harm the plaintiff's business and doing the best I can, I deem a sum of Shs.5,000,000= (five million only) adequate compensation to the plaintiff for the defendant's infringement of its trade marks. The award shall attract interest at Court rate from the date of judgment till payment in full. The plaintiff shall also be paid the costs of the suit.

I so order.

Yorokamu Bamwine

J U D G E

01/06/2007

Order: The Registrar of this Court shall deliver this judgment on my behalf on the due date.

Yorokamu Bamwine

J U D G E

01/06/2007