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## IN THE HIGH COURT OF UGANDA AT KAMPALA

# [COMMERCIAL DIVISION]

#### CIVIL SUIT No. 387 OF 2011

PROF EGBERT DE SMET :::::: PLAINTIFF

10 VERSUS

JULIET NAKASSAGA :::::: DEFENDANT

## BEFORE: HON. MR. JUSTICE B. KAINAMURA

### RULING ON A PRELIMINARY POINT OF LAW

This is a ruling on the preliminary objection raised by the defendant. The ground for the preliminary objection is that the court does not have the jurisdiction to entertain the matter.

The brief facts of the case are that on the 14<sup>th</sup> October 2011, the plaintiff filed in court a claim seeking among others, the recovery of 230,173 Euros. The amount arose out of a series of transactions wherein the plaintiff granted loans to the defendant for establishing rental houses in Kampala, purchase of clothes and shoes for State House upon a local purchase order purportedly granted to the defendant.

When the suit came up for hearing, the defendant raised a preliminary objection that this court does not have jurisdiction to entertain the suit as the contract ousted its jurisdiction. She stated that the loan clearly states that it can only be legally disputed in the Court of Commerce in Antwerp and thus contended that the only court to resolve any dispute is the Court of Commerce in Antwerp.

Counsel for the respondent relied on the case of *Uganda Telecom Ltd Vs Rodrigo Chacon t/a Andes Alpes Trading Misc. Application No.* 337/2008

In reply to the objection, Counsel for the plaintiff submitted that the court has jurisdiction to handle the matter. Counsel relied on the case of *CMA CGM Uganda Ltd Vs M/S.H*, *Ssekatawa* 

**International Ltd H.c.c.a No. 27 of 2013** where on the issue of jurisdiction, court held that courts in Uganda had jurisdiction by virtue of the fact that the contract was performed in Uganda. The court further laid down the circumstances the Magistrate Court should have considered in establishing whether it has forum and they included;

- a. In what country the evidence on the issue of fact is situated or more readily available and the effect of that on the relative convenience and expense of trial between the Uganda Courts and the French Courts.
- b. Whether the law of the foreign courts applies and if so, whether it differs from the Uganda law in any aspect
- c. With what country either party is connected and how closely
- d. Whether the defendant genuinely desire trial in the foreign country or are only seeking procedural advantage.
- e. Whether the plaintiffs would be prejudiced by having to sue in a foreign country.

Counsel for the plaintiff further submitted that all the evidence on the facts in issue are in Uganda and the relative convenience and expense of a trial between the Uganda Courts and the Belgium Courts are in favor of having a trial in Uganda. He stated further that the defendant does not genuinely desire a trial in the foreign country but she is only seeking procedural advantage.

He further submitted that the agreements were signed in Uganda, and that the most convenient forum for the trial is Uganda since the defendant is resident in Uganda, received the money in Uganda, her witnesses are in Uganda and part of the agreement was substantially concluded in Uganda and she will not be prejudiced in any way.

#### Ruling

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The loan agreement stated that;

"This loan agreement can only be legally disputed by the court of Commerce in Antwerp".

Article 139 (4) of the Constitution accords the high court with unlimited original jurisdiction in all matters.

In the case of Huadar Guangdong Chinese Co Ltd Vs Damco Logistics Uganda Limited Civil

Suit No 4 And 5 Of 2012 court held after discussing the issue at length and distinguishing the

holding in Uganda Telecom Ltd case (supra) court held that;-

"it is settled law that a simple clause in an enforceable contract does not oust the

unlimited original jurisdiction of the High Court as conferred to it by the Supreme

Law of the land".

In the instant case, the plaintiff showed that it was reasonable for this court to entertain the

matter as it would be very expensive to take witnesses to Belgium so that the matter is

adjudicated on and I think I agree with him. The cost of having the matter adjudicated upon in

the Belgium is extremely high and thus unreasonable and the high court as already noted guided

by the authorities laid down in a number of cases still has jurisdiction to entertain the matter.

Further, it is clear that the defendant wants to subject this conflict to the exclusive jurisdiction of

Antwerp Courts simply to avoid liability. The defendant does not show why she desires the case

to be tried in Belgium where it will cost her an arm and a leg to have the matter settled. The

logical conclusion therefore is that she wants to avoid liability.

Under the circumstances therefore the preliminary objection raised by the defendant is not

sustained.

The case will proceed to trial.

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B. Kaianamura

Judge

21.08.2017

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