

**THE REPUBLIC OF UGANDA**

**IN THE HIGH COURT OF UGANDA AT KAMPALA**

**(COMMERCIAL DIVISION)**

**CIVIL SUIT NO. 438 OF 2009**

**VITA FOAM (U) LIMITED}.....PLAINTIFF,**

**VERSUS**

**EUROFLEX LIMITED }..... DEFENDANT,**

**BEFORE HONOURABLE MR. JUSTICE CHRISTOPHER MADRAMA**

**RULING**

This ruling arises from a preliminary objection to the suit. At the scheduling conference on the 21<sup>st</sup> of April 2001 Counsel Senkezi Ssali had the brief for Ms Nakachwa who represents the plaintiff as she was out of the country while Mr. Alex Rezida represented the defendant. Counsel Rezida intimated that he had a preliminary objection to make whereupon the counsels agreed that they would file written submissions on the same.

**Submissions of the Defendant**

The facts for the defendants objection is that on the 10<sup>th</sup> day of October, 2002, the plaintiff company filed civil suit No. 585 of 2002 in the Commercial Division of the High Court of Uganda. As per paragraph 3 of the plaint, the plaintiff's action was founded on the tort of passing off and infringement of the plaintiff's trademarks. He submitted that by paragraph 8 of the plaintiff, the plaintiff's cause of action appears to have arisen in the middle of the year 2001. The plaintiff also contended that it was the registered proprietor of patents numbers 24851 – 58 with the Registrar of Trademarks. The plaintiff prayed for:

- (i) An order of an injunction

- (ii) An order for delivery or destruction of infringing articles.
- (iii) Damages

He submitted that the above suit appears to have been dismissed for want of prosecution under order 17 rule 6 (1) of the Civil Procedure Rules whether rightly or wrongly. Unfortunately under Rule 6 (2) of the same order, once a suit is dismissed for want of prosecution, the plaintiff cannot apply to set aside the dismissal but it may, subject to the law of limitation, bring a fresh suit.

Counsel for the defendant submitted that on the 11 day of November 2009, the plaintiff filed the present suit by the plaintiff which was in form and substance the same as the plaintiff filed in HCCS No. 585 of 2002. The suit was also founded on the same tort and made the same prayers. The suit was filed seven years and about one month from the date when HCCS No 585 of 2002 was filed. Under paragraph 8, of the plaintiff, the alleged tort of passing – off commenced in the middle of the year 2001. The suit was filed almost 8 1/2 years from the date the cause of action arose. Under paragraph 11 of the plaintiff, the trademarks infringed came into existence on 13 May, 2002 a period of about seven years and six months before the suit was filed. Under Order 7 rule 1 (e) of the Civil Procedure Rules, a plaintiff shall contain particulars of the facts constituting the cause of action and when it arose. Accordingly, that the 2 dates are the dates on which the causes of action arose.

#### The law of limitation

The defendant's counsel submitted that section 3 (1) (a) of the Limitation Act absolutely bars the bringing of an action founded on contract or on tort after the expiration of six years from the date on which the cause of action arose. He contended that clearly the facts in the plaintiff show that the plaintiff was filed outside the Limitation Period. Further submitted that by anatomy all the prayers in the plaintiff are founded on the torts of passing – off and alleged infringement of trademarks, which causes of action arose in 2001 and 2002.

Counsel further submitted that under order 7 rule 6 of the Civil Procedure Rules, where a suit is instituted after the expiry of the Limitation Period, the plaintiff must show the grounds upon which exemption from the law is claimed. In this case, the plaintiff is silent. On the 8<sup>th</sup> of January, 2010, the document styled "affidavit in rejoinder" was filed on behalf of the plaintiff. Although it is

styled as an affidavit, it is not made under oath. That its import is not known. It should be struck out, *Salvo Jure*; the said documents can be stated to be grounds in the plaint issuing exemption from the law of limitation.

He invited the court to strike out of the suit as being barred by limitation with costs to the defendant.

### **The plaintiff's submissions in reply**

The plaintiff agreed with the brief facts as expounded by counsel for the defendant and that under paragraphs 3 of the plaint, the plaintiff's causes of action are founded in the torts of passing off an infringement of the plaintiff's trademark.

She submitted that section 3 (1) (a) of the Limitation provides a general position on the limitation period of 6 years. There are however various exceptions to the law under the Act itself and as expounded in other authorities for purposes of justice.

The plaintiff's counsel contended that a continuous tort is an exception to the law of limitation. That in paragraphs 8, 11, 13, 14<sup>th</sup> and 15<sup>th</sup> of the plaint, the plaintiff makes it clear that the alleged tortious actions have been committed persistently and continuously by the defendant company since the year 2001. **In Abram Kitumba vs. Uganda Telecommunication Corporation 126/1994 vol. 11 KALR**, it was held that, an action in trespass was not time barred because trespass was the continuing tort for which the injured party can sue from the date of cessation of the wrong and this wrong had not ceased.

Counsel submitted that the plaintiff avers strictly, that, the defendant company without any right has persistently continued to pass off its products as the plaintiff's as well as infringing the plaintiff's trademark.

Similarly, in the case of **Two Pesos Inc vs. Gulf Insurance Company, 901 S.W 2d 495 (Tex. Ct. App. Or 1995)**, the Texas Court of Appeal addressed the issue of whether a claim for trade dress infringement, which admittedly begun prior to the policy period, Constitutes an offence occurring during the policy period. The court ruled that trade dress infringement was a continuing tort. The court further noted that, the tort gives rise to a claim for relief and so long as the infringement persists, and determined that there to be no coverage due to the fact that the

complaint seeking damages was based on infringement already found by a jury and not on a new cause of action.

She submitted that in the present suit, the court is dealing with an intentional tortuous conduct for a period of 7 to 8 years, the continuance of the unbroken wrong is sufficient to avoid the limitation act. That dismissing the plaintiff's case would give unconditional guarantee to the defendant company to infringe and continue passing of its products as the plaintiffs, who has already established its good name and reputation. In special circumstances, the remedy provided for in order 17 rules 6 (2) was not intended to be exhaustive and the inherent jurisdiction vested in the court by section 98 of the Civil Procedure Act was for that reason not excluded.

She submitted that the defendant's counsel based his entire submission on an assumption that the case was dismissed for want of prosecution under order 17 rule 6 (1) of the Civil Procedure Rules. That he concedes that the case was probably dismissed wrongly. There is however no court records of proceedings of the dismissal of the suit under order 17 rules 6 (1). Perhaps the case was dismissed under a different order.

Even if it is assumed that the case was dismissed under order 17 rule 6 (1), counsel submitted that this would be wrongful dismissal. Counsel for the defendant has raised the proposition under paragraphs three that once the suit has been dismissed, under rule 6 (2) of order 17, the plaintiff cannot apply to set aside the dismissal but it may, subject to the law of limitation, bring a fresh suit. However, courts in various authorities such as **Rawal vs. Mombasa Hardware LTD [1968] EA page 392**, have held that in the special circumstances of each case the remedy provided for in order 16 rule 6 if (Uganda is order 17 rule 6 (2) (that is, of bringing a fresh suit) is not intended to be exhaustive and the inherent jurisdiction vested in the court by section 97 (Uganda section 98) of the Civil Procedure Act was not excluded.

Counsel contended that it is apparent from the above cited authority, where no notice has been served on the parties, as in the instant case, Order 17 rule 6 (2) of the Civil Procedure Rules stands in a very special position and the remedy provided for in order 17 rule 6 (2) (that is, of bringing a fresh suit) cannot be exhaustive and the inherent jurisdiction vested in the court by section 98 of Civil Procedure Act for that reason cannot be excluded.

Considering the facts on the records of HCCS No. 585 of 2002 from which this instant case arises clearly shows that the matter was sent for hearing, it was for scheduling on the 26<sup>th</sup> of June, 2003 and two witnesses were heard on 16 October, 2003 and on 18 November, 2003 by Justice Arach.

That Order 17 rule 1 (2) (b) provides that where hearing of the suit has been adjourned generally either party may have a liberty to apply to court to restore the case to the list under order 17 (2). If where the suit has been adjourned generally, the court may if no application as aforesaid is made within 12 Months of the last adjournment give notice to parties to show cause why the suit should not be dismissed and if cause is not shown to the satisfaction of the court, the suit shall be dismissed.

Counsel contended that no such notice was given to the parties, either to the plaintiff or its advocate to show cause why the matter should not be dismissed. Yet the delay to prosecute the plaintiff's case was because:

- (a) Justice Arach Amoko, was handling the case was transferred to the Land Division and later to GULU to handle other cases and Justice Bamwine told the plaintiff's counsel that the case had to await her return to complete it being a part heard one or that the judge would discuss with justice Arach on the way forward.
- (b) The plaintiff's counsel now Hon. Owiny – Dollo who was personally handling this case was engaged in the Juba peace talks from November 2006 to early 2008 and he was later appointed a judge in 2008 hence there was no inadvertence in pursuing HCCS No. 585 of 2002.
- (c) That the clerk of the plaintiff's advocates was told by staff in the court registry that case had been dismissed for want of prosecution.

She prayed that I dismiss the preliminary objection with costs and further reiterated prayers that alternative prayers for reinstatement of HCCS No. 585 of 2002 is granted.

**Defendant's submissions in rejoinder**

In response, the defendant submitted that the copy and paste plaint such as the present one does not disclose a continuation of the tort. The tort of trespass on the one hand and the tort of trade mark infringement and passing off one's goods as goods of another on the other hand are not one and the same. For purposes of limitation the plaint must disclose the cause of action and when it arose. Court should take judicial notice of the fact that in HCCS No. 585 of 2002, the plaintiff applied and was granted a temporary injunction restraining the purported infringement. In the suit, there is certainly no such application. He contended that the total sum of this leads to the inevitable conclusion that the dates mentioned in the two plaints are similar as the dates on which the causes of action arose. Had there been a fresh cause of action arising within the limitation period, averments in the present plaint would have been clear on the dates. By the time the present plaint was filed, the cause of action had been extinguished by limitation. It is not the duty of court to provide the cut off date as to whether the cause of action arose. The cut of dates are clearly disclosed in the plaint as the year 2001 and 13 May, 2002 which clearly make the suit barred by limitation.

Defendant's counsel further submitted that the Counsel for the plaintiff has gone at length to show how the above suit may have been wrongly dismissed. It is submitted that the arguments made in that respect would have been relevant in an application to set aside the dismissal. They are irrelevant in respect of an objection raised on whether the suit was brought within the limitation period. Counsel should have, perhaps applied to set aside the dismissal and not filed a fresh suit in a copy and paste style. To pray for the reinstatement of the dismissed suit, is to confess indirectly that the fresh suit is time barred. He prayed that I uphold the defendant's preliminary objection to the suit.

### **Ruling**

I have carefully considered the submissions of counsel for the parties. The gist of the submissions of the defendant is that the suit is time barred. The defendant conceded that the suit could have been wrongly dismissed under order 17 rules 6 (2) of the Civil procedure Rules, implying that he was not absolutely sure. Order 17 rule 6 (2) comes into operation if a suit had been dismissed under order 17 (6) (1) where no step is taken or application made for a period of two years by any party with a view to a proceeding with the suit. No evidence was adduced to show that order 17 (6) of the CPR was applicable in the circumstances of this case. On the other

hand the plaintiff submitted that the suit was dismissed for want of prosecution. The plaintiff also submitted that it was a part heard case. Whatever the factual situation, the plaintiff has not deemed it fit to annex the record and the record is therefore not before court to establish what exactly happened when the suit was dismissed and under which rule of the Civil Procedure Rules.

The crux of the defendant's submission is that the cause of action arose somewhere in the year 2002 and as averred in the plaint. On the other hand the plaintiff submits that the tort of passing off and infringement is a continuous tort and therefore the limitation period does not apply. I have given thought to the submissions of both parties and it is my humble view that the submission of the defendant is premised on the definition of whether there was a distinct tort which are committed in about the year 2002 and therefore the filing of a fresh suit would be barred and that the Civil Procedure Rules Order 17 rule 6 (2) thereof applied the Limitation Act.

What is material is that the plaintiff filed a fresh suit and it is unnecessary for me to determine under what rule of Order 17 the suit was dismissed. This is because there was no application to set aside the dismissal, and the plaintiff assumed that it had the right to file a fresh suit under order 17 rule 6 (2) of the Civil Procedure Rules. It is only order 17 rule 6 (2) which authorises the filing of a fresh suit subject to the law of limitation after the same has been dismissed under order 17.

I have further considered the submissions of the plaintiff that the tort of passing off and infringement of a trade mark are continuous torts and that the limitation period does not begin to run until after the cessation of the wrong or tort. To determine this controversy it is sufficient for me to set out the nature of an action on a tort of passing off and what infringement of a trade mark may be. The nature of a passing off action is defined in the case of **Reckitt and Colman Products Ltd v Borden Inc and others [1990] 1 All ER 873** per Lord JAUNCEY OF TULLICHETTLE in the following terms:

That a man is not to sell his own goods under the pretence that they are the goods of another man and accordingly, a misrepresentation achieving such a result is actionable because it constitutes an invasion of proprietary rights vested in the plaintiff. The plaintiff has to prove that his or her goods have acquired a reputation in the market and are known by some distinguishing feature.

Secondly that the misrepresentation has deceived or is likely to deceive and that the plaintiff is likely to suffer damage by such deception. What the court protects in a passing off action is the right as property in the business or goodwill likely to be injured by the misrepresentation. At page 889 – 890 he said and I quote:

“Therefore a passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person’s goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached.’

However, it is not essential to the success of a passing-off action that the defendant should misrepresent his goods as those of the plaintiff. It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff’s business or goodwill will be damaged. Thus a misrepresentation by B that his inferior goods are of a superior quality, which is that of A’s goods, whereby people buy B’s goods instead of A’s, is actionable. In *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] 2 All ER 927 at 932–933, [1979] AC 731 at 742 Lord Diplock, after pointing out that misrepresentation of one’s goods as the goods of someone else was a species of wrong included in a wider genus rather than a separate genus, set out five essential characteristics of a passing-off action in the following manner:

‘My Lords, *A G Spalding & Bros v A W Gamage Ltd* and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off: (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 trade (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.’

His Lordship further on distinguishes between the common law torts of passing – off and the statutory protection of trade marks. He said:

The fact that the proprietary right which is protected by the action is in the goodwill rather than in the get-up distinguishes the protection afforded by the common law to a trader from that afforded by statute to the registered holder of a trade mark who enjoys a permanent monopoly therein.

All the plaintiff needs to prove is that its get – up has acquired distinctiveness associated with the plaintiff goods through use over time. Secondly passing off requires evidence of actual sale of goods as that of the plaintiff. The trademarks Acts 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. It is not a continuing tort per se. Where it is a specific action of the sale of goods as the goods of another, then the limitation period begins to run from the time of the actual passing off of the goods. This however is not the end of the matter. In the above cited case of **Reckitt** it was held that the fact that the propriety rights which is protected by an action is in the goods rather than the get – up distinguishes the protection afforded by common law from that afforded by a statute to the registered holder of the trademark who enjoys permanent monopoly therein. Close resemblance between marks' amounts to passing off at common law. The Trade Marks Act gives particular monopoly of a mark to certain goods and proprietary interest in the mark. This right is renewed from time to time. So long as it is subsisting, a continuous sale of goods by passing off of goods as that of the owner of the trademark is actionable and is a continuing tort or breach or infringement of rights protected by the statute. The continuous breach of the right leads to an accrual of a fresh cause of action by each breach. The plaintiff alleges that there was a continuous breach of its trade mark by the defendants. After the first suit was dismissed, the injunction lapsed and the plaintiff again filed a fresh suit. It follows that the Limitation Act is not applicable as far as the continuous alleged breach in the plaint is concerned. It is only applicable in cases where there is an actual passing off of goods outside the six year limitation period. This requires evidence and can be located in time for the application of the limitation period.

The plaintiff alleges that it registered a distinctive trade mark and promoted the same (See paragraph 6 of the plaint.) That its goods acquired distinction in the market that was peculiar to the plaintiff's goods (See paragraph 7 of plaint). In paragraph 8 the plaintiff alleges that the goods of the defendant were introduced in the market in the middle of the year 2001 which goods were similar to and confusingly so to the plaintiff's trade mark, get up in appearance. The confusing similarity is averred in paragraphs 9 and 10 of the plaint. The subsisting and validity of the plaintiff's registered trade mark is captured in paragraphs 11, 12, and 13 of the plaint. The fact that the mark was registered is averred specifically in paragraph 11. The distinctiveness of the mark/get up of the plaintiff's goods which is alleged to have been acquired earlier is averred in paragraph 4, 5 and 6 of the plaint. The common law tort of passing off is saved by section 4 of the repealed Trade Marks Act cap 217 which provided that no action could be commenced to recover damages for a Trade Mark that is not registered, but the Act did not affect an action against any person for the passing off of goods as that of another.

In the case of **Eridad Otabong Waimo vs. Attorney General Civil Appeal No. 6 of 1990 reported in [1992] V KALR** page 1, it was held by the Supreme Court that the time begins to run from the accrual of each cause of action. They held at page 4 that "where a period of limitation is imposed it begins to run from the date on which the cause of action accrues. When, therefore there is for instance a trespass, libel, unlawful arrest, false imprisonment ... time begins to run from the act itself, or if there be several acts, in respect of each act from the date of its commission." They noted that there are different limitation periods for each act which constitute a cause of action. Referring to the analogy of a trespass as a continuing tort, they noted that the cause of action continues until the wrong ceases. In this case the plaintiff's plaint shows unequivocally that the tort is still continuing. The plaintiff even seeks an injunction in the prayers to stop the passing off or infringement of the patents. In other words any causes of action next before and with six years from the filing of the plaint are actionable and not caught by limitation.

The protection of a registered trade mark is statutory. Sections 6 of the Trade Marks Act cap 217 (repealed) under which the suit was filed, forbids the use of identical marks as that of a registered trade mark under part A of the said Act. The registration gives a proprietary right and a right of exclusive use of the distinctive mark registered so long as the trade mark is valid and subsisting. Registration of identical or resembling marks or marks likely to confuse the public is forbidden

by the former sections 13, and 14 of the repealed Act. Registration of a trade mark acquires conclusive validity after 7 years in terms of section 15 of the said Act (Repealed). It follows that statutory protection of a trade mark remains in force so long as the trade mark remains valid and subsisting. Even then the common law right based on acquired distinctiveness endures in a passing off action provided the cause of action commenced within 6 years from the time or times of the passing off of the goods as that of the plaintiff to the filing of the suit. This cut of date to bring the cause of action within 6 years requires evidence as the continuous nature of the tort is averred in the plaint. It cannot be decided on the basis that the plaintiff referred to the year 2002 and 2001 in paragraphs 11 and 8 of the plaint. In paragraph 14 the plaintiff avers that defendant despite numerous efforts by the plaintiffs to stop the wrongs have continued with the same.

For the above reasons, there is no need for me to consider under what rule the application was dismissed because the objection itself is premised on the fact that it was dismissed under order 17 rule 6 (2) of the Civil Procedure Rules which subjects the bringing of a fresh action to the law of limitation. Even then every action of infringement or passing – off of goods as that of another is continuously a fresh cause of action for each successive tort or breach. For the above reasons, the defendant’s objections that the suit is time barred is misconceived and is accordingly overruled with costs.

Ruling delivered in open court this 2<sup>nd</sup> day of June 2011.

Hon. Mr. Justice Christopher Madrama

Ruling delivered in the presence of;

James Nangwala for the defendant,

No one for the plaintiff.

Patricia Akanyo Court recording assistant,

Ojambo Makoha Court Clerk.

Hon. Mr. Justice Christopher Madrama

2<sup>nd</sup> June 2011