

THE REPUBLIC OF UGANDA  
**IN THE HIGH COURT OF UGANDA AT KAMPALA**  
**(COMMERCIAL DIVISION)**  
**CIVIL SUIT NO. 0516 OF 2012**

**GUANGZHOU TIGER HEAD BATTERY GROUP CO.  
LTD:.....P  
PLAINTIFF**

**VERSUS**

**MILLY NAKANJAKO AND  
ANOTHER:.....DEFE  
NDANTS**

**BEFORE: - THE HON. MR. JUSTICE HENRY PETER ADONYO**

**JUDGMENT**

**1. Background:**

The plaintiff commenced this suit against the 1<sup>st</sup> Defendant seeking various orders. The plaintiff's suit against the 2<sup>nd</sup> Defendant, the Uganda Revenue Authority was for consequential orders.

The 1<sup>st</sup> Defendant did not file defiance in the matter after Service of summons upon her and the Court thereafter set down the matter for formal proof.

The 2<sup>nd</sup> Defendant filed a defence but as the suit against it was for consequential orders it undertook to abide by the decree and

orders of the court and as such became a nominal defendant and did not call any evidence.

The plaintiff filed a scheduling memorandum with various documents and thereafter filed a witness statement sworn by Mr. Bob Kabonero. The said witness appeared in Court on 13<sup>th</sup> March 2014 and confirmed the content of his witness statement. The witness also tendered the documents in the scheduling memorandum as exhibits.

## **2: Plaintiff's Case**

The plaintiff is stated to have at all material times since 11<sup>th</sup> November 2007, the registered user in Uganda of Registered Trade Mark No. 19462 consisting of the words " Tiger Head" registered in Class 9, Part A of the Trade Marks Register. Further that the plaintiff has at all times traded in the batteries under the name " Tiger Head' packed in red, blue and white layout in Uganda and the 'TIGER HEAD' name has been widely known in the general public throughout Uganda as signifying the plaintiff's batteries, and the plaintiff had acquired a substantial reputation and good will in and by use of the same name and mark.

It is the plaintiff's case that the 1<sup>st</sup> Defendant did infringed the said registered trade mark and had wrongfully imported into the country for sale and passed off" Tiger Head" batteries not being of the plaintiff's manufacture as those of the plaintiff.

This was said to have been manifested by a bill of lading dated 28<sup>th</sup> September 2012 coupled with customs declarations and verification documents. These are Exhibit P. Ex. 3, pages 7-9 of the Scheduling Memorandum. That the said documents were used by the 1<sup>st</sup> Defendant who imported two (or more) consignments under entry Numbers C757 and C761 each of 1110 cartons

containing 24 dozens of “Tiger Head” batteries not being of the plaintiff’s manufacture with the destination declared as Uganda.

That the goods that were imported into Uganda by the 1<sup>st</sup> Defendant were described as Tiger Head Battery cells and were and are deceptively similar to those that are manufactured by the plaintiff. That the said goods, which are the subject of the suit, are currently in the hands of the 2<sup>nd</sup> Defendant.

It is the plaintiff contention that it had invested heavily in creating a reputation for the “Tiger head” name and mark and the 1<sup>st</sup> Defendant rode on that reputation for a profit without permission. Additionally, it was the contention of the plaintiff that the goods described as “Tiger Head” Batteries were restricted goods under Section 3 of the External Trade Act of Uganda and in order for one to import the goods one had to acquire a license in the form of a statutory instrument from the Minister in charge of Trade. The Plaintiff avers that the Defendant did not have such license.

The issues for determination were framed as follows;

1. Whether the actions of the 1<sup>st</sup> Defendant amount to an infringement of the plaintiff’s rights as the registered user of the trademark and whether the 1<sup>st</sup> Defendant has passed off the goods as those of the plaintiff.
2. What remedies are available to the parties?

**Issue1:**

**Whether the actions of the 1<sup>st</sup> Defendant amount to an infringement of the plaintiff’s rights as the Registered User of the Trademark and whether the 1<sup>st</sup> Defendant has passed off the goods as those of the plaintiff.**

From the onset it must be pointed out that the importation of Tiger Head Batteries into Uganda by the 1<sup>st</sup> Defendant is an illegality since Tiger Head Batteries are restricted goods by law.

Section 3(1) of the External Trade Act (Cap. 88) provides as follows;

*“The Minister may from time to time by statutory order prohibit the import of any class of goods without a license granted under this section.”*

Pursuant to this section, External trade (Restriction of importation of Tiger Head Brand Primary Batteries) Order, 2004 (S.I. No. 76 of 2004) was passed.

Sections 1 and 2 of the statutory instrument provide as follows;

- 1. “The importation of Tiger Head Brand Primary batteries is prohibited without a license granted by the Minister.*
- 2. A person who contravenes section 2 commits an offence and is liable, on conviction, to the penalty specifies in the External trade act”*

Clearly the act of importing Tiger Head Brand batteries by the 1<sup>st</sup> Defendant without a license as required by law is a criminal offence and an illegality

In the case of **Makula international Ltd versus Cardinal Nsubuga Civil Appeal No.4 of 1981** and **Kisugu Quarries Ltd versus Administrator General (1999)1 EA 163 (SC)**, it was held that a court of law cannot sanction that which is illegal. Illegality, once brought to the attention of the court overrides all questions of pleadings, including any admissions made thereon. No court ought to enforce an illegal contract or allow itself to be made an instrument of enforcing obligations alleged to arise out of a contract or transaction which is illegal if the illegality is duly brought to the notice of the court.

Accordingly, from the onset, the act of importing the batteries must be condemned on that ground.

The act of importing the batteries however is also an infringement of the plaintiff's trademark rights.

Para 6(a) - (d) of the plaint state that the plaintiff is the Registered user in Uganda of the Trademark No. 19462, "Tiger Head" registered in class 9, Part A of the Trademark register which trademark is valid and the plaintiff has for many years been manufacturing selling and trading in the batteries packed in red, blue and white layout in Uganda.

It is not in dispute that the plaintiff as the registered user is enjoined with rights to trade in cell batteries bearing the "Tiger Head" Trade mark.

The trade mark rights of the plaintiff also came out in the evidence at the trial. The plaintiff adduced trademark license contracts between Guangzhou Light Holdings Limited, the trademark owner and the plaintiff, the registered user. The said license contracts dates from 2006 to date and were tendered in evidence and marked as exhibits P. Ex 5 (i), PE5 (ii), PE5 (iii) and PE5(iv). Under clauses 1, 2 and 6 of all the said license contracts, the plaintiff's right as the exclusive user of the Trademark and to sue for infringement is clearly spelt out.

From the pleadings and the evidence before court, it is not in dispute that the Defendant imported into Uganda two (or more) consignments under entry Numbers C757 and C761 each of 1110 cartons containing 24 dozens of "Tiger Head" batteries which are currently being held by the Uganda Revenue Authority.

It is the plaintiff's contention that the Defendants act of importation of the "Tiger Head" brand batteries is an infringement of the plaintiff's right as a registered user.

It was pleaded in paragraph 6(f) of the plaint that the goods the subject of the suit is not of the plaintiff's manufacture though they are deceptively similar to the plaintiff's goods.

Paragraph 12 of Mr. Bob Kabonero's statement states:

*"That upon identifying the above container numbers, I established from the plaintiff factory in Guangzhou that the batteries in the said containers were not manufactured by the plaintiff and did not originate from the plaintiff's factory"*

Paragraph 6 (c) of the plaint and paragraph 5 of Mr. Bob Kabonero's witness statement both clearly state that the plaintiff is the manufacturer of Tiger Head batteries. The batteries are manufactures at the plaintiff's factory in Guangzhou, China.

Considering that the goods are not manufactured by the plaintiff, the said goods are counterfeit goods. Section 71 of the Trademarks Act No. 17 of 2010 provided;

*"Any person who with intention to defraud or to enable another to defraud and person, forges or counterfeits a trade mark commits an offence and is liable on conviction to a fine not exceeding forty eighty currency points or imprisonment not exceeding two years or both"*

From the pleadings and the evidence it is therefore clear that the Defendant's actions in importing the goods in issue amount to an infringement of the plaintiff's right as the registered user of the trade mark. The goods in issue being counterfeit goods, the court ought to find that the plaintiff's rights have been infringed by the 1<sup>st</sup> Defendant.

In addition to the above, the defendant's acts of importing counterfeit Tiger Head battery cells amounts to passing off.

Section 1 of the Trade marks Act No. 17 of 2010 defines "passing off" it thus states;

***“...means falsely representing one’s own product as that of another in an attempt to deceive potential buyers”***

The principle of law governing the essence of passing off is to be found in the judgment of Lord Halsbury L.C in **Reddaway versus Burnham 1896 A.C 199 at page 204** when he states that:

***“The principle of law may be very plainly stated that nobody has any rights 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 also be a question of evidence”.***

Justice Bamwine in **NAPRO INDUSTRIES LTD v FIVE STAR LTYD & ANOR** supra cited with approval **Reckitt & Colman v Borden Inc (1990), ALL ER 873 Lord Oliver** reaffirmed the classic test of passing off

***“First, he must establish a good will or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of brand name or a trade description, or the individual features of labeling or packaging) under which his particular goods or services are offered to the public, such that the get up is recognized by the public as distinctive specifically of the plaintiffs goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public to believe that goods and serves offered to him are goods and services of the plaintiff.... Third, he must demonstrate that he suffers or... that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation***

***that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."***

Justice Bamwine further summed it up in the case of **NAPRO INDUSTRIES LTD v FIVE STAR LTD & ANOR HCCS No. 325 of 2004** where he stated passing off actions are confined to the deceptive use of trade names, marks, letters and other Indicia. He cited with approval **Perry versus Truefit (1842) 6 Beau 66, 73 that;**

***"A man is not to sell his own goods under pretence that they are goods of another man"***

From the pleadings and the evidence on the record it is clear that the Defendant is trying to pass off its goods as those of the plaintiff who is not only the registered user of the Trademark but also the only manufacturer of the genuine products from its factory in China.

In Light of all the above we pray that the court determines the first issue in the affirmative.

## **ISSUE 2: What remedies are available to the parties?**

The plaintiff seeks a permanent injunction to restrain the 1<sup>st</sup> Defendant from importing, manufacturing, selling or offering for sale "Tiger Head" batteries and from passing off their goods as the goods of the plaintiff. The plaintiff also seeks as order for immediate delivery up for destruction upon oath of all the "TIGER HEAD" batteries in the possession of or under the control of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants, an account for profits and costs of the suit. The plaintiff under paragraph 20 of the witness statement also seeks general damages.

S.79 (1) of the trademarks Act, No. 17 of 2010 provides as follows:



***“A person whose rights under this Act are in imminent danger being infringed or are being infringed may institute civil proceedings in the court for an injunction to prevent the infringement or to prohibit the continuation of the infringement.”***

In Kerry’s Law of Trade Marks and Trade Names 14<sup>th</sup> edition pg 654 paragraph 19-065 it is stated;

***“Where a defendant has imitated or adopted the claimant’s distinctive trade mark or business name, the order may be an absolute injunction that he shall not use or carry on business under that name”.***

In the case of East African Tobacco Company versus Colonial Tobacco (1938)5 E.A.C.A 6 it was held;

***“If a manufacturer sells goods in a get up which so clearly resembles the goods of another person so as to enable his own goods to be sold as those of that person, the manufacturer puts an instrument of fraud into hands of the shopkeeper and, as the law will not permit this an injunction may be granted”.***

This is such a case for the grant of the injunction. The plaintiff has clearly shown the manner of passing off by the defendants of their “Tiger Head” brand batteries. In light of the submissions on the first issue we submit that the prayers for a permanent injunction have been proved and court ought to grant them.

The plaintiff in addition to the injunction seeks an order for immediate delivery up for destruction upon oath of all the “TIGER HEAD” batteries in the possession of or under the control of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants the import and sale of which by the Defendants would be in breach of the foregoing injunction.

S. 81 (4) of the Trademarks act, No. 17 of 2010 provides as follows:

***“The court may order that all counterfeit, imitations and all other materials involved in the infringement be forfeited and disposed of as the court may direct.”***

It is our prayer that the infringing goods which are counterfeits illegally imported into the country should be delivered for destruction as provided in the above section.

With regard to the account for profits and general damages, in *Brooke Bond Kenya Ltd v Chai Ltd* (1971) EA 10 at page 15-16 it was stated that;

*“It is well known that, both in trademark cases and patent cases, the plaintiff is entitled, if he succeeds in getting an injunction, to take either of two forms of relief, he may either say, ‘***I claim from you the damage I have sustained from your wrongful act***’ or ‘***I claim from you the profit which you have made by your wrongful act***’.*

In the instant case, from the information available from the 2<sup>nd</sup> Defendant, the goods are still in the custody of the Uganda Revenue Authority. Accordingly on authority of **Brooke Bond Kenya Ltd v Chai Ltd (1971) EA 10 at page 15-16**, the proper form of relief would be the payment of general damages.

According to **WORDS & PHRASES LEGALLY DEFINED Volume 2 D-H 2<sup>nd</sup> Edition Butterworth’s** at page 4, damages may be defined as the pecuniary compensation which the law awards to a person for the injury he has sustained by reason of the act or default of another, whether the act or default be in breach of contract or in tort.

Paragraph 19 of Mr. Bob Kabonero’s witness statement states that the 1<sup>st</sup> Defendant’s actions have caused and are continuing to cause substantial loss and damage to the plaintiff’s trade, trade reputation and market share.

It is the plaintiff's submission that the damage and loss he suffered was a direct immediate and proximate consequence of the 1<sup>st</sup> Defendants' wrongful and unlawful acts.

In **FULGENSIO SEMAKO v EDIRISA SSEBUGWAWO (1979) HCB 15** it was held by Butagira J (as he then was) that in an action for damages one of the duties of Counsel should be to put before the Court material which would enable the Court to arrive at a reasonable figure way of damages.

It is our submission that in light of all the facts, general damages in the sum of UGX 50,000,000/- (Uganda Shillings Fifty Million) should be ordered as against the 1<sup>st</sup> Defendant.

Section 27 of the Civil Procedure Act (Cap 71) provides that costs shall follow the event. We pray that the 1<sup>st</sup> Defendant is ordered to pay the costs of the suit

#### **1. Facts**

The Plaintiff is the registered user in Uganda of registered trade mark No. 19462 consisting of the words "Tiger Head" registered in Class 9 Part A of the Trademarks Register consisting of the get up, designed and marketed in a particular form. The Plaintiff contends that the 1<sup>st</sup> Defendant, with intention to infringe the Plaintiff's Trademark and pass off her goods as those of the Plaintiff, imported 2 or more consignments each of 1110 cartons containing 24 dozens of "Tiger Head" batteries which were deceptively similar to the Plaintiff's Tiger Head batteries and sought to clear them with the aid of the 2<sup>nd</sup> Defendant. Further that the acts and conduct of the 1<sup>st</sup> Defendant were calculated to deceive and mislead the public into the belief that the 1<sup>st</sup> Defendant's batteries were the Plaintiff's batteries.

## **2. Plaintiff's Claim**

The Plaintiff's claim against the 1<sup>st</sup> Defendant is for a permanent injunction, an inquiry into damages/an account for profits, delivery up/destruction of the offending goods and damages. Against the 2<sup>nd</sup> Defendant, the Plaintiff's claim is for consequential orders.

## **3. Issues for Determination**

The issues for determination by this court are:

- a. Whether the actions of the 1<sup>st</sup> Defendant amount to an infringement of the Plaintiff's rights as the Registered user of the Trademark and whether the 1<sup>st</sup> Defendant has passed off the goods as those of the Plaintiff
- b. What remedies are available to the parties?

The first defendant did not file a defence. On application of Counsel of the Plaintiff and relying on the affidavit of service of the Plaintiff on her, Court ordered that the hearing proceed ex parte for formal proof.

**3 (a) Whether the actions of the 1<sup>st</sup> Defendant amount to an infringement of the Plaintiff's rights as the Registered user of the Trademark and whether the 1<sup>st</sup> Defendant has passed off the goods as those of the Plaintiff**

The Plaintiff filed a witness statement of Mr Bob Kabonero, a director in White Showman's (U) Ltd, the sole agent of the Plaintiff in Uganda. He stated that on 11/11/2007, the Plaintiff was registered as the registered user of Trademark No 19462 "Tiger Head" in respect of batteries which registration has at all material times remained valid and subsisting. Further, that as a sole agent of the Plaintiff, one of the duties of White Showman's (U) Ltd is to monitor any infringement of the registered trademark in Uganda and ensuring that the appropriate actions are taken to stop any such infringement.

He stated that in line with his duties, he established that by a Bill of Lading dated 28/9/2012 the 1<sup>st</sup> Defendant imported two or more consignments under entry numbers C757 and C761 each of 1110 cartons containing 24 dozens of "Tiger Head" batteries not being of the Plaintiff's manufacture with the destination declared as Uganda and that the Plaintiff's company in Guangzhou had not manufactured these batteries.

Further that the goods have been imported into Uganda with the intention of infringing the Plaintiff's trademark rights, passing them off as those of the Plaintiff and intended to deceive the public.

It is without dispute that the Plaintiff is the registered owner of the Trademark No. 19462 consisting of the words "Tiger Head" registered in Class 9 Part A of the Trademarks Register consisting of the get up, designed and marketed in a particular form.

In **Nice House of Plastics Ltd. Vrs. Hamidu Lubega; HCT Civil suit 695/2006**, a Trademark was described as a word, phrase, symbol or produce feature, or any combination of the above that distinguishes in commerce, the goods or services of its owner from those of others. It is an indicator of source or where the goods or services came from.

Infringement of a Trademark therefore entails manufacture or importation of goods bearing a mark so resembling the Plaintiffs' registered mark that the public would be deceived that these are goods manufactured by the Plaintiff whereas not.

It is my finding that the goods imported by the Defendant No.1 infringed on the Plaintiffs' Trademark.

### **3 (b) What remedies are available to the parties?**

#### **i. Delivery up/ destruction of the offending goods.**

The Plaintiff prayed for delivery up/ destruction of the offending goods. Since the goods are still in the custody of the 2<sup>nd</sup> Defendant, I accordingly order that the same be delivered to the Plaintiff.

#### **ii. Damages/ an inquiry into profits**

The Plaintiff also prayed for damages/ an inquiry into profits. It was submitted for the Plaintiff, that according to information available from the 2<sup>nd</sup> Defendant, the goods are still in the

custody of Uganda Revenue Authority. Thus such an inquiry into profits is moot.

What remains is the prayer for damages. It is trite law that damages are the direct probable consequences of the act complained of. Such consequences may be loss of use, loss of profit, physical inconvenience, mental stress, pain and suffering. General damages must be pleaded and proved. (***See Kampala District Land Board & George Mitala V Venansio Babweyana SCCA 2/2007; Assist (U) V Italian Asphalt & Haulage & Another HCCS 1291/1999; Moses Kizige V Muzakawo Batolewo [1981] HCB***). It must be noted that general damages are compensatory in nature in that they should offer some satisfaction to the injured Plaintiffs. (***See URA vs. Wanume David Kitamirike Civil Appeal No. 43.2010***)

The prayer for general damages for the Defendant's infringement has not been supported by quantifiable evidence. Damages are intended as compensation for the Plaintiff's loss and not punishment to the Defendant. It was submitted for the Plaintiff that the 1<sup>st</sup> Defendant's actions have caused and are continuing to cause substantial loss and damage to the Plaintiff's trade, reputation and market share.

I find this difficult to believe as the goods are still being held by the 2<sup>nd</sup> Defendant and were never released to the general market so as to create the effect that the Plaintiff alleges. However, its Trademark was infringed and registered owners of trademarks are

entitled to protection against persons who infringe on their protected rights. I find that the sum of shs.50 million is unjustifiable and instead order a sum of shs.10 million as general damages.

### **iii. Costs**

Further in the case of ***Jennifer Behinge, Rwanyindo Aurelia, Paulo Bagenzi Vs School Out fitters (U) Ltd CACA No. 53 of 1999 (UR)***, Court held that,

*“A successful party is entitled to costs unless there are good reasons to deny such party costs.”*

There is no reason to deny the successful Plaintiff who is the successful Party costs. In the premises, I am satisfied that the Plaintiff has formally proved his claim against the Defendants to the required standard of proof. I accordingly award the Plaintiff the costs in this cause.

### **4. Orders**

Consequently, Judgment is entered for the Plaintiff in the following terms:-

1. A permanent injunction issue restraining the Defendants, its agents, assigns, representatives, servants or otherwise from importing, manufacturing, selling or offering for sale “Tiger Head” batteries.



2. A permanent injunction restraining the 1<sup>st</sup> Defendant from passing off their goods as those of the Plaintiff.
3. An order to the 2<sup>nd</sup> Defendant for immediate delivery up for destruction of all the “Tiger Head” batteries in its possession or control
4. General damages of UGX 10,000,000/= (Ten Million Uganda Shillings Only)
5. Costs of the suit

This judgment is delivered at Kampala, this 24<sup>th</sup> day of April, 2014.

**HENRY PETER ADONYO**

**JUDGE**