

**THE REPUBLIC OF UGANDA,
IN THE HIGH COURT OF UGANDA AT KAMPALA
(COMMERCIAL DIVISION)
MISCELLANEOUS APPLICATION NO 432 OF 2016
(ARISING OUT OF CIVIL SUIT NO 287 OF 2016)**

- 1. EXPLORE SPARES UGANDA LTD}**
- 2. GOUSIA UGANDA LIMITED}**
- 3. ARIF SUNRA}APPLICANTS**

VERSUS

BHESANIA SUHEL ISMAIL}.....RESPONDENT

BEFORE HON. MR. JUSTICE CHRISTOPHER MADRAMA IZAMA

RULING

The Applicants commenced this application for review under order 46 rule 1 (1) (b), of the Civil Procedure Rules, section 82 and 98 of the Civil Procedure Act and section 33 of the Judicature Act for orders setting aside the order against the Respondents in Miscellaneous Application Number 331 of 2016. Secondly, it is for an order for the return of the seized goods to the Applicants. Lastly, the Applicants pray that the costs of the application are provided for.

The grounds of the application in the notice of motion are that the Respondent instituted HCCS number 287 of 2016 against the Applicants. Secondly, the Respondent thereafter filed miscellaneous application number 331 of 2016 against the Applicants. Thirdly, the miscellaneous application was supported by an affidavit deposed by the Respondent on the 4th of May 2016. Fourthly, the affidavit in support of the application was entirely a falsehood thereby rendering it materially defective. Fifthly, the court relied on the defective affidavit to grant the subsequent prayers. Sixthly, the court by relying on a defective affidavit, to grant the subsequent orders, occasioned a miscarriage of justice to the Applicants. Lastly, it is in the interest of justice that the application is granted.

The application is further supported by the affidavit of Kajuga Paul, a legal officer of the first Applicant. His deposition is that on 7th April, 2016, the Respondent instituted HCCS 216 of 2016 against the first Applicant suing through his lawful attorneys. The power of attorney was allegedly signed by the Respondent as the owner of the powers of attorney. The Respondents sworn thereafter instituted another suit HCCS 287 of 2016 against the Applicants. The Respondent thereafter allegedly filed Miscellaneous Application Number 331 of 2016 against the

Applicants. The statements in this application were supported by affidavit allegedly deposed to by the Applicant and Respondent therein Mr Bhesania Suhel Ismail on the fourth of May 2016. He is also the donor of powers of attorney in civil suit number 216 of 2016. The signature of the Respondent on the powers of attorney and the signature on the affidavit in support of the application Miscellaneous Application Number 331 of 2016 by the second Respondent against the Applicant on the face of it are different and could not have been made by the same person. It is unlikely that the Respondents in both the power of attorney and the affidavit in support of HCMA Number 331 of 2016 are the same person. The said Mr Bhesania Suhel Ismail was not in the country on the fourth of May 2016 and could not have sworn an affidavit before a Commissioner for oath is in Kampala on that day. Such an affidavit which was not sworn before a Commissioner of Oaths is a defective affidavit and incompetent. It followed that the affidavit in support of the application was entirely a falsehood thereby rendering it materially defective. The court relied on the affidavit to grant the subsequent orders. The act of filing such an affidavit constitutes an abuse of the court process. When considering miscellaneous application number 331 of 2016, which proceeded, ex parte, this vital information was not brought to the attention of the court. Had it been brought to the attention of the court, the court will not have granted the subsequent orders.

The affidavit in reply is that of Kalungi Akram, an advocate attached to the Messieurs Tem Advocates. He read the Applicants application and in reply deposes that the Respondent is the registered owner of the trademark known as 'Fukukawa' in Uganda under trademark registration number 32,241 in the goods and services in class 12 and had it renewed on 11th March, 2016 for a period of 10 years and according to a certificate of registration attached. The Applicant without any colour of right infringed on the said trademark to which the Respondent holds an exclusive right of use by importing goods and trading and raised in the market consequently causing him loss of business. On the 4th of May 2016 the Respondent filed civil suit number 287 of 2016 and Miscellaneous Application Number 331 of 2016 ex parte on behalf of the Respondent. An order was granted on the 11th of May 2016 and court bailiffs in the names of Kirunda Moses, the court bailiffs and on the 19th of May 2016 proceeded to execute it. The bailiff seized goods from the Applicant's stores and bearing the Respondent's trademark. The application is prematurely filed before this court and is an abuse of court process since it has already been overtaken by events as the order that it is intended to set aside or reviewed has already been executed. Secondly the Applicants are not coming to court with clean hands as they had on several occasions infringed on the Respondent's trademark in total omission of the Respondent's rights under the law.

Thirdly, the order did not occasion any injustice to the Applicant because the seized goods were kept for evidential purposes to enable the court properly determine the rights of the parties in the main suit. If the application is granted, the Respondent is likely to suffer an injustice and efforts to get the court remedies would be rendered futile. Furthermore Civil Suit Number 287 of 2016

would be rendered nugatory if the application is granted. Last but not least the application is brought in bad faith and is intended to delay justice and ought to be dismissed with costs.

In rejoinder Mr Kajuga Paul deposed that the Applicants application has not been overtaken by events as the goods in question are in the hands of an officer of this court. Secondly, the Respondent was not in the country on the 4th of May 2016 and is not sworn the affidavit before the Commissioner for oath in Kampala on the same day. Furthermore, the orders granted in Miscellaneous Application Number 331 of 2016, occasioned injustice to the Applicants and resulted in loss of business due to the seizure of the goods. Lastly, this honourable court should not turn a blind eye to an irregularity brought to the attention of the court and ought to grant the orders sought by the Applicant in the application.

The Applicant is represented in these proceedings by Counsel Anthony Ahimbisibwe of Messrs Anthony Ahimbisibwe Advocates while the Respondent is represented by Counsel Sharon Tem of Messrs Tem Advocates & Solicitors. The court was addressed in written submissions.

The gist of the Applicant's application is that the Applicant's are persons aggrieved by the order of this court ordering inspection and seizure of the Applicant's goods. The main ground of the application is that the application in which an order was made was supported by a fatally defective affidavit because the deponent who purported to be in Kampala before the Commissioner for oath was out of the country at the material time. It is the Applicant's contention that because the affidavit was fatally defective, the orders of the court ought to be set aside. This is because where an affidavit is fatally defective; it in turn makes the application incompetent and renders the orders that were granted in that application null and void. In support of this contention the Applicant relies on several authorities which include section 6 of the Oaths Act Cap 19 laws of Uganda and rules 7 of the Commissioner for Oath (Advocates) Rules. Secondly he relies on the case of Mohammed Majyambere vs. Bhakresa Khalil Miscellaneous Application No 727 of 2011 and citing therein Kakooza John Baptist versus Electoral Commission and Another, Election Appeal Number 11 of 2007. The proposition of law is that the practice where a deponent of an affidavit signs and forwards the affidavit of the Commissioner for oaths without him being present is a blatant violation of the law regarding the making of affidavits and must not be condoned in anyway.

Secondly, the Applicants Counsel without prejudice contended that the Respondent in the affidavit in reply claims that the Applicants application has been prematurely filed and is an abuse of the court process. Furthermore it is claimed in the affidavit in reply that the application was overtaken by events since the order has been executed. The Applicants Counsel contends that the application is not premature because it seeks to review the order is granted in Miscellaneous Application Number 331 of 2016 and the return of goods which are still in the hands of an officer of the court. Secondly, the submission that the Applicants are before this court with unclean hands since they have on several occasions infringed the Respondent's

trademark is a premature and misconceived submission intended to hoodwink the court to determine the merits of the application.

On the other hand the Respondent concentrated on the grounds under Order 46 rule 1 of the Civil Procedure Rules upon which a review may be brought to the court. She contends that the grounds envisaged our first of all that there must be a discovery of new and important matters of evidence which after the exercise of due diligence was not within the Applicant's knowledge or could not be produced by him or her at the time when the decree was passed. Secondly, it provides that there must be an error or mistake apparent on the face of the record or for any other sufficient reason.

She submitted that the application does not disclose the grounds upon which the court may exercise powers of review. Such grounds are considered in *Edison Kanyabwera versus Pastore Tumwebaze SCCA Number 6 of 2004* for the proposition that an error must be apparent on the face of the record. Secondly Counsel cited *Eastern and Southern African Development Bank versus African Green Fields Ltd and Others [2002] 2 EA 377* for the proposition that an order cannot be reviewed simply because the judge decided the matter on a foundation of incorrect procedure or the decision revealed a misapprehension of the law or that he exercised his discretion wrongly. The proper way to correct a judge's alleged misapprehension of the procedure or substantive law or his alleged wrongful exercise of discretion is to appeal unless the error is apparent on the face of the record.

The Respondent's Counsel contends that the order was made pursuant to section 79 (2) of the Trademarks Act 2010 upon the ex parte application by the right owner. The court has power to order for inspection of or removal from the infringing person's premises or control of the right infringing materials which constitute evidence of infringement by that person. The Respondent acted within the confines of the law.

Regarding the signatures of the deponent to the affidavit in support of miscellaneous application number 331 of 2016, the Respondents Counsel submitted that the court should not rely on the affidavit of the legal officer of the first Applicant Mr Kajuga Paul who lacks the necessary skill is to compare authenticity of different signatures.

With regard to the travel history of the deponent who is the Respondent, the evidence adduced show that the Applicant left the country on 14th April, 2016 and did not return to sign the affidavit on the 4th of May, 2016. The Respondents Counsel contended that this is perfectly circumstantial evidence and it will occasion a miscarriage of justice if this is taken into account in granting the application. The travel history relied upon is issued by the Immigration Department of the Ministry of Internal Affairs. Finally if the Applicant is wanted to prove non-compliance with section 6 of the oaths act the best evidence would have been to produce the Commissioner for oath of the affidavit in question.

In rejoinder on the grounds of review, it is the Applicant's contention on the ground of discovery of new and important matter of evidence which after the exercise of due diligence was not within the Applicant's knowledge, to be applied because there the suit proceeded ex parte. The Applicants were therefore unable to avail the vital evidence. The new discovery and important evidence was that the Respondent was not in the country at the time of deposing to the affidavit in support of the application. The application of the Applicant's is supported by the evidence of the Respondents travel history obtained from the Ministry of Internal Affairs. The history is certified by a competent authority. Counsel further submitted that the Applicants rely on the discovery of new and important evidence which after exercise of due diligence was not within the Applicant's knowledge or could not be produced by him or her at the time when the decree was passed or the order was made. Secondly, it is for any other sufficient reason. The cases of Edison Kanyabwera versus Pastore Tumwebaze SCCA Number 6 of 2004 and Eastern and Southern African Development versus African Greenfields Ltd, emphasised the ground of mistake or error apparent on the face of the record.

The Applicant's case on the other hand is on the ground for the discovery of new and important evidence that was not within the knowledge of the Applicants and could not have been produced at the time when the order was made.

The assertion of the Respondents that once goods are released to the Applicant they would quickly dispose of them is speculative and the matter of whether the Applicants committed an offence is for determination of the court in the main suit.

Concerning the affidavit of Mr Kajuga Paul, the legal officer of the first defendant, it highlights the major discrepancies in the purported signatures of the Respondent coupled with the fact that he was out of the country at the time of allegedly deposing to the affidavit in support of Miscellaneous Application Number 331 of 2016. This only leaves one conclusion that the affidavit could not have been signed by the Respondent. The Respondent never led any evidence to the effect that the Respondent was in the country at the time of deposing to the affidavit. In the premises, he prayed that the judgment be reviewed and set aside and an order for return of the seized goods to the Applicant is issued.

Ruling

I have carefully considered the application. Starting with the genesis of this matter, Miscellaneous Application Number 331 of 2016 proceeded ex parte.

The foundation of the order of the court is section 79 of the Trademarks Act 2010. The said section has the head note "Civil remedies". It follows immediately after the listing of various offences under PART VIII of the Trademarks Act. For instance section 71 makes it an offence to forge or counterfeit a trademark. Section 72 of the Trademarks Act makes it an offence to make a false entry in the register. Under section 73 of the Trademarks Act it is an offence to represent a

*Decision of Hon. Mr. Justice Christopher Madrama Izama *~*~?+: maXimum728securityx 2016 style*

trademark as having been registered when not. Section 74 deals with falsifying or unlawful removal of a registered trademark. Section 75 makes it an offence to falsely apply a registered trademark to goods that are being dealt with in the course of trade. Section 76 makes it an offence to possess dyes used in the commission of the offences and to manufacture goods using trademarks in infringement of the Act. Section 77 deals with selling goods with false marks. Finally section 78 deals with prohibition of import and export of infringing trademarks. Section 79 merely deals with civil remedies pursuant to the list of offences. It provides as follows:

“79. Civil remedies.

(1) A person whose rights under this Act are in imminent danger of 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.

(2) Upon an *ex-parte* application by a right owner, the court may in chambers make an order for the inspection of or removal from the infringing person’s premises or control, of the right infringing materials, which constitute evidence of infringement by that person.

(3) The grant of an injunction under subsection (1) shall not affect the owner’s claim for damages in respect of loss sustained by him or her as a result of the infringement of the rights under this Act.

(4) A person who sustains any damage because of the infringement of his or her rights under this Act may claim damages against the person responsible for the infringement whether or not that person has been successfully prosecuted.”

The court is moved under section 79 (2) of the Trademarks Act by an *ex parte* application by a right owner in Chambers for an order for the inspection of or removal from the infringing person's premises or control, of the right infringing materials, which constitute evidence of infringement by that person.

As far as the first part of the said provision is concerned, the court may merely make an order of inspection. Once an inspection has been done and there is evidence of infringement, the matter stops there, except for the outcome of the inspection. Secondly, in case of removal from the infringing person's premises or control of the right infringing materials, it is required as evidence of infringement by that person.

The ruling of the court was issued on the 11th of May, 2016. The ruling of the court which is relevant shows that the court indeed relied on the affidavit of the Respondent. Part of the ruling is as follows:

“The application is supported by the affidavit of Bhesania Suhel Ismail who deposes that he is a male adult National of Dubai, United Arab Emirates and the Applicant. He is the

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registered trade Mark owner known as FUKUKAWA in Uganda particulars of which have been given in the notice of motion. He further attaches the Bill of lading and photos of the goods marked as annexure "B" and photos as annexure C1, C2, C3, C4, and C5. He deposes that his business income has drastically reduced and he is nearly being forced out of business on account of the activities of the Respondents and the infringement of the trademark.

I have carefully considered the application. First of all the Applicant has attached a certificate of registration annexure "A1" showing that registration of the trademark had been done on 30th July, 2009 of the trademark FUKUKAWA. The certificate was renewed for a period of 10 years from the 8th of May 2016 in respect of goods and services in class 12 (Schedule III). Finally the Applicant took photos of goods bearing the names FUKUKAWA imported by the Respondents.

Section 79 (2) of the Trademarks Act 2010 allows a trademark right owner, to apply to the court ex parte and the court may make an order for the inspection of or removal from the infringing person's premises or control, of the right infringing materials, which constitute evidence of infringement by that person. Under section 79 (4) of the Trademarks Act 2010, a person sustaining any damage because of the infringement of his or her rights may claim damages against the person responsible for the infringement whether or not the person has been successfully prosecuted.

I am satisfied that the Applicant is a registered owner of a trade mark FUKUKAWA and annexure C1, C2, C3 and C4 are copies of coloured photos showing goods packed in packets and boxes bearing the registered trade mark in question registered in the names of the Applicant. Section 79 (2) is meant to obtain the evidence of infringement by inspecting and removing the infringing materials.

In the premises the Applicant being a registered owner of the trademark FUKUKAWA and the Respondents trading in goods packed in packets with the same trade mark, the Applicant's application is granted.

An order issues authorising a bailiff of the High Court to enter the premises of the Respondents in Kampala and particularly at the Business Centre Taheri Towers Namirembe Road, Nabugabo Business Centre, and Mukwano Shopping Centre and any other place where the Respondent's goods are kept to inspect, for the purposes of removing goods bearing the Applicant's trademark FUKUKAWA or any other materials that infringe the rights which constitute the said trademark to be evidence in this court and to abide the further decision of this court in further proceedings under the main suit.

The Bailiff shall enter any of the premises in the presence of a designated Inspector of Trademarks designated by the Board in consultation with the registrar of Trademarks

under section 82 of the Trademarks Act 2010. The Bailiff and Trademark Inspector shall make an inventory of all infringing materials.

The infringing materials shall be removed and kept with the court bailiff and dealt with in such manner as the court deems it fit in further proceedings in the suit.”

The court relied on several annexure which are listed in the above ruling. Secondly, the court also relied on the certificate of registration and photographic evidence of the infringing materials. On the strength of the Applicant being a registered owner of the trademark an order was issued for the inspection of the premises which are named in the orders to be made in the presence of designated inspectors of trademarks under the Trademarks Act. It was further ordered that the infringing materials would be removed and kept with the court bailiffs and dealt with in such manner as the court deems fit in further proceedings.

Coming back to the grounds for review of the decision of the court, what can be reviewed is whether the order for inspection can be reviewed. As far as inspection is concerned, the inspection was already done and I agree with the Respondent’s Counsel that the order if reviewed would be in vain because the court order was implemented.

The second order relates to the removal of the infringing materials. As far as this is concerned, the Applicant is wants an order for return of the seized goods to the Applicants.

The purpose of section 79 (2) of the Trademarks Act is to move swiftly and preferably confidentially to move court to seize goods which are infringing the Trademarks Act by infringement of a right owner’s rights.

While I agree with the Applicants that a defective affidavit should never be used in support of an application, the way the evidence was obtained was irregular and based on an affidavit deposed to by a person who was out of the country according to annexure "A" to the affidavit of Mr Kajuga Paul yet it was made in Kampala. I agree with the laws cited by the Applicants’ Counsels. The court cannot however reverse its orders because the way the evidence was obtained was irregular. The evidence of the alleged infringing materials is already in the possession of the court and the suit is still pending determination.

Secondly, it has not been shown how the unlawful affidavit has misled the court about the rights of the Respondent to the registered trademark. For that reason I do not agree that the proceedings were illegal. The court had jurisdiction to make the necessary order and relied on documentation attached to the application. In case the Respondent fails in the application, the Applicants would have other remedies against him. The question of any alleged prejudice to the Applicants’ can be handled in the main suit.

In the premises, the court will not review the orders which were issued and the application is accordingly dismissed with no order as to costs.

Ruling delivered in open court on 14th October, 2016

Christopher Madrama Izama

Judge

Judgment/Ruling delivered in the presence of:

Anthony Ahimbisibwe Counsel for the Applicant

Kalungi Akram holding brief for Sharon Tem for the Respondent

First Applicants Official not in court

Respondent is not in court

Charles Okuni: Court Clerk

Christopher Madrama Izama

Judge

14th October 2016