

**THE REPUBLIC OF UGANDA,  
IN THE HIGH COURT OF UGANDA AT KAMPALA  
(COMMERCIAL DIVISION)  
MISCELLANEOUS APPLICATION NO 1137 OF 2016  
(ARISING FROM CIVIL SUIT NO. 989 OF 2016)**

**PURPLEMOON (U) LTD}.....APPLICANT**

**VERSUS**

**NUMAA INDUSTRIES LTD}.....RESPONDENT**

**BEFORE HON. MR. JUSTICE CHRISTOPHER MADRAMA IZAMA**

**RULING**

The Applicant’s application is brought under Order 41 rules 2 and 9 of the Civil Procedure Rules, section 4 of the Trademarks Act No. 17 of 2010 and section 98 of the Civil Procedure Act. It is for orders that a temporary injunction is issued against the Respondent, its servants, and/or agents restraining them from selling, dealing in, and distributing all the Respondent’s goods (blankets and /or materials) bearing the Applicant’s registered trade mark (moon with the logo) until the final disposal of the suit and for costs of the application to be provided for.

The grounds of the application are set out in the affidavit in support of the application affirmed by Muhammed Imran, the director of the Applicant as follows;

The Applicant has since incorporation carried on the business of dealing in a range/variety of Textile materials and goods in Uganda. On 29<sup>th</sup> July, 2015 the Applicant registered a trade mark in Part A of the Register, Class 24 under Number 53206 in respect of Textiles and Textile goods to wit bed covers, table covers, blankets, bed sheets inter alia. The Applicant has since inserted the said registered mark on its blankets inter alia. On 14<sup>th</sup> October, 2016 the Applicant purchased a blanket from the Respondent. Upon scrutiny of the said blanket it was discovered that the said blanket bears the registered trademark of the Applicant. The Applicant contended that the Respondent is selling and distributing blankets bearing the Applicant's registered trade mark without mandate from the Applicant. He averred that he is informed by his lawyers as follows; the use of the Applicant's registered trademark by the Respondent in the manner mentioned herein amounts to an infringement of the Applicant's trademark and product get-up; the Applicant has a prima facie case with high chances of success; if no order is issued, he would suffer irreparable damage given that the conduct of the Respondent is injurious to the reputation of the Applicant's business which when damaged cannot be atoned for in terms of damages and that the balance of convenience dictates in favour of the Applicant given that the Applicant is the registered owner of the trademark.

Consequently, the Applicant has filed a suit against the Respondent for infringement of the Applicant's trade mark and the same is pending hearing before this Honourable Court. The continued sale and distribution of the Respondent's blankets with the insertion of the Applicant's registered trade mark amounts to a misrepresentation to the consuming public that the Respondent's blankets are those of the Applicant whereas not. The Respondent's use of the Applicant's registered trade mark is intended to ride on the good will of the Applicant. It is also a deliberate act by the Respondent or the Respondent principals, servants or agents so as to derive benefit from the Applicant's reputation and goodwill in its goods by selling the Respondent's goods with the Applicant's registered trade mark. The Applicant avers and repeats that the Respondent and/ or Respondent's agents or servants are infringing the Applicant's registered trade mark, (moon with the logo).

The Respondent's rebuttal is contained in an affidavit in reply deposed to by Muqtar Ali Zafar, the director of the Respondent affirmed on the 30<sup>th</sup> of November 2016 where he deposed that:

The Respondent was incorporated on the 25<sup>th</sup> day of September 2008 and has since then been carrying out business whose goods, among others include blankets, textiles and textile goods. The manufacturer of the goods in question is a company called JINSGU OUMAN TEXTILE TECHNOLOGY CO LTD whose place of business is in the People's Republic of China. The Respondent has been buying and dealing in the above goods from the above named manufacturer. The manufacturer then appointed the Respondent to be their duly authorised agent in Uganda with regard to their goods which authority the Respondent accepted and continued to act as the manufacturer's agent in Uganda with regard to the goods in question. This is according to the appointment letter by the manufacturer annexure "B". The Respondent applied to have the goods registered and was shocked that the application was objected to on the ground that it was already registered by persons dealing in the same goods. He deposes that the Applicant fraudulently applied and obtained protection with the knowledge of the manufacturer's existence and without the consent of the manufacturer or dealer and the same goods as his agent, which consent the manufacturer had already given to the Respondent. As a result of the fraudulent acts, the Respondent counterclaims against the Applicants registration in the main suit before the court through its lawyers. The Applicant is not the duly authorised agent of the manufacturer or dealer in the sale and distribution of the above goods and is unlawfully doing so.

The Respondent was served with court documents which included an interim application undated for the hearing of the application which proceeded ex parte and the order granted which was prejudicial to the Respondents interests. Since the Applicant is not the lawful authorised agent of the manufacturer, he was never entitled to the grant of an interim injunction and it has continued to pass off as the manufacturers agent whereas not. This affidavit was filed on court record on 1<sup>st</sup> December, 2016.

In a supplementary affidavit in reply filed on 9<sup>th</sup> December, 2016 dated 9<sup>th</sup> December, 2016 Muqtar Ali Zafar, director of the Respondent furthermore clarified as follows. The Respondent was incorporated on 25<sup>th</sup> September, 2008 and has since been carrying on business whose goods among others include blankets, textiles and textile goods. The manufacturer of the goods in question is a company called BINGLING Enterprises Ltd whose place of business is in the People's Republic of China and whose sole distributor is JIANSU OUMAN TEXTILE

TECHNOLOGY CO. LTD operating in the People's Republic of China. The Respondent was/is a duly authorized agent in Uganda to deal in the impugned goods/products in which authority the Respondent has always dealt with regard to the goods in question. The letter of authority addressed to 'whom it may concern' is written by Bingling Enterprises Ltd. The Respondent has been buying and dealing in the above goods directly from the above named manufacturer and sole distributor for a long duration of time since the 20<sup>th</sup> day of April 2012 as seen from annexure 'A'. The Respondent thereafter applied to have the impugned goods registered and was shocked by the turn of events that the Applicant was objecting to its registration alleging to be the registered dealer in the said goods. The Respondent states that the Applicant is not the duly authorized agent of the manufacturer to deal in the sale and distribution of the above goods and so is unlawfully doing so. The Applicant only got registered after the Respondent had already applied for the same trademark to deal in the same goods. The two marks are different-MOON for the Applicant and PURPLEMOON for the Respondents therefore there is no way they are confusing to the consumers of the goods. The Applicant fraudulently applied and obtained protection with knowledge of the manufacturer's existence and without his consent to deal in the same goods as his agent, which consent the manufacturer had already given to the Respondent. As a result of the aforementioned fraudulent acts, the Respondent counterclaims against the Applicant's registration in the main suit before the court through its lawyer. The Respondent was served with court documents which included an interim application one (1) day to the hearing of the application which proceeded exparte and the order granted which was prejudicial to the Respondent's interests. Since the Applicant is not the lawful authorized agent of the manufacturer, he was never entitled to the grant of the interim injunction they received. The temporary injunction they are seeking would only give him more rights than he is entitled to derive from dealing with the goods in question and continuing to pass off as the manufacturers agent yet he is not.

The Applicant filed an affidavit in rejoinder on 22<sup>nd</sup> December, 2016 in which Muhammed Imran a Director of the Applicant states as follows:

The Applicant lawfully applied for and was accordingly registered the Legal Owner of the trade mark in part A of the Register, Class 24 under Number 53206 in respect of Textiles and Textile goods to wit bed covers, table covers, blankets, bed sheets inter alia. The trademark was registered in the names of the Applicant on 29<sup>th</sup> July, 2015. The manufacturers of the goods in question are LINYI GRENE INDUSTRY & TRADING COMPANY LIMITED of Luo Zhuang District, Linyi City, Shandong, China and PURPLE MOON BLANKETS TRADING LLC of Shouq AI Kabeer Street, Deira Dubai, U.A.E. PURPLE MOON BLANKETS TRADING LLC of Shouq AI Kabeer Street, Deira Dubai, U.A.E. is a manufacturer of the goods in question to wit; the blankets bearing "purple moon marks" and is also the Sole Agent/distributor of Linyi Grene Industry & Trading Company Limited's goods. The Applicant is the sole agent/distributor of the goods both Purple Moon Blankets Trading LLC and Linyi Grene Industry & Trading Company Limited. Purple Moon Blankets Trading LLC of Shouq AI Kabeer Street, Deira Dubai, U.A.E. authorized the Applicant to register its registered trademark in the names of the Applicant as seen in the agency letter attached. The Respondent is selling and distributing blankets bearing the Applicant's trade mark without mandate from the Applicant and even

*Decision of Hon. Mr. Justice Christopher Madrama Izama \*^\*~ \*&\*\$\$# xtra+ maximum735securityx 2017 style*

in the existence of an Interim Order issued by Court. He averred that he was informed by his lawyers that the use of the Applicant's trademark by the Respondent in the manner mentioned herein amounts to an infringement of the Applicant's trademark, irrespective of the agency arrangements between the Respondent and other third parties. On 22<sup>nd</sup> July, 2016 the Respondent gazetted their fraudulent application for registration of the mark PURPLE MOON. The Applicant opposed the Respondent's application on the ground that the mark does not meet the distinctiveness requisite for registration under Part A of the registry of trademarks and is intended to deceive and confuse the general market of the Applicant. The Applicant applied for registration of the trademark before the Respondent did so as seen in the Uganda Gazette of 22<sup>nd</sup> July, 2016 attached herein.

The Respondent further filed a supplementary affidavit dated 7<sup>th</sup> February, 2017 in which he averred that he contacted Linyi Grene Industry & Trading Co. Limited who responded on 16<sup>th</sup> January, 2017 clarifying that they are neither the manufacturers nor the suppliers of the Applicant's blankets.

The Respondent deposed to a supplementary affidavit 2 on 1<sup>st</sup> March, 2017 in reply to the Applicant's affidavit in rejoinder as follows;

Despite the Applicant being registered as the owner of the trademark in Uganda, they did not follow the laid procedures of the law as required which include gazetting before grant of the trademark. He averred that he contacted Linyi Grene Industry & Trading Co. Limited and in their response on the 16<sup>th</sup> day of January, 2017 it was clarified that they are neither the manufacturers nor the suppliers of the Applicant PURPLE MOON (U) LIMITED's blankets. He averred that he is informed by his lawyers that upon acquiring certificates of translation from Makerere University, the owner of the trade mark in question is LUOYANG CITY GUANLINLIDE BLANKET FACTORY and neither Linyi Grene Industry & Trading Co. Limited nor PURPLE MOON TRADING· LLC of Shouq AI Kabeer Street, Deira Dubai, UAE as alleged by the Applicant. The Applicant cannot seek protection from infringement of a mark that is neither theirs nor having authority from the owner of the mark to register or use the same. He averred that it is not true that they are still selling the goods even with the existence of the interim order as they have actually stored all the blankets bearing the mark of PURPLE MOON in our stores until the final conclusion of this matter. The registered mark for PURPLE MOON TRADING LLC of Shouq AI Kabeer Street, Deira Dubai, UAE is Z MOON PURPLE MOON contrary to what the Applicants attach as their registered mark which is Z MOON which belongs to LUOYANG CITY GUANLINLIDE BLANKET FACTORY not LINYI GRENE INDUSTRY AND TRADING COMPANY LIMITED the purported manufacturer. After a careful search at the registry of Trade Marks at Georgian House in Uganda, it was brought to their attention that the Applicants never gazetted their application for trademark registration which points to their fraudulent behaviour in securing the same. The purported authority the Applicants got from PURPLEMOON TRADING LLC of Shouq AI Kabeer Street, Deira Dubai, UAE is for the mark Z MOON PURPLEMOON not Z MOON which is their registered mark in Uganda without the permission of the registered manufacturer. This is the matter of contention they seek to protect before this court which shows that the two

marks are different and distinct and therefore not in any way intended to deceive and confuse the general market.

The Applicant deposed a supplementary affidavit in rejoinder dated 20<sup>th</sup> March, 2017 in which he stated that;

The Applicant lawfully applied for and was accordingly registered the Legal Owner of the Trade mark as seen in the Certificate of Registration of the said Trademark attached to the Affidavit in Rejoinder. Purple moon Blankets Trading LLC of Shouq Al Kabeer, Kabeer Street, Deira Dubai, U.A.E is the manufacturer of the Purplemoon blankets in question and is also the Legal Owner of the Trademark as seen in the Trademark Registration Certificate attached to the Affidavit in Rejoinder. He averred that he was informed by his lawyers that PURPLEMOON BLANKETS TRADING LLC lawfully applied for registration of the trademark under No. 230395 and the same was accordingly registered in the names of PURPLEMOON BLANKETS TRADING LLC. The Legal Owner of the Trademark is PURPLEMOON BLANKETS TRADING LLC and not Luoyang City Guanlinlide Blanket Factory as alleged by the Respondent. He averred that neither Bingling Enterprises Limited nor JIANGSU Ouman Textile Technology Co. Limited is the manufacturer of the purple moon blankets as alleged by the Respondent in Clause 4 of the Supplementary Affidavit in reply. He further averred that Luoyang City Guanlinlide Blanket Factory is not the Manufacturer of the Purple moon Blankets.

The Applicant was represented by M/s Tumusiime, Kabega & Co. Advocates while M/s Okecha Baranyanga & Co. Advocates represented the Respondent.

## **SUBMISSIONS**

Learned Counsel for the Applicant submitted that the Respondent seeks to challenge the Applicant's ownership and/or registration of its trademark. The Applicant at the commencement of the Application for a Temporary Injunction raised two preliminary points of law, determination of which shall in effect dispose of the Main Suit, to wit;

1. Whether the Applicant's registration of the Trade Mark confers Exclusive Rights to the Applicant?
2. Whether the Respondent has Locus Standi to challenge the Applicant's Registration of the said trademark?

## **ISSUE 1: Whether the Applicant's registration of the Trade Mark confers Exclusive Rights to the Applicant?**

The Applicant's Counsel submitted that the Applicant is the Registered Proprietor and/or owner of the said Trademark in Uganda vide Annexure A (*Certificate of Registration*) attached to the Affidavit of Rejoinder dated 21<sup>st</sup> December, 2016 of Muhammed Imran. Learned Counsel submitted that the Applicant contends that upon issuance of a Certificate of Registration, the Applicant has exclusive rights of usage of the said Trademark as enshrined in **Section 36 of the Trademarks Act, 2010**. As such usage of the Applicant's trademark by any other person not authorized by the Applicant, such as

*Decision of Hon. Mr. Justice Christopher Madrama Izama* \*^\*~ \*&\*\$\$# xtra+  
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the Respondent, amounts to infringement. Consequently the Applicant cited **Article 6(3) of the Paris Convention** for the protection of industrial property which provides that;

*"A mark clearly registered in the country of union shall be regarded as independent of the marks registered in the other countries of the union including the country of origin"*

Learned Counsel submitted that **Article 6 (1) of the Paris Convention for the protection of industrial property** provides that;

*"The conditions for the filing and registration of Trademarks are to be determined in each country of the union by the domestic legislation."*

Learned Counsel further submitted that the Applicant's Certificate of Registration of the Trademark was issued in compliance with **Section 16 of the Trademarks Act, 2010**.

The Applicant's Counsel submitted that the Respondent's Defence for infringing the Applicant's Trademark on grounds that the Applicant has no right of usage of the said Trademark, because the Applicant has no authority from the alleged manufacturer of the said goods holds no water. In the Respondent's Defence at Page 2 of the WSD and in the Supplementary Affidavit by Muqtar Ali Zafar deposed to on 9<sup>th</sup> December, 2016, the Respondent states that the manufacturer of the goods is Bingling Enterprises Limited whose sole distributor is JIANSU OUMAN Textile Technology Co. Ltd. However, Annexure C to the WSD, which is an authority letter to the Respondent states that JIANSU OUMAN Textile Technology Co. Ltd are the manufacturers of the goods, which fact is confirmed in Paragraph 3 of the Affidavit in Reply by Muqtar Ali Zafar deposed to on 30<sup>th</sup> November, 2016. In another Supplementary Affidavit 2 by Muqtar Ali Zafar deposed to on 1<sup>st</sup> March, 2017 in paragraphs 4 and 9, the Respondent states in Paragraph 4 that the owner of the said mark and the manufacturer of the goods is Luoyang City Guanlinlide Blanket Factory.

Counsel submitted that once registration has been completed in accordance with the Trademarks Act 2010 and the Applicant's Trademark has not been deregistered by Court, the Applicant has exclusive rights to the said Trademark and any unauthorized usage amounts to infringement. The confusing and suspicious disclosure above by the Respondent as to the different owners of the mark is irrelevant. Counsel further submitted that the Certificate of Registration issued to the Applicant remains valid unless deregistered by Court. Suffice to note is the Application of the said Trademark by the Applicant which was never challenged by the Respondent or the alleged manufacturers. He submitted that instead the Respondent avers in the supplementary Affidavit 2 deposed on 1<sup>st</sup> March, 2017 at paragraph 2 that, the Applicant did not follow procedures of the law including gazetting. However, no evidence was attached such as a letter from the Registrar of Trademarks to confirm the source of the allegation. The Respondent save from stating that it tried to register the said mark on behalf of Bingling Enterprises Limited under paragraph 7 of the supplementary Affidavit in reply by Muqtar Ali Zafar, has never adduced further evidence on the said Application. This

means that the said application failed after opposition by the Applicant vide Annexure D to the said affidavit.

**In reply to this issue**, learned Counsel for the Respondent submitted that the Respondent is challenging the Applicant's ownership and registration of the alleged trademark and replied to the Applicant's submissions as follows;

The Applicant in the first place did not follow the laid procedures of registration of the said trademark which includes gazetting of the trademark as required under **section 17 of the Trademarks Act 2010**. The Applicant did not produce any evidence of the gazette despite the fact that the Respondent raised it as a point of law as such the Applicant cannot allege to be the lawful registered owners of the said trademark. The Applicant alleges to have registered their trademark on 14/6/2016 which is way after the Respondent had been dealing in blankets bearing the logo "Z moon purple moon" for eight (8) years with the authority from Luoyang City Guanlinlide Blanket Factory the registered owners of "Z moon Purple moon" trademark; and manufacturers of the said blankets as well as Bingling enterprises Limited and JIANSU Ouma Textile Technology Co. Ltd who are agents of the manufacturer. **Section 36 of the Trademarks Act 2010** provides for exclusive right of use of a trademark in relation to goods subject to prior use just as in the case of the Respondent as established **under Section 41 of the Trademarks Act 2010**.

The Respondent's Counsel submitted that the fact of prior use of "Z moon purple moon" trademark is established in paragraphs 4 (a) and (b) of the Respondent's written statement of defence and paragraphs 5 (i) and (ii) of the Respondent's counter claim. **Section 41 (a) of the Trademarks Act 2010** is to the effect that the owner or registered user of a registered trademark shall not interfere with or restrain the use by a person of a trademark identical with or nearly resembling it in relation to goods or services; to which that person or a predecessor in title has continuously used that trademark from the date before the use of the trademark in relation to those goods or services by the owner or predecessor in title.

Counsel submitted that the Respondent got authority to use the registered trademark "Z moon purple moon" which is nearly resembling the Applicant's registered trademark "Z moon" before the Applicant's trademark was registered in Uganda. However, the Applicant's registered trademark "Z moon" is a different trademark from the Respondent's trademark "z moon Purplemoon" under part A of the trademarks Act 2010. As such the Respondent should not be stopped from using the same trademark as the first recognized user before the Applicant.

**In rejoinder to this issue**, learned Counsel for the Applicant reiterated its earlier submissions and in reply to the Respondent's submissions, the Applicant further submits as follows;

Consequently it is not in dispute that the Applicant was issued a Certificate of Registration of the said Trademark per Paragraph 4 (a) of the Plaint, Paragraph 3 of the Affidavit in support

of the Application for a Temporary Injunction, Paragraph 2 of the Affidavit in Rejoinder and the Supplementary Affidavit in Rejoinder and Page 6, of the Counterclaim, Paragraph VI. He contended that the issuance of the certificate of registration for the Applicant's trademark is conclusive evidence of compliance with the procedures as mandated in law unless rebutted by the Respondent which the Respondent has failed to do. Secondly, learned Counsel submitted that the allegation by the Respondent that the application omitted to gazette the application for the registration of the Applicant's trademark is baseless and an afterthought. The said allegation was never pleaded in the Respondent's statement of Defence and Counter Claim. The minimum prudence required of the Respondent would at least entail the submission of a letter from the Uganda Registration Services Bureau (Registrar of Trademarks) confirming the non-compliance by the Applicant or to seek de-registration of the Applicant's mark in a separate suit. This burden of proof as mandated under **Section 101 of the Evidence Act, Cap. 6** has not been discharged by the Respondent.

It is pertinent to note that there is no evidence of authority extended to the Respondent by LUOYANG CITY GUANLINLIDE BLANKET FACTORY. On the contrary, the authority extended to the Respondent is from BINGLING ENTERPRISES LIMITED & JIANGSU OUMAN TEXTILE TECHNOLOGY CO. LIMITED (Chinese companies), which companies are not the Registered Owners of the said trademark in China.

The Respondent's allegation of having dealt in the said goods for 8 years is not disclosed in the pleading of the Respondent. On the contrary, the Respondent in Paragraph 4 (b) of the Written Statement of Defence and Paragraphs 5 & 6 of the Supplementary Affidavit in Reply confirms having dealt in the said goods for different and contradicting time frames. The date of authorization in the Agency letter from Bingling Enterprises Limited is from 20<sup>th</sup> April, 2012 and that from JIANGSU Ouman Textile Technology Co. Limited is from April, 2016 which dates are in contradiction with the above allegation. No evidence to prove the alleged prior use has been adduced by the Respondent. More so given, that the Respondent has never challenged the Applicant's registration of the said trademark or applied for de-registration of the same.

The Applicant's Counsel submitted that the issue in dispute is not about the similarity of the marks but the unauthorized usage of the Applicant's trademark by the Respondent which fact is not rebutted as portrayed in paragraph 4 (c) of the Written statement of Defence and Paragraph 5 (iii) of the Counter Claim; wherein the Respondent confirms dealing in the impugned goods and further confirms storing the said goods bearing the Applicant's Trademark in Paragraph 6 of the Supplementary Affidavit 2.

He further submitted that the Applicant's registration of the said trademark confers exclusive rights to the Applicant and the Respondent has not adduced any evidence to justify its unauthorized use of the Applicant's Trademark. The material contradictions in the evidence of the Respondent draw this Honourable Court to the one conclusion that is the evidence adduced by the Respondent cannot be relied upon by Court. *"He who comes to equity must come with clean hands"* therefore Court must permanently restrain the Respondent from using the Applicant's trademark for the Respondent's benefit.



## **ISSUE 2: Whether the Respondent has Locus Standi to challenge the Applicant's Registration of the said trademark?**

The Applicant's Counsel submitted that the Respondent has no *locus standi* to challenge the Applicant's Registration of the said trademark because the Respondent is confused as to whom the manufacturer of the said goods is. As stated above, the Respondent has disclosed different entities that is, Bingling Enterprises Limited, JIANSU Ouman Textile Technology Co. Ltd, and Luoyang City Guanlinlide Blanket Factory. Above all, none of the said manufacturers has challenged the Registration of the Applicant in Uganda as required in Law. The Respondent has not submitted any mandate from the alleged Manufacturers permitting the Respondent to challenge the Applicant's registration premised on prior registration. The WSD is solely based on Bingling Enterprises Limited being the owner of the trademark yet the Respondent confirms that Luoyang City Guanlinlide Blanket Factory is the manufacturer and owner of the said Trademark in China. At the same time, the Respondent has not directly challenged the Applicant's Registration of the trademark as provided in Law nor has any manufacturer mandated the Respondent to do so.

The Applicant's Counsel further submitted that the points of law above dispose of the main suit and prayed that judgment be entered in favour of the Applicant with Costs per **Kampala Stocks Supermarket Co. Limited vs. Seven Days International Limited, Civil Suit No. 112 of 2015.**

**In reply to this issue,** Learned Counsel for the Respondent submitted that the Respondent wishes to counterclaim the Applicant's submission that the Applicant has no capacity to sue the Respondent. This is because the registered trademark Z moon Purplemoon is established in China and the Applicant has no authority from the registered owners to use a trademark similar to the registered owners in China or to institute this suit. Secondly, the Applicant alleges to have authority from the registered owners of the trademark Purplemoon blanket in Dubai which authority is not produced as evidence.

Consequently learned Counsel contended that the Respondent has been using the blankets bearing the trademark "z moon Purplemoon" for eight (8) years prior to the Applicant registering the trademark Z moon all with the authority of the manufacturers of the blankets in China; that had also earlier registered the trademark as established in the copy of the trademark certificate attached to the supplementary affidavit 2 by Muqtar Ali Zafar marked C and B. The Respondent's Counsel submitted that the Applicant's later registration of the trademark Z moon and dealing in the same blankets is fraudulent and passing off on the products already sold by the Respondent who acquired a good image and market for the same which is contrary to **Section 35 of the Trademarks Act 2010**. Learned Counsel contended that in relation to the above, the Respondent has locus to challenge registration of the Applicant's trademark for passing off as established in paragraphs 4 (a) and (b) of the Respondent's written statement of defence and paragraphs 5 (i) and (ii) of the Respondent's counter claim. Counsel further

submitted that the Respondent has locus to challenge the Applicant's trademark since the Applicant is liable for passing off the goods of the Respondent. Finally learned Counsel submitted that the Applicant equally can't enjoy exclusive use against the Respondent due to the Respondent's prior use of the trademark on the blankets it sells.

**In rejoinder to this issue**, the Applicant's Counsel submitted that for the Respondent to have *locus standi*, the Respondent's right must have been breached by the Applicant or the right it enjoys through the authority of a third party. The Respondent disclosed 3 entities as being the manufacturers of the same purple moon blankets, to wit; BINGLING ENTERPRISES LIMITED, JIANGSU OUMAN TEXTILE TECHNOLOGY CO. LIMITED & LUOY ANG CITY GUANLINLIDE BLANKET FACTORY.

The Respondent confirmed that amongst the alleged manufacturers, LUOY ANG CITY GUANLINLIDE BLANKET FACTORY is the Registered Owner of the Trademark in China and yet it is not in dispute that the Respondent possesses no authority from LUOY ANG CITY GUANLINLIDE BLANKET FACTORY to challenge the Applicant's registration in Uganda as required by Law. It therefore follows that the registration of the Applicant's trademark in Uganda can only be challenged by a Registered Owner of the said trademark in another jurisdiction by Application for de-registration of the contested mark in Uganda, in which case the Respondent is neither the Registered Owner of the said trademark in China nor an Authorized Agent of such a Registered Owner.

On the contrary, the Applicant has the *locus standi* to restrain the Respondent from using the Applicant's Trademark by virtue of the certificate of registration issued in accordance with the law and has the legal mandate to trade in the goods bearing the Applicant's trademark. He reiterated his submissions that the points of law disclosed in the Applicant's Submissions dispose of the Main Suit and prayed that judgment be entered against the Respondent with Costs.

## **Ruling**

I have duly considered the Applicants application, which was commenced as an application for a temporary injunction to restrain the Respondent from using or trading in the goods bearing the trademark of the Applicant. However at the commencement of the hearing, the Applicant's Counsel opted to raise points of law which go to the merits of the suit and in effect abandoned the application for a temporary injunction per se. The points of law raised are as follows:

1. Whether the Applicant's registration of the Trade Mark confers Exclusive Rights to the Applicant?
2. Whether the Respondent has Locus Standi to challenge the Applicant's Registration of the said trademark?

The first question of whether the Applicant's registration of the trade Mark confers exclusive rights to the Applicant merely asserts that by being the registered owner in

Uganda, the Applicant enjoys exclusive rights to the trademark in question. The second issue of whether the Respondent has locus standi to challenge the Applicant's registration of the trademark deals with the counterclaim of the Respondent. The issue proposes that the Respondent has no right to challenge the Applicant's registration.

The two issues are intertwined because one cannot be answered without the other. If the Applicant has exclusive right of use, then that right is being challenged in the counterclaim. On the other hand if the Respondent has no locus standi to challenge the Applicant's registration, it would reinforce the exclusivity conferred by the registration of the trademark under the Trademarks Act 2010.

Section 36 (1) of the Trademarks Act 2010 provides that:

“(1) Subject to sections 41 and 24, the registration before or after the commencement of this Act, of a person in Part A of the register as owner of a trademark other than a certification mark in respect of any goods shall, if valid, give or be taken to have given to that person the exclusive right to the use of the trademark in relation to those goods.

A literal reading of section 36 (1) (supra) clearly uses the expression "if valid". The registration has to be valid to give or to be taken to have given that person the exclusive right to the use of the trademark in relation to the specified goods. Was the registration of the Applicant valid?

Secondly, reference has to be made to sections 41 and 24 which is clearly specified as making section 36 (1) subject to the provisions. Going back to section 24 of the Trademarks Act 2010, it is provided that a bona fide use by a person of his or her own name or the name of his or her place of business or the name of the place of business of any of his or her predecessors in business shall not be affected by registration of a trademark. Secondly, the bona fide use by a person of any description of the character or quality of his or her goods or services, not being a description that is likely to be taken as importing a reference mentioned in section 36 (2) (b) or the bona fide use by a person of the description of the character or quality of his or her services, not being a description that is likely to be taken as importing a reference as mentioned in section 37 (2) (b).

The Respondent's case is not one of bona fide use according to the character or quality of its goods or the quality or character of services provided. The Respondent's case has nothing to do with the bona fide use of his or her own name or the name of his or her place of business and therefore section 24 of the Trademarks Act is inapplicable to the circumstances of this case.

With reference to section 41 of the Trademarks Act 2010, it provides as follows:

“41. Saving of vested rights

Nothing in this Act shall entitle the owner or a registered user of a registered trademark to interfere with or restrain the use by a person of a trademark identical with or nearly

resembling it in relation to goods or services in relation to which that person or a predecessor in title has continuously used that trademark from a date before—

(a) the use of the trademark in relation to those goods or services by the owner or a predecessor in title; or

(b) the registration of the trademark in respect of those goods or services in the name of the owner or a predecessor in title, whichever is the earlier or to object on the use being proved to that person being put on the register for that identical or nearly resembling trademark in respect of those goods or services under section 27.”

Section 41 is the defence of the Respondent who claims that it has been using the trademark in issue prior to registration of the Applicant for a period of eight years. I will presently deal with that question as a matter of fact. Going back to the exclusivity granted by section 36 (1) of the Trademarks Act, the exclusivity is secured by prohibition of any use not authorised by the owner. The rights conferred by registration under section 36 (1) of the Trademarks Act is taken to be infringed according to section 36 (2) of the Trademarks Act, 2010, by a person who uses without permission of the registered owner a mark identical with or so nearly resembling it as likely to deceive or cause confusion in the course of trade in relation to any goods of the same description. Section 36 (2) of the Trademarks Act, 2010 provides as follows:

“36. Rights given by registration of goods in Part A and infringement.

(1) Subject to sections 41 and 24, the registration before or after the commencement of this Act, of a person in Part A of the register as owner of a trademark other than a certification mark in respect of any goods shall, if valid, give or be taken to have given to that person the exclusive right to the use of the trademark in relation to those goods.

(2) Without prejudice to the general effect of subsection (1), the right conferred by that subsection shall be taken to be infringed by a person who, not being the owner of the trademark or a registered user of the trademark uses by way of permitted use, a mark identical with or so nearly resembling it, as to be likely to deceive or cause confusion in the course of trade in relation to any goods of the same description where the use would result in a likelihood of confusion and in such a manner as to render the use of the mark likely to be taken—

(a) as a trademark relating to goods; or

(b) in a case in which the use of the goods or in physical relation to the goods or in any publishing circular or other publication issued to the public, as importing a reference to some person having the right as owner or as registered user of the trademark or to goods with which that person is connected in the course of trade.”

The section specifically requires proof on the balance of probabilities that the infringing mark is 'identical with' or so 'nearly resembling it', 'as to be likely to deceive or cause confusion in the course of trade in relation to any goods of the same description where the use would result in a likelihood of confusion and in such a manner as to render the use of the mark likely to be taken "as a trademark relating to goods". The question of whether the alleged infringing mark is identical with or nearly resembles it or is likely to deceive or cause confusion in the course of trade in relation to goods of the same description etc is a question of fact and has to be considered from the evidence. What if the marks do not resemble or are unlikely to cause confusion?

The plaintiff's claim in the plaint as against the Respondent/defendant is for infringement of the plaintiff's registered trademark and passing off of the defendants goods as goods of the plaintiff. The plaintiff is the registered proprietor of the trademark in the names "Purple Moon Uganda Limited" in Class 24 and No. 53206 by July 29, 2015 in respect of textiles and textile goods. The certificate of registration was sealed by the registrar on 8<sup>th</sup> August, 2016. The registration is for seven years from the first date namely 29<sup>th</sup> July, 2015 subject to renewal after expiration of the period for 10 years thereafter. There is a pictorial representation of the trademark represented as capital C with a mark that appears like Z in the middle of it. The word "Moon" is written across it in the middle.

The defendant filed a written statement of defence denying the claims in the plaint and in paragraph 4 (a) asserts that it was incorporated on 25<sup>th</sup> September, 2008 and has been carrying out business whose goods among others include blankets, textile and textile goods. The manufacturer of the goods in question is a company called Bingling Enterprises with a place of business in the People's Republic of China and the sole distributor of the goods is JIANSU Ouman Textile Technology Company Ltd operating from the People's Republic of China. The defendant is an authorised agent in Uganda. It is also averred that the defendant had been dealing in the goods since 20<sup>th</sup> of April 2012. It is asserted that the defendant applied for registration of the goods and was shocked that the plaintiff/Applicant objected to its registration. In paragraph 7 of the plaint and in the particulars of fraud it is clearly averred that the plaintiff knowingly, deliberately and intentionally gave false information that the trademark originally belongs to it whereas not. It is also asserted that the plaintiff is passing off with the manufacturer's goods without the consent or knowledge of the manufacturers. Thirdly, it is asserted that the plaintiff is engaged in a fraudulent exercise of registering a trademark which does not belong to it.

In the averment is a subtle admission that the defendant was also dealing in goods bearing the same trademark of which the plaintiff is the registered proprietor in Uganda. The pleadings therefore disclose that it is not a question of similarity but that of identical or same trademarks. The parties have a dispute over the same trademark. The Respondent/defendant filed a counterclaim for cancellation of the Counter Defendant's registered trademark and registration of the Counterclaimant's trademark dealing in the same goods, general damages, interests and costs

*Decision of Hon. Mr. Justice Christopher Madrama Izama* \*^\*~ \*&\*\$\$# xtra+  
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of the suit. The Counterclaimant/Respondent repeats in the counterclaim that it is a duly authorised agent in Uganda of the manufacturer. Particularly paragraph 5 (vi) of the counterclaim is pertinent to the question of resemblance as it is averred as follows:

"The Counterclaimant shall further contend that the plaintiff' only got registered after the defendant had already applied for the same trademark to deal in the same goods and more so that the two marks are different - MOON for the defendant and PURPLEMOON for the plaintiffs therefore there is no way they are confusing to the consumers of the goods."

Obviously the pleading is contradictory. Either it is the same trademark in relation to the same class of goods or it is a different trademark with no likelihood of confusion. If it is a different trademark leading to no likelihood of confusion then the alleged objection of the plaintiff to the defendant's application for registration of trademark should proceed without a hitch. On another point proceedings are supposed to be taken before the Registrar of Trademarks.

I accordingly refer to the letter of authority relied on by the Respondent. In the written statement of defence, the defendant attached a letter from Bingling Enterprises Ltd which is not dated but which provides that they (Bingling Enterprises Ltd) are manufacturers of "Purple Moon" blankets. They authorised and appointed the defendant to be a distributor all over Uganda. They had partnered with them since 20<sup>th</sup> April, 2012. In Annexure "C" to the written statement of defence is a letter from JIANSU Ouman Textile Technology Ltd indicating that they are the manufacturers of the "Purple Moon Blankets" which they sell through the Respondent. They had a partnership since April 2016 with the Respondent/defendant. In Annexure "D" there is a notice of opposition to the application for registration of a trademark dated 8<sup>th</sup> September, 2016 objecting to an application by the Respondent for an advertised intention to register a trademark.

On the other hand in the reply to the counterclaim the plaintiff/Counter Defendant attached annexure "A" which is a letter dated 21<sup>st</sup> July, 2015 addressed to the managing director "Purple Moon Uganda Limited" which indicates that they appointed the plaintiff to be a sole authorised agent/distributor in the Republic of Uganda. In Annexure "B" one Linyi Grene Industry & Trading Company Limited appointed Purple Moon Blankets Trading LLC Dubai, United Arab Emirates to be the sole authorised agent/distributor in the United Arab Emirates. Apparently also the trademark is registered in the United Arab Emirates. Also attached to the reply to the written statement of defence and counterclaim is Uganda Gazette of 22<sup>nd</sup> July, 2016 indicating that the Respondent applied to register "Purple Moon" in class 24 in respect of blankets, textiles and textile goods.

These documents are replicated in the application for a temporary injunction and the affidavits in reply and in rejoinder. In the application, the Applicant relies on the certificate of registration. The Applicant registered a trademark and in the names of a Purple Moon Uganda Limited. In the affidavit in reply dated 30<sup>th</sup> November, 2016 Muqtar Ali Zafar a director of the Respondent in

the affidavit in reply does not dwell on the trademark itself but being an agent of the manufacturers. In paragraph 6 of the affidavit in reply, he deposed that the Respondent applied to have the goods registered. The obvious question is whether it is the goods to be registered or a trademark? In paragraphs 7 he deposed that the Applicant fraudulently applied and obtained protection with the knowledge of the manufacturer's existence and without the consent of the manufacturer. Thirdly, that the Applicant is not a lawful authorised agent of the manufacturer. There is no explicit mention of the trademark in question. However implicit is the suggestion that the two parties were dealing in the same goods. In a further supplementary affidavit in reply dated 9<sup>th</sup> December, 2016 he deposed and attached letters of appointment. The letter of appointment deal with authority to deal in the "Purple Moon" blankets. Secondly, the Respondent attached certificate of incorporation of the Respondent indicating that it was incorporated on 25<sup>th</sup> September, 2008. Again the Respondent attached a letter from JIANSU Ouman Textile Technology Ltd which indicates that it is the manufacturer of Purple Moon Blankets and they sell Blankets to the Respondent and they partnered with the Respondent since April 2016.

A careful analysis of the controversy clearly indicates that it is about blankets known as "Purple Moon" among other matters.

The Applicant's application is clearly about its registered trademark. The Respondent's defence inter alia is that it had prior use continuously of the trademark. The issue of whether the trademark in question is the trademark is obscured by reference to section 41 of the Trademarks Act 2010. As we have noted above, section 36 (1) of the Trademarks Act 2010 confers upon the registered owner of the trademark exclusive right of use subject to sections 24 and 41 of the Trademarks Act.

“41. Saving of vested rights.

Nothing in this Act shall entitle the owner or a registered user of a registered trademark to interfere with or restrain the use by a person of a trademark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title has continuously used that trademark from a date before—

(a) the use of the trademark in relation to those goods or services by the owner or a predecessor in title; or

(b) the registration of the trademark in respect of those goods or services in the name of the owner or a predecessor in title, whichever is the earlier or to object on the use being proved to that person being put on the register for that identical or nearly resembling trademark in respect of those goods or services under section 27.”

Section 41 of the Trademarks Act obviously deals with trademarks which nearly resemble or are identical. The averment of the Respondent that the trademarks are not identical puts it out of the purview of section 41 of the Trademarks Act 2010. At the same time, the Respondent asserts that it is the same goods or dealing with resembling marks. The question of continuous usage only comes about where the goods resemble or are identical. There has to be a visual examination of the two marks.

Issues number one and two therefore depend on the question of fact as to whether the trademarks in issue nearly resemble or are identical or are likely to cause confusion. None of them can be resolved without an examination of the physical marks. An examination of the mark shows that they are the same. It is a half moon sign with the middle cross with the word moon written on it and also a sign in the centre that resembles Z. Secondly, it is pertinent to examine the trademark that the Respondent intended to register. The question of whether to register a trademark or not is not initially considered by the Court but by the Registrar of Trademarks. Both parties did not address the court on the question of fact as to what happened to the objection lodged with Registrar of Trademarks concerning the application of the Respondent to register a trademark. The procedure is that the Registrar determines the objection. The notice of objection is attached as annexure D to the supplementary affidavit in reply dated 9<sup>th</sup> December 2016. Annexure "D" is dated 8<sup>th</sup> September 2016 and is form TM No. 6. In it the Applicant gave notice of objection to the Registrar of Trademarks following the advertisement of an application by the Respondent to register a trademark "Purple Moon" advertised in the gazette. The ground of the application is that the mark applied for is not distinctive. The name of the opponent is in respect of the same class of goods. The Notice of Objection is also attached as annexure C to the affidavit in reply dated 30<sup>th</sup> November 2016. Finally the Applicant's application in the affidavit in support of the application is to restrain sale of blankets or other goods by the Respondent bearing the Applicants registered mark.

The procedure is that where the owner is registered under part "A" of the Trademarks Act 2010. He or she enjoys exclusive rights to the Trademark. It is averred that the Defendant/Respondent applied to be registered under Part A and the Applicant objected to the application. A person who claims to be the owner of the trademark used or proposed to be used by him or her shall apply under section 7 (1) of the Trademarks Act to the Registrar in the prescribed form for registration in Part A or B of the Trademarks Act.

An application is published according to section 11 of the Trademarks Act 2010. Thereafter section 12 of the Trademarks Act, gives any person the right to give notice to the Registrar of objection to the registration of a mark sought to be registered. The evidence presented to court is that the Applicant objected to the Respondent's application.

The law is quite clear that an objection is decided by the Registrar before the refusal or granting of the application to register the trademark. Any person aggrieved by a decision of the Registrar has a right of appeal to the court. Under section 16 where the application for registration of the

*Decision of Hon. Mr. Justice Christopher Madrama Izama \*^\*~ \*&\*\$\$# xtra+ maximum735securityx 2017 style*



trademark in part "A" or part "B" of the register has been accepted and the application has not been objected to the Registrar shall unless the application has been accepted in error register the trademark accordingly. In this case an objection has allegedly been made to the registration of the Respondent and the issue is pending determination if at all. The High Court is an appellate court and should not exercise original jurisdiction in trademark registration disputes. Jurisdiction is statutory. Section 12 requires an objection to be heard before the registrar and for an aggrieved party to appeal to the High Court and it provides that:

“12. Objection to registration.

(1) A person may, within the prescribed time from the date of publication of an application, give notice to the registrar of objection to the registration.

(2) The notice shall be given in writing in the prescribed manner and shall include a statement of the grounds of objection.

(3) The registrar shall send a copy of the notice to the Applicant and within the prescribed time after receipt, the Applicant shall send to the registrar, in the prescribed manner, a counter statement of the grounds on which he or she relies for his or her application and if he or she does not do so, he or she shall be taken to have abandoned his or her application.

(4) If the Applicant sends a counter-statement, the registrar shall furnish a copy of the counter statement to the person giving notice of objection and shall, after hearing the parties, if so required and considering the evidence, decide whether and subject to what conditions or limitations registration is to be permitted.

(5) A person aggrieved by the decision of the registrar may appeal to court.

(6) An appeal under this section shall be made in the prescribed form.

(7) On appeal the court shall, if required, hear the parties and the registrar and shall make an order determining whether and subject to what conditions or limitations registration is to be permitted.

(8) On hearing of an appeal under this section any party, may, either in the manner prescribed or by special leave of the court, bring forward further material for the consideration of the court.

(9) On an appeal under this section no further grounds of objection to the registration of a trademark shall be allowed to be taken by the person objecting or the registrar, other than those stated by the person objecting, except by leave of the court.

(10) Where any further grounds of objection are taken, the Applicant is entitled to withdraw his or her application without payment of the costs of the person objecting on giving notice as prescribed.

(11) On hearing the appeal, the court may permit the trademark proposed, to be registered and modified in a manner not substantially affecting its identity and the modified trademark shall be published in the prescribed form before being registered.

(12) Where a person who gives notice of an objection or an Applicant who sends a counter statement after receipt of a copy of a notice or an appellant, does not reside or carry on business in the East African Community, the court or the registrar may require him or her to give security for costs of the proceedings before the court or the registrar relating to the objection or to the appeal, as the case may be, and if the security is not given may treat the objection or application or the appeal as abandoned.”

The notice of objection to the Respondent’s application has been lodged. The Respondent was entitled to put in a counter statement to the Applicant’s objection. Thereafter a hearing is expected in which the registrar will determine whether the Respondent should be registered. The Respondent would be registered in respect of the trademark it wants to trade in. In many ways the application deals with some of the issues in this suit. The question is whether the Respondent abandoned its application? Considering the affidavit in reply of Muqtar Ali Zafar the director of the Respondent dated 30<sup>th</sup> November, 2016 and paragraphs 6, 7, 8 and 9 thereof, the Respondents deposed as follows:

“6. To that effect, the Respondent applied to have the goods registered and was shocked by the turn of events that the Applicant was objecting to its registration claiming to be already registered as persons dealing in the same goods.” (Attached is a copy of their notice of objection marked “C”).

7. That the Applicant fraudulently applied and obtained protection with the knowledge of the manufacturer’s existence and without his consent to deal in the same goods as his agent, which consent the manufacturer had already given to the Respondent.

8. That as a result of the aforementioned fraudulent acts, the Respondent counterclaims against the Applicant’s registration in the main suit before the court through its lawyers.

9. That the Applicant is not the duly authorised agent of the manufacturer to deal in the sale and distribution of the above goods and is unlawfully doing so. ”

What is disclosed is that the Respondent has counterclaimed against the registration of the Applicant. It is recognition that the Applicant enjoys protection of its registered trademark. There may be issues of whether the Respondent's application for registration has been abandoned. This

is not apparent from the pleadings. The counterclaim of the Respondent in the main suit is for cancellation of the registration of the Applicant.

In the premises, as far as the Respondent applied for registration, anything related to the application before this court is premature. Without a decision of the registrar on the objection, the court should not determine anything in controversy regarding the right of the Respondent for registration. There is no evidence that the registrar refused the registration. There is no decision from which anybody has appealed. All proceedings in this court relating to the Respondent's application for registration of a trademark are stayed.

Regarding the counterclaim what remains is the question of locus standi of the Respondent to challenge the Applicant. In paragraph 5 (vi) of the counterclaim, it is averred that the Counterclaimant shall further contend that the plaintiffs only got registered after the defendant had already applied for the same trademark to deal in the same goods and more so that it concerns a "different Moon" for the defendants and "Purple Moon" for the plaintiffs therefore there is no way that they are confusing to the consumers of the goods.

Parties are bound by their pleadings and cannot assert a different fact in contradiction of their own pleading. While the Respondent could have enjoyed locus standi to challenge the registration of the Applicant on the ground that it had been dealing in the same goods or similar or identical trademark prior to registration of the Applicant, by averring that the trademark are different, they are suggesting that they would not be prejudiced by the Applicants marks. Immediately thereafter in paragraph 6 of the counterclaim, the Respondent averred that:

"The Counterclaimant shall contend that the Counter Defendant is not the duly authorised agent of the manufacturer nor does it possess a valid authority from JIANSU OUMAN TEXTILE TECHNOLOGY CO. LTD to deal in the sale and distribution of the above goods in Uganda. The purported dealing in the impugned goods by the Counter Defendant is irregular, illegal, fraudulent in nature and unlawful."

The issue of dealing in the same goods and agency in the same goods is not the same issue of the dispute in the trademark. This is because it is possible to register a trademark that exists in another country. I agree with the Applicant submission that what is to be considered is the registration of the Applicant in Uganda by the registrar who ought to have taken into account any objections to registration. A person, who has been registered, can be deregistered. The question of locus standi of the Counterclaimant is therefore pertinent. In annexure "C2", the Counterclaimant relies on a letter from JIANSU OUMAN TEXTILE TECHNOLOGY CO. LTD which is attached to paragraph 5 (iii) of the counterclaim where it is averred as follows:

"The Counterclaimant was/is a duly authorised agent in Uganda to deal in the impugned goods/products which authority the defendant has always dealt with regards the goods in

question. (Copies of the appointment letters to Numaa Industries are hereto attached and marked as Annexure B2 and C2).

Annexure B2 is a letter from Bingling Enterprises Ltd where it is written that they authorised the Respondent to sell "Purple Moon" blankets all over Uganda. That they partnered with them since April 20, 2012 and they authorised and appointed them a distributor. There is no mention of the trademark. They were authorised to deal in "Purple Moon" blankets. In Annexure "C2" JIANSU OUMAN TEXTILE TECHNOLOGY CO. LTD claim to be the manufacturers of Purple Moon blankets and they sell the blankets to Numaa Industries in Uganda.

Finally in the affidavit deposed to on 1<sup>st</sup> March, 2017 by Muqtar Ali Zafar and particularly paragraph 4 thereof it is deposed as follows:

“That in response to paragraphs 5, 6 and 7 of the Applicants affidavit in rejoinder, I am informed by my lawyers which information I verily believe to be true that upon acquiring certificates of translation from Makerere University, the owner of the trademark in question is LUOYANG CITY GUANLINLIDE BLANKET FACTORY and neither Linyi Grene Industry & Trading Co. Ltd nor PURPLE MOON TRADING LLC of Shouq Al Kabeer Street, Deira Dubai, UAE as alleged by the Applicant. (Attached is a copy of the translation and its attachment marked 'B' and 'C' respectively.)”

In paragraph 5 he deposed that on the basis of information of his lawyers, the Applicant cannot seek protection from infringement of a Mark that is no authority from the owner of the Mark to register or use the same.

It is clearly averred that the Respondents authority is derived from two companies namely a letter from JIANSU OUMAN TEXTILE TECHNOLOGY CO. LTD which is attached to paragraph 5 (iii) of the counterclaim and annexure B2 is a letter from Bingling Enterprises Ltd where it is written that they authorised the Respondent to sell "Purple Moon" blankets all over Uganda. Neither of those persons is LUOYANG CITY GUANLINLIDE BLANKET FACTORY who is alleged to be the trademark owner. Notwithstanding the issue as to the extent of the Respondents authority as to whether it covers a contest as to any trademark, it is clearly the Respondent's evidence that it is not an agent of LUOYANG CITY GUANLINLIDE BLANKET FACTORY which is the alleged trademark owner. On what authority would it challenge the Applicant anyway?

The judgment of Hon. Lady Justice Hellen Obura in **TECNO Telecom Ltd vs. Kigalo Investments Ltd HCMC No. 0017 of 2011** concerned inter alia authority of a representative of a trademark owner in Uganda. In that case an application was brought under section 45 and 46 of the Trademarks Act 2010 to have the mark TECNO which had been registered in Uganda removed from the register on the ground of proof of the registration of that mark in a country of origin. The Applicant was an attorney of TECNO Telecom Ltd and dealt in phones. The *Decision of Hon. Mr. Justice Christopher Madrama Izama* \*^\*~ \*&\*\$\$# xtra+ *maximum735securityx 2017 style*

Applicant was an appointed agent in Uganda of the firm registered in Hong Kong. They dealt in a phone called TECNO and registered the name as a trademark. On the question of locus standi the Hon Judge held that the Applicant was an aggrieved party who can bring an action under sections 45 and 46 of the Trademarks Act 2010 because the Applicant demonstrated that it is the registered owner of the trademark TECNO and it manufactures and deals in TECNO phones in Hong Kong, China.

In this counterclaim, the Respondent/Counterclaimant is not even the authorised agent of the alleged owner of the registered trademark.

In the case of **Kampala Stocks Supermarket Co Ltd vs. Seven Days International Ltd, Civil suit No. 112 of 2015**, this court held that Uganda and China are parties to the Paris Convention for the Protection of Industrial Property, 1883 as amended. Secondly, the Paris Convention deals with the territorial principle in Article 6 of the Paris Convention. Article 6 deals with the conditions of registration and the independence of protection of the same mark in different countries. It provides that the conditions for the filing and registration of trademarks shall be determined in each country of the Union by its Domestic Legislation under article 6 (1). Article 6 (1) deals with the conditions for filing and registration of trademarks. Secondly article 6 (2) provides that an application for registration of a trademark filed by a national of the country of the Union in any country of the Union may not be refused or a registration be invalidated on the ground that the filing, registration for renewal has not been done in the country of origin.

Article 6 (3) of the Paris Convention for the Protection of Industrial Property provides as follows:

"A mark duly registered in the country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin."

A trademark is a duly registered trademark in any country of the Union which shall be regarded as independent of a similar or same trademark registered in other countries of the Union.

In this particular case, there is no application by the alleged owner of the Trademark in China for registration of the trademark in Uganda. I agree with the submissions of the Applicant's Counsel to extent relating to whether the registration of the Applicant can be impeached by the Respondent.

The Respondent is not even an agent of the owner of the trademark registered in China. Any owner of a trademark ought to register his or her trademark defensively in countries where goods bearing the trademark are being sold or dealt in. It is the domestic law of the country where the goods are sold that provides protection for the trademark and the principle of territoriality supports the conclusion that any owner of a trademark should also register it under the domestic law of the land where the goods or services represented by the mark are sold.

*Decision of Hon. Mr. Justice Christopher Madrama Izama \*^\*~ \*&\*\$\$# xtra+ maximum735securityx 2017 style*

The Counterclaimant pleaded fraud of the Applicant/Plaintiff in the registration. It prays for orders to cancel the registration. The principle is that a trademark which is registered in a country that is a party to the Paris Convention shall be regarded as independent of trademarks registered in other countries who are also parties to the Paris Convention.

The Applicant/Counter Defendant to the counterclaim is the registered proprietor of the trademark. The registration of the trademark by other persons in China is for the moment not relevant to the counterclaim because the Counterclaimant is not an agent of the alleged registered owner.

In the premises the counterclaim has no merit and the plaintiff's application succeeds. An injunction issues as prayed for restraining the Respondent and/or Respondent's agents or servants from; distributing goods bearing the Applicant's registered trademark without the permission or license of the Applicant pending determination of the main suit. The costs of the application abide the outcome of the main suit.

Ruling delivered in open court on the 15<sup>th</sup> May, 2017

**Christopher Madrama Izama**

**Judge**

Ruling delivered in the presence of:

Counsel Seninde Saad for the Respondent

Ali Zafar Muqtar Director of Respondent in court

Charles Okuni: Court Clerk

Julian T. Nabaasa: Research Officer Legal

**Christopher Madrama Izama**

**Judge**

15<sup>th</sup> May, 2017