

THE REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
[COMMERCIAL DIVISION]

MISCELLANEOUS CAUSE NO.0017 OF 2011

TECNO TELECOM LIMITED:.....PLAINTIFF

VERSUS

KIGALO INVESTMENTS LTD:.....DEFENDANT

BEFORE: THE HON. LADY JUSTICE HELLEN OBURA

RULING

This application was brought under sections 45 and 46 of the Trademarks Act 2010 and regulation 116 of SI 217/1. It sought to have the trademark “TECNO” registered by the respondent in Uganda removed from the register on grounds of proof of prior registration in a country of origin, and/or for non-use of the trademark.

The application was supported by an affidavit sworn by Mr. Wenbig Ruan in his capacity as a Director in Tecno Investments Ltd the donee of power of attorney and agent of the applicant. He deposed that since 2009, his company had been duly appointed the Ugandan commercial agent of the applicant, a company incorporated in Hong Kong, China. Further that in that capacity, his company had been duly authorized to represent the applicant and prosecute this suit on its behalf as per the power of attorney that was attached as annexure “B” to the affidavit.

He further deposed that the applicant company that primarily manufactures and exports various electronics items under class 9 including mobile phones called TECNO registered TECNO trademark in Hong Kong on 5th October 2005 under registration number 300505773. TECNO product catalogue, the company profile and a certified copy of the trademark were attached as annexures “C”, “D” and “E” respectively.

He averred that TECNO products had been in Ugandan market for sometime predating the registration of the TECNO trademark by the respondent in 2008. Documents proving this were attached as group annexure “F”. He further averred that sometime in December 2010, they received a letter from the respondent’s lawyers informing them that the mark TECNO was registered in Uganda by the respondent in 2008 in respect of goods under class 9. A copy of the letter was attached as annexure “G”.

He deposed that the trademark registered by the respondent was similar and identical to the trademark first registered by the applicant in Hong Kong in all aspects as it was in respect of goods in class 9 inclusive of phones and other electronic goods which constitute the main item of manufacture in China and exports to Uganda. Further that TECNO phones had been in the Ugandan market prior to registration of the mark by the respondent and so that registration was an infringement on the applicant's right to use the trademark in Uganda.

He further deposed that the applicant had never authorized the respondent, ostensibly or explicitly to use the mark TECNO and the respondent is neither the applicant's agent, nor a manufacturer, nor a dealer in, nor a user of TECNO products. Further that the registration of TECNO trademark by the respondent in Uganda was done in bad faith for speculative and extortionate purposes as borne out by the letter from the respondent's lawyers hastily inviting the applicant's agent for an out of court settlement.

He deposed that from the time the respondent registered the trademark and within one month leading up to this application there had been no bona-fide usage of the same by the respondent. Further that this confirmed that the registration of the mark was without a bona-fide intention that it would be used in relation to those goods in class 9.

The deponent averred that the applicant had up to the time of bringing this application been in bona-fide use of the trademark in Uganda as evidenced by annexures "A" and "F" to the affidavit. Further that to enhance its protection and also consolidate its market presence, the applicant would register the TECNO trademark in Uganda as soon as that of the respondent was removed from the register and an undertaking to that effect had already been given to the Registrar of Trademarks as per annexure "I".

I will highlight the chronology of events that took place from the time this application first came up for hearing because I will have to determine some preliminary issue on filing of pleadings. When this application came up for hearing on 13th June 2011, counsel for the respondent informed court that he had not yet filed an affidavit in reply because the Managing Director of the respondent company was on a business trip in Juba. He applied for a short adjournment to enable him file affidavit in reply. Counsel for the applicant conceded to application and it was allowed. The matter was adjourned to 27th June 2011 at 2.30 pm for hearing.

An affidavit in reply and opposition to the application sworn by Mr. XIE XI HU, the Managing Director of the respondent company was filed on 27th June 2011. The deponent denied most of the averments in the affidavit in support and contended that there was no evidence to show that the applicant company was registered and located in Hong Kong or manufactured mobile phones called TECNO. Further that the phones in Uganda marked TECNO including those imported by the applicant are indicated to be manufactured in China and not Hong Kong as evidenced by

particulars of a phone TECNO T220 serial No. 35359730193583 attached to the affidavit as annexure "A".

He deposed that he searched the internet and discovered that the applicant company was actually located in China and that a certain company with the same address as that of the applicant in Hong Kong attempted to register a trademark in China on 16th June 2009 but the same was rejected on the grounds that the mark was similar to that which had already been registered. Documents written in Chinese Language with presumably an English translation attached thereto were annexed as "C", "C1" and "C2".

He further deposed that the respondent was indeed the registered owner of the trademark in Uganda and was a dealer in mobile phones from the time it was incorporated. Further that the respondent imported unlabeled mobile phones manufactured in China, labeled them with its mark TECHNO and sold them to the public as shown by its records of imports from Uganda Revenue Authority attached to the affidavit as annexures "E1-E21".

He concluded that the applicant had failed to prove that he was the owner of the TECNO trademark in China the country of origin of the phones it sold in Uganda and that it had also failed to prove that it sold phones manufactured in Hong Kong which accords similar treatment to Ugandan goods there. He asked court to dismiss this application.

An affidavit in rejoinder sworn by Mr. Wenbig Ruan was filed on 27th June 2011. The deponent confirmed that the applicant company was incorporated in Hong Kong and attached a copy of the Certificate of Registration as annexure "A". He deposed that the applicant company was the registered owner of TECNO trademark and had office branches in China which is one and the same as Hong Kong. Further that the respondent had not genuinely used the trademark as labeling of phones with the mark TECNO was an act of passing off that could not be called genuine use.

On 27th June 2011, when the application was called on for hearing, counsel for the applicant decried the late service of the affidavit in reply which was allegedly effected at 12.40 pm less than two hours before the time for hearing of the application. He observed that consequent upon the late service, the affidavit in reply was prepared and filed in a rush that afternoon. Counsel for the respondent apologized for the late service and explained that his client did not know the English language and so they had to use an interpreter who was not available until that morning. He also pointed out that the applicant filed its application and subsequently filed an amended notice of motion allegedly out of time but without leave of court. He however, stated that he did not intend to formally raise an objection on that ground because he wanted the matter to be heard and determined on its merit.

On another note, counsel for the respondent informed court that he intended to apply for security for costs and prayed that the matter be adjourned to enable him do so. Counsel for the applicant

opposed the application for adjournment on the grounds that firstly; applications for security for costs were matters reserved for the Registrars to handle which should not hold up proceedings in the main matter and secondly that there was an inordinate delay in bringing that application.

With court's guidance and as a compromise, both parties were agreeable to the adjournment and filing of written submissions. The applicant was to file its written submission by 15th July 2011 and the respondent by 29th July 2011. Rejoinder, if any, was to be filed by 4th August 2011. The matter was then adjourned to 16th August 2011 for mention to ensure compliance with the timelines and to fix a date for ruling.

On 12th July 2011, counsel for the respondent filed what was called an affidavit in rebuttal to which was attached a write up on the relationship between Hong Kong and China printed from the internet, and receipts and particulars of Techno phones allegedly sold by the applicant's agent in Uganda. This was strongly objected to by counsel for the applicant vide a letter to the Registrar of the Court dated 13th July 2011. The grounds for objection were that first of all the respondent did not have any right to do so as it was contrary to the well known procedure and practice. Secondly, that it was filed late since pleadings had already been closed and timelines given for filing of written submissions.

In reply to counsel for the applicant's letter, counsel for the respondent vide a letter dated 13th July 2011, justified his action by contending that court had adjourned the matter to allow filing of the application for security for costs and a reply to the affidavit. He further contended that the evidence contained in the affidavit was necessary for the respondent's case and expunging it from the record would amount to denying the respondent a chance to be heard.

I wish to point out at this stage that the records show that court allowed the adjournment purely to enable the respondent apply for security for costs. No mention of reply to the affidavit was even made by counsel for the respondent so court could not have allowed what was never requested or prayed for. Since this same issue was submitted upon I will deal with it as a preliminary issue at a later stage in this ruling.

I now turn to summarise the written submissions that were filed by both counsels in accordance with the timelines agreed upon as indicated above. Counsel for the applicant reiterated what was stated in the affidavit in support as summarized above and based his submissions on three main issues, namely; (1) whether the respondent's trademark can be removed from the register for proof of prior registration of trademark in country of origin of the goods; (2) whether the respondent's trademark can be removed from the register for non-use of the trademark; and (3) what remedies are available to the parties?

On the first issue, counsel referred to section 45(1) of the Trademarks Act No. 17 of 2010 and submitted that in accordance with that provision, the applicant as the registered owner of TECNNO trademark in Hong Kong, China in respect of goods in class 9 which are similar to the

one in respect of which the respondent registered the identical trademark TECNO in Uganda was an aggrieved person who rightfully brought this application.

He further submitted that the applicant had satisfied all the conditions set out in section 45 (3) (a)-(c) and section 45 (4) of the Trademarks Act. To that end, he submitted that the applicant had never consented to the respondent registering the trademark TECNO in Uganda and that the respondent had not shown that it had used that trademark in Uganda in connection with phones and related products before 2005 when it was registered in Hong Kong.

He further submitted in that respect, that the applicant's goods had been on the Ugandan market long before this application was brought as stated in paragraph 6 of the amended notice of motion and annexure "F" to the affidavit in support. Further that the applicant had given an undertaking to the Registrar and finally, that there was reciprocity between Uganda and China which is a member state and signatory to the Paris Convention on Protection of Industrial Properties 1883 whose contents were consolidated in the TRIPS Agreement 1994.

On the contention by the respondent that Hong Kong is separate from China, counsel for the applicant submitted that Hong Kong is a Special Administrative Region of China, a situation that is analogous to jurisdictions which have federal arrangements where for protection one needs to register the mark in all the federal states one wishes to benefit from. He further submitted that when it comes to International treaties and Instruments under which reciprocity falls, no mention is made of Hong Kong but China. He contended that whether as argued by the respondent that mere registration in Hong Kong does not confer entire protection in China mainland that does not mean that the mark is not from China.

On this issue, counsel for the applicant concluded that the applicant had satisfied the criteria set out under section 45 (1) for the removal of the respondent's trademark TECNO from the register in Uganda.

As regards the second issue, counsel for the applicant referred to section 46 of the Trademarks Act, 2010 and submitted that the trademark TECNO was registered without a bona-fide intention of the respondent to use it in relation to the goods in class 9. He pointed out that there was no definition of the word bona-fide under the Act but referred to the ***Osborne's Concise Law Dictionary 8th Edition at page 52*** which defines the word bona fide as "*in good faith, honestly, without fraud, collusion or participation in wrong doing*". He also referred to the ***Oxford Advanced Learners Dictionary 6th Edition at page 120*** where the word bona fide is stated to be of Latin origin and means "*genuine, real or legal*".

He related this definition to the instant case and contended that the respondent who was neither an importer of any electronics under the mark TECNO nor a manufacturer of the same knowing full well the popularity of the TECNO phones in Uganda sought to hoard and exploit that trademark by registering it before the applicant who was the genuine user did. He further

contended that the respondent had not proved that it had sold any phone upon which it had affixed its mark TECNO. He submitted that the burden to prove usage of the trademark laid with the respondent in accordance with sections 101 to 103 of the Evidence Act and section 46 (1) (B) of the Trademarks Act and this had not been discharged.

He referred to **Paragraph 113, Harlsbury's Laws of England, Volume 48 (2007) Re-issue 2** where it was stated that:-

“There is ‘genuine use’ of a trademark where the trademark is used in accordance with its essential function, which is to guaranty the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark”: **Case C-40/01 Ansul BV v Ajax Brandbeveiling BV (2005) Ch 97 (2003) ECR 1-2439, ECJ; Case C-259 La Mer Technology Inc. v Laboratories Goemar SA (2004) ECR 1-1159, (2004) FSR 785,.....When assessing whether use of a trademark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market of the goods or services protected by the mark, the nature of those goods or services, the characteristics of the label and the scale and frequency of the use of the mark: Case C-40/01 Ansul BV v Ajax Brandbeveiling BV (supra), Case C-259 La Mer Technology Inc. v Laboratories Goemar SA (supra)”**.

Counsel for the applicant submitted that taking into consideration all the circumstances of this case, it was self evident that the use of the mark by the respondent was not genuine. He pointed out that the respondent claimed in paragraph 13 of the affidavit in reply that it was importing unlabelled mobile phones from China and labeling them with TECNO mark for sale to the public. He contended that that could not be said to be bona- fide use of the mark because the respondent did not use the trademark in accordance with its essential function, which is to guarantee the identity of the origin of the goods for which it was registered, in order to create or preserve an outlet for those goods.

He referred to the case of **Blue Bell, Inc v Farah Mfg. Co., United States Court of Appeals, Fifth Circuit, 1975 508 F.2d 1260, 185 U.S. P.Q.1.**; which appeared to be on all fours with this case and court held that the manner in which the trademark was being used could not be said to be valid use in trade.

Counsel contended that the respondent's use of the mark as stated in the affidavit in support was illegal as it was outright plagiarism known as passing off at common law which is not warranted

in the economy of this country. He contended that the respondent was doing counterfeit business which was defined by **Lord Nicholls of Birkenhead** in the case of **Regina v Johnstone [2003] 3 All ER 884** at paragraph 1. in the following words:-

“.....*Counterfeit goods comprise cheap imitations of authentic article, sold under the trademark of the authentic article, as with imitation of Rolex watches.Thus, in the context of music recordings, a counterfeit compact disc is an unlawful copy of, say, a Virgin compact disc sold ostensibly as a Virgin product.*”

Counsel for the respondent contended that the respondent's action fell under a form of counterfeiting and as such it should not be allowed to profit from its own wrongful acts. He referred to the case of **Makula International Ltd v His Eminence Cardinal Nsubuga & Another (1982) HCB 11** where it was held that the court cannot sanction what is illegal and illegality once brought to the attention of court overrides all questions of pleadings, including any admissions thereon. He argued that since the respondent had conceded to an illegal act, it could not and should not expect a court of law to protect a trademark which is used in abuse of intellectual property rights.

Counsel for the applicant submitted that the exceptions under sections 46 (2) (a) and (b), 46 (3) (a) and (b), 46 (4), (5), (6) and (7) do not apply to the instant application. He concluded that the respondent had not had bona fide use of the trademark as demonstrated by his submission.

As regards the third and last issue on the remedies available, counsel for the applicant submitted that it was evident from sections 45 and 46 of the Trademarks Act that upon meeting the conditions stipulated therein as the applicant had done, the trademark should be removed from the register. He prayed that the trademark TECNO should be removed from the register of Trademarks and costs of the application awarded to the applicant.

Counsel for the respondent in his reply to the submissions opposed the application mainly on three grounds which he grouped as procedure and evidence; locus standi and ex turpi causa non oritur action (not benefitting from one's own wrong).

On procedure and evidence, he contended that given the importance of the subject matter, the applicant should have filed the claim by an ordinary plaint so that the necessary evidence could be elicited from the parties orally and recorded to assist court come to a fair determination of the issues. He further contended that in the alternative, since the applicant chose to adduce evidence by way of affidavit, and this being an originating application as opposed to an interlocutory one, the affidavit in support should have been confined to facts as the deponent was able by his own knowledge to prove as provided under Order 19 rule 3 (1) of the CPR.

He submitted that the applicant was prosecuting this application through an agent and argued that the attorney is ordinarily not in a position to swear an affidavit based on facts relating to the applicant's business, it is not able on its own to prove. He contended that the relationship between the applicant and the attorney was contractual and so the latter could only know as little or as much about the applicant's business as was necessary for carrying out its obligation under the contract.

He also contended that the attorney was not a natural person but a company which could only act through its officers like a director/manager and that is why Mr. Weinbig Ruan the deponent of the affidavit stated that he was the director of the donee of power of attorney. That despite that, he still stated in paragraph 23 of the affidavit in support and paragraph 12 of the affidavit in rejoinder that whatever was stated in his affidavit was true and correct to the best of his knowledge and belief.

He referred to the case of ***Charles Kabunga v Christopher Baryahura and 3 Others (1995) KALR 535*** where an advocate swore an affidavit in reply on behalf of the 2nd respondent which touched on the value of the land and it was held that the facts deponed to were not facts in the knowledge of the advocate.

He contended that in this application, the deponent could only rely on the information supplied by the applicant's officials who are well versed with its business operations in Hong Kong. He submitted that since the deponent had failed to disclose the source of his information or grounds of his belief, both affidavits were materially defective, null and void. He invited court to find them so and not to rely on them.

He submitted that there was an exception to the general rule as provided under Order 19 rule 3 (1), but hastened to add, that only in interlocutory applications which was not the case here. He contended that even if for argument's sake, this application was taken to be an interlocutory one; the deponent would still have to disclose his source of information and grounds for belief which was not done in this application. To buttress these arguments, he relied on the cases of ***Bawa Singh Bharj (Properties Limited) v Estate Consultants & Others (1998) KALR 918***, ***Yafesi Tegike v Jamada Wakafutuli (1996) KALR 435***; ***Uganda Journalists Safety Committee & 2 Others v A.G (1997) KALR 381***; ***Premchand Raichand Limited & Another v Quarry Services of E.A Limited & Others (1969) E.A. 514***

On locus standi, counsel argued in the alternative and without prejudice to his earlier submission that, for this application to succeed, the applicant must prove to the satisfaction of court on a balance of probability that the trademark is identical or resembles a trademark which was, prior to the registration in Uganda of the trademark registered in respect the same goods, or the same description of goods, in a country or place in which the goods originate.

He contended that the applicant could not be said to be a person aggrieved by the registration of the respondent's trademark in Uganda as is envisaged by section 45 (1) of the Trademarks Act for two reasons. Firstly, that internationally the trademark TECNO was not owned by the applicant but by a company called Inventio Ag as stated in the affidavit in reply and annexures "C", "C1", "C2", "D1", and "D2" thereto. Secondly, that the applicant was not the registered owner of the trademark of the goods sold in Uganda, in the country of origin.

He further contended that under section 103 and 104 of the Evidence Act, the onus of proving that Hong Kong was the origin of the goods allegedly manufactured using the mark in issue laid with the applicant which had dismally failed to do so. He further contended that evidence available showed that the phones allegedly manufactured by the applicant and sold in Uganda through their agent are actually manufactured in China not Hong Kong.

On the contention that China and Hong Kong are one and the same, he contended that for purposes of trademark, Hong Kong and China mainland could not be said to be one country. He submitted that evidence adduced by the respondent as stated in paragraphs 3 and 4 of the affidavit in rebuttal and annexures thereto showed that Hong Kong enjoyed a high degree of autonomy in all matters except foreign relations and military defence.

Counsel for the respondent further contended that for this application to succeed; the applicant must prove that it is the registered owner of the mark TECNO in China mainland where the goods/phones are manufactured/originate. He argued that since the applicant had failed to do so, the respondent who is the registered owner of the mark in Uganda should remain so unless it is removed from the register by order of court by another person for justifiable reasons.

On *ex turpi causa non oritur action*, counsel for the respondent contended that in light of the evidence showing that Inventio Ag. was the registered owner of the mark TECNO, the applicant was taking advantage of the special administrative position of Hong Kong vis-a-vis China mainland and illegally using a trademark of another company. He argued that using the same authority of ***Makula International Ltd*** (supra), the applicant should not be allowed to benefit from its illegal act.

He concluded that for reasons stated above, court should find the applicant's affidavit materially defective, null and void and dismiss the application with costs.

Counsel for the applicant in rejoinder, on procedure and evidence, submitted that sections 45 and 46 of the Trademarks Act, 2010 provide for application to court and under Order 52 rule 1 of the CPR applications whose procedures are not provided for shall be by notice of motions. He contended that, that was the procedure provided for by the legislature and it was not upon the respondent to suggest otherwise.

On the contention that the affidavit in support were on matters not within the deponent's knowledge, counsel for the applicant contended that matters which the deponent swore to were well within his experiences as business agents of the applicant. He argued that the deponent was directly involved as to confirm the contents of paragraphs 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 because they concern the market situation in Uganda where the deponent's business is based.

He referred to the case of *MB Nadala v Father Lyding [1963] 1 E.A 706*, where *Sir Udo Udoma CJ*, held that since the content of the affidavit related to personal activities of the deponent, they were facts within his knowledge.

As regards paragraphs 4 and 5 of the affidavit in support, counsel for the applicant submitted that allegations that they were facts not within the deponent's knowledge would be taking a very narrow and wrong view of what amounts to knowledge. He argued that knowledge was capable of being obtained in so many ways as was observed by *Mukasa J*, in *Green watch v Attorney General and Another (2003) 1 E.A. 87* that knowledge can be acquired through human senses like seeing, hearing, smelling, tasting or touching followed by understanding and perceiving what one has sensed.

He contended that after years of dealing together, the deponent was provided with the original and certified copies of certification of incorporation of the applicant company as well as certificate of registration of its trademark that could be seen, touched or perceived by the deponent thereby making him knowledgeable.

He submitted that the case of *Charles Kabunga* (Supra) was distinguishable from this one in that the tripartite relationship of advocates, their clients and the court was at play in that the advocate could not be a witness and counsel in the same matter and could not depone on especially contentious matters. He contended that the position was different for agent-principal relationship which involves promoting one another's interest and as such full disclosure is required.

He further contended that there was no rule against agents swearing affidavits in representative capacity but on the contrary authorities suggest that a person in representative capacity could swear an affidavit on matters of another if they were aware of the facts. He cited the case of *Joy Kaingana per John Kaingana v Dabo Boubon (1986) HCB 59* to buttress this argument.

As regards the contention that the applicant lacked locus standi to bring this application because it is not an aggrieved person, counsel for the applicant submitted that the applicant was clearly affected by the registration of the respondent's mark and as such it was an aggrieved person who has suffered great economic loss. He referred to the case of *Yusuf v Nokrach (1971) EA 104* where *Phadke J*, held that an aggrieved person was a person who has suffered a legal grievance. He contended that the applicant manufactured goods which were subject of the same mark which it registered in its home country as proved by annexure "E" to the affidavit in support. Further

that the applicant also sold its goods in Uganda where the respondent registered the same mark and yet it neither manufactured nor dealt in those goods.

On another note, counsel for the applicant challenged the documents relied upon by the respondent for lack of authentication thereby falling short of the requirements of section 77 of the Evidence Act. He prayed that the documents be disregarded and the orders sought by this application granted.

Counsel for the respondent sought leave of court to respond to new matters that were raised in the submission in rejoinder and he was allowed to do so. In his response he defended the affidavit in rebuttal. He also submitted on the admissibility of the documents the respondent was relying on arguing that materials from the internet were now admissible under the Electronic Transactions Act No. 8 of 2011. He also referred to the case of ***La Consortium & Vending CC t/a La Enterprises v MTN Service Provide (PTY) Ltd No. 2004/20602, South Gauteng High Court, Johannesburg*** where a similar issue was entertained and court held that data messages were admissible and due evidential weight accorded to it.

He prayed that the affidavit in rebuttal and the annexures thereto be relied upon in deciding the matter in controversy between the parties. He also prayed that the application be dismissed with costs.

Upon looking at the notice of motion, the affidavits and the documents attached thereto and the submissions, there are some preliminary issues to do with procedure, evidence and locus standi that need to determine before the substantive issues. The respondent criticized the procedure used by the applicant and also challenged the affidavit in support as being materially defective, null and void. The applicant also challenged the affidavit in rebuttal and the authenticity of the annexures attached thereto as well as the annexures to the affidavit in reply.

I will start with the contention that this matter should have been brought by plaint other than by notice of motion. I really failed to see the basis of this contention. Section 45 of the Trademarks Act 2010 provides that, “..., *the court may, on application in writing...*” Similarly, section 46 provides that, “...*on application to court by an aggrieved person...*” The mode/procedure for bringing applications is known under the Civil Procedure Rules. Either it is by summons in chambers where it is specifically provided for or by notice of motion under Order 52 rule 1 where the procedure is not specifically provided for.

The rules also allow deponents of affidavits to be cross-examined if the parties so wish. Counsel for the respondent could have exercised that right if the respondent really wanted oral evidence to be on record. Otherwise I do not find any problem with the procedure adopted by the applicant and I accordingly rule that it was a proper procedure.

As regards the affidavits, I will start with the affidavit in support and the affidavit in rejoinder which were sworn by the Managing Director of a donee company that doubled as the applicant's agent in Uganda. I have read the contents of the said affidavits and the arguments of both counsels and I feel more inclined to agree with that of counsel for the applicant that indeed the facts deponed to were within the deponent's knowledge. The controversial paragraphs would have probably been 4, 5 and 6 of the affidavit in support but, even then, the deponent attached documentary proofs that speak for themselves to support what was stated therein.

I am persuaded by the decision in the case of *Green watch v Attorney General and Another* (supra) that knowledge can be acquired using the five human senses. In this case, it is not in dispute that there is a principal-agent relationship between the applicant and the donee of power of attorney. I believe that relationship required full disclosure of information relating to the applicant's business. I am persuaded by the authorities relied upon by counsel for the applicant and in the circumstances, I find the deponent of the affidavit in support competent to swear that affidavit in the manner he did and I rule that that affidavit is competent and shall be relied upon by this court.

As regards the affidavit in rebuttal, I think the procedure in our judicial system as discerned from the Civil Procedure Rules is quite clear whether, as regards filing of pleadings or hearing of the matter, that, it is normally the plaintiff/applicant who begins and the defendant/respondent replies and rejoinder if any is made by the plaintiff/applicant. No automatic right of reply/rejoinder or rebuttal accrues to the defendant/respondent except by leave of court. If litigants were allowed to file documents as and when they felt like, then there would be no end to litigation. I believe the Rules Committee prescribed timelines for filing court documents and order of proceedings so as to address such mischief by creating orderliness in litigation.

For the above reason, I would have ordinarily been inclined to find that the so called affidavit in rebuttal was filed contrary to the well known procedure and practice in our judicial system. Consequently, I would have accordingly expunged it from the court records. However, given the point of contention between the parties concerning the status of Hong Kong vis-a-vis China and the fact that the applicant has not shown that it would suffer prejudice/injustice if the evidence adduced by that affidavit is admitted, I will in the interest of justice admit the evidence and rely on it. I believe it is in the best interest of both parties that all the evidence particularly information on the relationship between China and Hong Kong that could assist this court to arrive at a just and fair decision should be made available. In arriving at this conclusion, I was also guided by the provisions of Article 126 (2) (e) especially in view of the fact that there is no mandatory provision of the law stating the above procedure.

On admissibility of the documents attached to the affidavit in reply and the affidavit in rebuttal, I agree with the submission of counsel for the respondent that data message is now admissible under section 8 of the recently enacted Electronic Transactions Act, 2011 that came into force on

15th April, 2011. Under section 2 of that Act, data message is defined as data generated, sent, received or stored by computer means and includes-

- (a) Voice, where the voice is used in an automated transaction; and
- (b) A stored record.

I believe the materials obtained by the respondent qualify to be a data message which is admissible under section 8 of the Act. However, the data message must comply with authenticity requirements under section 7 of that Act. Since the websites from which annexure “XH1” to the affidavit in rebuttal was generated is clearly indicated on the document as http://en.wikipedia.org/wiki/Hong_kong, I believe one could easily access the same to verify the information, which in my opinion, is even common knowledge. I find that this annexure passes the test for authenticating data messages and I rule that it will be admitted and relied upon.

As regards the documents attached to the affidavit in reply as “C1”, “C2”, and “D2” which is written in Chinese and the English translation attached as “C” and “D”, they relate to activities of a Government department that need to be authenticated by that department. The website from which it was obtained was not even stated in the affidavit or indicated on the document itself. I would therefore be reluctant to admit such a document and rely upon it. In the circumstances, I find that their authenticity is doubted as the respondent has not discharged the burden of proving its authenticity under section 8 (2) of the Electronic Transactions Act, 2011. I accordingly rule that they are not admissible and this court will not rely on them.

On locus standi of the applicant, I am inclined to agree with counsel for the applicant that the applicant is an aggrieved person who can bring an application under sections 45 and 46 of the Trademarks Act, 2010. The applicant demonstrated that it is the registered owner of TECNO trademark in Hong Kong and it manufactures and deals in TECNO phones in Hong Kong, China and Uganda where it has been supplying TECNO phones prior to the registration of TECNO mark in Uganda by the respondent. I find and rule that it is an aggrieved person.

Having disposed of the above preliminary issues, I now turn to consider the main issues that were raised by counsel for the applicant. The first issue which I will deal with is whether the respondent’s mark can be removed from the register of trademarks in Uganda upon proof of prior registration in a country or place of origin of the goods. Section 45(1) of the Trademarks Act, 2010 under which this application was brought provides that:-

“Subject to subsection (3), the court may, on application in writing within seven years from the registration in Uganda of a trademark relating to goods by a person aggrieved by registration, remove that trademark from the register if it is proved to the satisfaction of the court that the trademark is identical with or

nearly resembles a trademark which was, prior to the registration in Uganda of the trademark, registered in respect of-

(a) The same goods;

(a) The same description of goods; or

(b) Services or a description of services which are associated with those goods or goods of that description,

in a country or place from which the goods originate”.

It was submitted for the applicant at length that it is the owner of a trademark that was registered in Hong Kong, China in 2005 under registration No. 300505773 in respect of goods in class 9. An original copy of the certificate was tendered in court to prove this. The main issue of contention between the parties is whether Hong Kong and China are one and the same country for purposes of trademark issues.

I wish to note that it is not in dispute that Hong Kong is a Special Administrative Region of China. The certificate of registration of the trademark TECNO tendered in court shows that the mark was registered under the Trademarks Ordinance (Chapter 559) of the Laws of Hong Kong Special Administrative Region. This implies that trademarks in Hong Kong are regulated by a separate law from that of China mainland. Counsel for the applicant did not address court on whether or not registration of a trademark in Hong Kong automatically accords it protection in China mainland such that there would be no need to register the same there. I will however, be guided by the submission by the respondent based on the information obtained from the internet, that Hong Kong enjoys autonomy from China in all matters except foreign relations and military.

Counsel for the applicant argued that since this application, where reciprocity between China and Uganda is being considered is a foreign relations matter, then China and Hong Kong are one for that purpose. I wish to point out that this application is not purely a reciprocity matter which is just one aspect of what needs to be proved under section 45. Under that section, the applicant must first prove that the trademark sought to be removed from the register, “*is identical with or nearly resembles a trademark which was, prior to the registration in Uganda of the trademark, registered in respect of: - the same goods; the same description of goods; or services orin a country or place from which the goods originate”.*

From the submissions of both counsels and my own analysis, the crux of the matter here is the country or place from which the TECNO phones that the applicant manufactures and its agent in Uganda sells originate. Other matters like identity or resemblance of the marks, similarity of the goods and even registration of the mark in Hong Kong appear not to be as contentious and I would pronounce myself on them at this point that the applicant has indeed adduced enough evidence to prove them. The original certificate of registration of the TECNO mark in Hong

Kong is on record and it confirms that it was in respect of goods in class 9 that include mobile telephones. It was also confirmed by the respondent that it registered the same mark in Uganda in respect of goods in class 9. For that reason, I find and rule that the trademarks are identical and are in respect of the same goods.

I am also inclined to believe the submission of counsel for the applicant that for purposes of reciprocity, China and Hong Kong are the same because it is a foreign relations matter. I have had the benefit of looking at the **Trademarks Ordinance (Chapter 559)** of Hong Kong and I found that under section 2 which is the interpretation clause, "Paris Convention" is defined to mean "the Convention for the Protection of Industrial Property signed at Paris on 20 March 1883, as revised or amended from time to time".

"Paris Convention country" is also defined to mean:-

(a) *"Any country for the time being specified in Schedule 1 as being a country which has acceded to the Paris Convention.*

(b) *Any territory or area subject to the authority or under the sovereignty of any country referred to in paragraph (a), or any territory or area administered by any such country, on behalf of which such country has acceded to the Paris Convention".*

Hong Kong as Special Administrative Region of China falls under part (b) and for that matter, since China is a member state and signatory to the Paris Convention on Protection of Industrial Properties 1883 on its own behalf and on behalf of Hong Kong its Special Administrative Region; I find that Hong Kong through China accords Ugandan goods and services similar treatment.

This court was invited to find that China and Hong Kong are two different countries for the purpose of this application. Having found as I did above on foreign relations matters, I now find it very difficult and quite ridiculous to again try to separate Hong Kong from China for purposes of determining whether it is China or Hong Kong which is the country or place of origin of the TECNO phones being sold by the applicant's agent in the Ugandan market. I will not even attempt to do so as it would be self defeating. In the circumstances, I instead find and rule that China and Hong Kong are the same for purposes of determining this application.

Consequently, in conclusion on the first main issue, I am satisfied that the applicant has met all the conditions under section 45 for removal of the trademark TECNO from the register of trademarks in Uganda and I order that the said trademark be removed accordingly.

In view of the above findings and order, it would not really be necessary to consider the second issue but just in case I misdirected myself on the first issue which I doubt, I will go ahead and consider the second issue, that is, whether the respondent's mark can be removed from the

register for non-use. Counsel for the applicant made a lengthy submission on this issue but unfortunately it was never meaningfully addressed by counsel for the respondent.

Section 46 of the Trademarks Act, 2010 provides for removal of a trademark from the register on the ground of non-use. Under subsection (1) (a) a trademark can be removed from the register if the applicant who is an aggrieved person proves that the mark was registered without a bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or her/it and that there has in fact been no bona-fide use of the mark in relations to those goods or services by the owner up to the date one month before the date of the application.

Similarly, the trademark can be removed under subsection (1) (b) if it is proved that at least one month prior to the date of the application, a continuous period of three years or more elapsed during which the trademark was a registered trademark and during which there was no bona-fide use in relation to those goods or services by any owner.

From the evidence of the respondent's Managing Director as contained in his affidavit in reply, the respondent has been importing unlabelled mobile phones from China and labeling them with the mark TECNO and selling to the public. Counsel for the applicant condemned this act as being illegal and called it counterfeiting, plagiarism and passing off. He contended that, that was not the bona-fide use anticipated under section 46 but rather an illegality which once brought to the attention of the court overrides all questions of pleadings. He cited the case of ***Makula International Ltd*** (supra) and a number of other authorities to buttress his argument.

I found very instructive the decision in the case of ***Blue Bell, Inc v Farah Mfg. Co.***, (supra) where the facts were more or less similar to this one. The court in that case stated that:-

“While goods may be identified by more than one trademark, the use of each mark must be bona-fide. Mere adoption of a mark without bona-fide use, in an attempt to reserve it for the future, will not create trademark rights. In the instant case, Bell's attachment of a secondary label to an older line of goods manifests a bad faith attempt to preserve the mark. We cannot countenance such activities as a valid use in trade”.

As stated in Harlsbury's ***Laws of England*** (supra), there is bona-fide/genuine use of a trademark where it is used in accordance with its essential function, which is to guaranty the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services.

I completely agree with the submission of counsel for the applicant that what the respondent has been engaging in cannot be said to be bona-fide or genuine use of the trademark. Rather, it is a mere adoption of a mark and out rightly using it for illegal purposes. This court cannot sanction

that illegality as bona-fide use. Internationally there are efforts geared towards protecting intellectual property rights through fighting illicit trades such as counterfeiting and piracy because they are costly to the economy. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994) to which Uganda is a signatory is part of the concerted global effort in fighting illicit trade. Courts of law have a role to play in this effort and it should be the last to condone infringement of intellectual property rights.

In the case of **Regina v Johnstone** (supra) **Lord Nicholls of Birkenhead** made the following observations on counterfeit goods:-

“Counterfeit goods and pirated goods are big business. They account for 5% and 7% of world trade. They are estimated to cost the economy of this country some £ 9 billion each year...”

Black’s Law Dictionary 17th Edition defines counterfeit as; *“To forge, copy or imitate (something) without a right to do so and with the purpose of deceiving or defrauding”*. It adds that; *“Literally a counterfeit is an imitation intended to pass for an original. Hence it is spurious or false, and to counterfeit is to make false”*.

None of the importation documents attached to the affidavit in reply showed that the respondent was importing TECNO phones but talked of mobile phones generally. It is those unlabelled phones that were being marked by the respondent with TECNO mark and sold to the unsuspecting members of the public. In effect, the respondent has been counterfeiting TECNO phones and passing them off as genuine TECNO products. Passing off is defined under section 1 of the Trademarks Act, 2010 as; *“falsely representing one’s own product as that of another in an attempt to deceive potential buyers”*.

What the respondent has been engaging in is an offence under section 77(c) of the Trademarks Act 2010. That section provides that:-

“A person who intentionally sells goods, exposes goods for sale, has goods in his or her possession for the purpose of trade or manufacture, imports goods into Uganda for the purpose of trade or manufacture or exports goods for purposes of trade or manufacture, knowing that or reckless whether or not

(a).....;

(b).....;

(c) a registered trademark is falsely applied to them or in relation to them;

commits an offence and is liable on conviction to a fine not exceeding forty eight currency points or imprisonment not exceeding two years or both”.

The applicant submitted at length that the respondent was neither a manufacturer, nor an agent nor a genuine dealer in TECNO products and as such registration of that trademark was without a bona-fide intention to use the same in relation to those goods or services. The respondent never rebutted this allegation at all despite the chance it had to do so. It was instead contended that the respondent as the registered owner of TECNO mark was using it in the manner stated above and therefore it should be protected by court. Surely, should court allow the respondent to benefit from its act of illegality as it continues using the trademark in a manner that clearly cannot be said to be bona-fide use?

My answer would be NO because the facts and circumstances of this case show that the use of this trademark by the respondent is not warranted in the economic sector because there is no particular goods it protects and maintains or creates a share in the market for in Uganda.

In the circumstances, I am satisfied that the trademark TECNO was registered by the respondent without a bona-fide intention to use the same and indeed there has never been any bona-fide use of it since it was registered in 2008.

In the result, I order that the trademark TECNO registered by the respondent as No. 31786 in 2008 be removed from the register of trademarks in Uganda for non-use with immediate effect in accordance with section 46 of the Trademarks Act, 2010.

In view of my finding that the respondent's act is illegal as it contravenes the provisions of the Trademarks Act, 2010, I direct that this matter be referred to the relevant authorities for investigation and further management.

Costs of this application are awarded to the applicant.

I so order.

Dated this 29th day of November 2011.

Hellen Obura

JUDGE

Ruling delivered in chambers in the presence of Mr. Richard Nsubuga for the applicant and Mr. Richard Adubango for the respondent. Officials of both parties were absent.

JUDGE

29/11/11