

IN THE HIGH COURT OF TANZANIA
(COMMERCIAL DIVISION)
AT DAR ES SALAAM

COMMERCIAL CASE NO. 21 OF 2008

MANENO ISMAIL AND TUQIANG
T/A LITAN TRADING CO..... PLAINTIFF
VERSUS
WANG YONG QIANG..... DEFENDANT

J U G D M E N T

MRUMA, J

The Plaintiffs Maneno Ismail and Tu Qiang are partners who are carrying on their business in the name of Litan Trading Co. The name Litan Trading Co. is registered under the Business Names Registration Act [cap 213 RE 2002]. Their main business is importation into the country and selling porcelain and flasks in the name of Red sun. Apparently Maneno Ismail is a Tanzanian while Tu Qiang is a Chinese. It is alleged in the plaint that the plaintiffs are registered owner and proprietor of a trade Mark **Red sun** in class 21 registered under No.32135 on 25th June 2007.

The Plaintiff complaints against the defendant Wang Yong Qiang, a Chinese businessman who works in Dar-es-Salaam is that the defendant has unlawful and without justifiable cause infringed the plaintiff's trade mark by importing porcelain, flasks and like goods

in the country and selling the same in the name of **Red Sun** while knowing that the mark is identical to or similar to the registered mark belonging to the plaintiff.

The defendant apart from questioning the legal existence of the plaintiff as averred under paragraph 1 of the plaint, denies all allegations that he has unlawfully infringed the plaintiff's trade mark.

He states under paragraph 5 of his Written Statement of defence that he is the only agent appointed by the Company Dong Yang Shi Red sun Heat Preservation Vessel Co. Ltd, a registered company in China producing products with **Red Sun brand**. He avers further that the Red Sun brand was registered (In China) by the same Company and given a certificate of registration No. 1283105 of which the registered user has the right over the brand from 14th June 1999 to 15th June 2009.

At the beginning of the trial the following issues were framed by the parties and adopted by the court: The issues are:

- 1. Whether or not the registration of the trade mark in the dispute by the Plaintiff is legal and effectual.*
- 2. Whether or not the brand name registered, is also registered in China.*

3. *Whether a trade mark registered outside Tanzanian can be used in Tanzania.*
4. *Whether or not the defendant is an agent of a Chinese Company known as **Dong Yangsh Redsun Company** which is the producer of the product with **Resun brand**.*
5. *Whether or not the defendant was using the trade mark in dispute before it was formally registered in Tanzania by the plaintiff.*
6. *Whether or not the plaintiff was aware of the previous use of the said trade mark by the defendant in Tanzania.*
7. *What is the nature and the status of the plaintiff.*
8. *To what reliefs are the parties entitled.*

Each party called (1) one witness to build its case.

For the Plaintiff's case, Tu Qiang (PW1), a partner in Litan Trading Company testified and produced in evidence a number of exhibits, while for the defendant Wang Young Qiang (DW1) gave his testimony and like PW1 he also produced in evidence several exhibits.

Tu Qiang (PW1) testified as to how he was involved in the registration of the trade mark **Red Sun** in Tanzania. He told the court that together with his partner one Maneno Ismail they run a business which is registered in the name of Litan Trading Company. He said that their Company is dealing with the importation and selling of house hold items from China. Among the items the Company imports from China are porcelain and flasks traded in the name of **Red Sun**. He said that in order to protect their business, they registered the trade mark **Red Sun**. The trade mark was registered with the Registrar of Trade and service mark in Tanzania on 25th June 2007.

In the course of doing his business he realized that the Defendant who was his neighbor in their business premises were also dealing with products bearing **Red Sun** trade mark. He complained to him because some of the merchandise which the defendant was importing and selling in the market with a **Red Sun** trade mark were of sub standard. He said that what actually the defendant did is to imitate the plaintiff's mark for the purposes of passing off in the market other goods of similar description.

He wrote to the Fair Competition Commission (FCC) and BRELA to complain about unfair competition and infringement of his trade mark and copied all those letters to the defendant but the

defendant did not formally respond instead he said (verbally?) that Red Sun was a trade mark registered in China and he was the agent of the proprietor of that trade mark who was also in China.

PW1 tendered in evidence three (3) exhibits.

Exhibit P1 is a certificate of registration of a trade mark. The certificate (exh.P1) shows that trade mark **Red Sun** was registered in the name of Maneno Ismail and TU Qiang T/a Litan Trading Co of P.O. box 10527, Dar-es-Salaam. The mark is in class 21 and it was registered under No.32135 as of 25th day of June 2007 in respect of porcelain and flasks and all goods included in class 21. The certificate was sealed at the direction of the Registrar on 29th day of February 2008.

Exhibit P2 is a certificate of registration issued under the Business Names (Registration Ordinance [cap 213], which shows that Litan Trading Co was registered on 3rd June 2004.

Exhibit P3 is a certificate of incorporation of Litan Trading Company Limited. According to this certificate Litan Trading Company Limited was incorporated under the Companies Act 2002 as a Limited Liability Company on 22nd August 2008.

PW1 was thoroughly cross-examined by Mr. Maige, learned counsel for the defendant. He said that Litan Trading Company is

a partnership undertaking. He mentioned the other partner as Maneno Ismail. He said that he applied for the registration of trade mark Red Sun sometimes in December 2006. The trade was duly registered and they were issued with a certificate. However, they discovered that the certificate issued had a typographical error so they returned it to the Registrar for corrections. The second certificate was issued on 11.10.2007. Unfortunately this certificate too had some typographical error and was returned to the Registrar. The last certificate (which was correct) was issued on 25.6.2007. When he was referred to exh. PIII, PW1 told the court that the certificate was issued on 2.8.2008, some five (5) months after the institution of this matter in court.

When asked whether he knows the meaning of the term **Red Sun**, PW1 told the court that he does not know what the word **Red Sun** represents but according to his knowledge Red Sun products are produced in China by a company called World Best Limited.

He told the court that he knows a company called Dong Yangsh Red sun heat Preservation Vessel Company Limited. He said that it is a small company among many other small companies in China which use the name **Red Sun**. He actually conceded that many_of the Chinese products use the name **Red Sun**. He said that apart from being a registered owner of a trade mark **Red**

Sun, he has no any other relationship with the manufacturer thereof.

In his defence, the defendant Wang Yong Qiang, (DW1) told the court that he has been doing business in Tanzania for several years now. He said that at first he was doing business through his company called Fu Jian Wu YI Co. Ltd. Later on (in 2008) he established another company called F.J.Kailida Co.Ltd through which he is doing his business todate. His businesses are along Agrey Street Block 54 Plot No.86 in Kariakoo area. His businesses are in rented premises, shop No.1 in that house. He said that he deals with Merchandise particularly thermoses and other house hold items imported from Thailand though manufactured in China. He told the court that PW1 is his neighbour because he occupy shop No.2 in the same premises where himself occupies shop No.1. He said that he had known the plaintiff (PW1) since 2003.

Regarding products with the mark **Red Sun**, DW1 testified that he is the agent of Red Sun products in Tanzania. He said that the owner of **Red Sun**, products is a Chinese Company called **Red Sun** Company of China and the trade mark **Red Sun** is registered in China. According to him Red Sun trade mark was registered in China in the year 1998, and that he is the only agent of Red sun in Tanzania. He tendered in evidence a certificate of registration No.1283105 (both in Chinese and English translated version).

According to exhibit D1, the registered user of Red sun in China is Dongyang City Dadi Porcelain Enamel Manufactory of Wuling Village, Luushi Town, Dong Yang City Zhejiang Province. The English translation was approved by the National Kiswahili Council of Tanzania. DW1 tendered in evidence an English version of authorization Book (exh.D2) which shows that Wang Yong Qiang is authorized to act as a general agent in Tanzania and is responsible for the sale of Red sun brand products made by Red Sun and that Red sun company is not allowed to distribute its products to other clients in Tanzania.

The Defendant also tendered a letter (exhibit D3) from Dong Yangshi Red sun Heat Preservation Vessel Co, Ltd dated 21st February 2008 addressed to the Director General of the Fair competition Commission of Tanzania to the effect that Wang Yong Qiang is a general agent and the only one in Tanzania who takes the responsibility of selling Red sun brand products produced by Red sun Company.

Finally DW1 tendered an English translated version of a power of attorney (the original of which was in Chinese) exh.D4. He told the court that his application for registration of the trade mark was refused by the Registrar on the ground that another person had already registered the same trade mark.

Both Counsel made final submissions. I must mention herein my deep sense of appreciation for both counsel for their sensational submissions.

The 1st issue is whether or not the registration of the trade mark in dispute by the Plaintiff is legal and effectual.

From the evidence on record the trade mark RED SUN was registered in the register in the name of Maneno Ismail and TU Qiang T/a Litan Trading Co. of P.O. box 10527, Dar-es-Salaam (exh.P1). The registration was done on 25th June 2007 and it was sealed at the direction of the Deputy Registrar on 29th February 2008. The Plaintiff was issued with a certificate of registration pursuant to the provisions of section 28(2) of the Trade and Service Marks Act and regulation 50 of the Trade and Service Marks Regulations [cap 326 RE 2002].

It is submitted for the defendant that the registration of the said trade Mark by the Plaintiff was invalid because it was made in bad faith to wit, it was registered with the view to preventing the defendant to trade on goods branded RED SUN.

The validity of the registration of the said trade mark is also challenged on the ground that there is no evidence that there exist a partnership between Maneno and that TU Qiang and TU has not established any relationship with Litan trading Co.

I will start with the issue of existence of a partnership. From the evidence of PW1 it is apparent that there is/was a partnership between TU Qiang and one Maneno Ismail. Litan Trading Co, which was registered under the Business Names (Registration) Ordinance cap 213 do exist, this can be gathered from the contents of exhibit P1 and P2. While there is no law which requires that the names of partners should appear in the certificate of registration of a business name (exh.P2), the Registrar of Trade and Service Marks found it prudent (and I think rightly so) to display the names of partners in the certificate of registration of the trade mark (exh.P1).The names displayed are that of TU Qiang and Maneno Ismail. In my view, there can be no doubt that Litan Trading Co. do exist because there is no evidence that it had been deregistered.

To me the partnership do continue to exist with the partners registered thereat, be it Maneno Ismail and TU Qiang or TU Qiang and whoever was registered there. If Maneno Ismail is not registered as one of the partners and he, or anybody else feels that he has been conned by TU Qiang, he is free to pursue his rights through the proper channel and in terms of section 112 of the Evidence Act [cap 6 RE 2002], the burden is on him to prove that Maneno Ismail is not registered as a partner therefore the partnership does not exist. That burden has not been discharged in this case.

Regarding the allegation that the registration was done purposeful to deny the defendant an opportunity to trade in goods with a brand RED SUN, I find it to be a bit awkward because no evidence was led to that effect. The defendant testified in his testimony that he started using goods with a trade mark RED SUN way back in 2003 whereas the plaintiff started to use it sometimes in 2007. The defendant did not tell the court why he did not register the said trade Mark four (4) years ahead of the plaintiff. In the circumstance his attempt to register it by using "**a power of attorney**" obtained on 21st February 2008 one month after the institution of this case which was refused by the Registrar of Trade and Service Marks on the ground that the trade mark had already been registered by another person could be interpreted to have been intended to deny the plaintiff opportunity to trade in goods with trade mark sun.

Though registration of trade mark is not a mandatory requirement of the law, but registration of a mark gives exclusive right to the applicant (ie registered user) of that mark. A person using unregistered mark can be sued for infringement of a registered mark.

Acquisition of the exclusive right over a registered mark is provided for under Section 14(1) of the Trade and Service Marks Act [cap 326 RE 2002] which provides that:

"The exclusive right to use of a trade or service mark as defined in Section 32 shall be acquired by registration in accordance with the provision of this Act."

From the above analysis of the evidence and the law, I would answer the 1st Issue in the affirmative. That is to say the registration of the trade mark in dispute by the plaintiff was legal and is effective.

The second Issue is about registration of the mark RED SUN in China. This Issue should not detain us much. The defendant tendered in evidence Certificate of Registration for Trade Mark No.1283105 – Trade Mark RED SUN (exh.D1). According to this exhibit the registered user of the said trade mark is Dongyang City Dadi Porcelain Enamel Manufactory of Wuliang village, Liushi Town Dongyang Zhejiang Province. Exhibit D1 does not show the address of the authority or the name of that authority which issued it. It is known that the Trade Mark office under the State Administration for Industry & Commerce is in charge of the registration and administration of trade marks nation wide in China. There is nothing in exhibit D1 suggesting that it is a document issued by China Trade Mark office (CTMO) or any other authority whatsoever. It is posted in the website of the China Trade Mark office (CTMO) – www.ctmo.gov.cn, that the CTMO is only authority which is responsible for among other issues

registering of trade marks. In absence of any other evidence to the contrary, and in absence of explanation and/or even a suggestion of to which authority issued exhibit D1, I am inclined to go with the plaintiffs submission that there is no evidence that RED SUN is a trade mark registered in China. The second issue is therefore answered in the negative. But even if it was established that the mark was also registered in China, that alone would have no impact on the registration done in Tanzania since trade mark is territorial, and this answers the 3rd issue whether a trade mark registered outside Tanzania can be used in Tanzania.

The 4th issue is whether or not the defendant is an agent of a Chinese Company Dong Yangsh Red Sun Company Limited, the producer of Red Sun brand.

An agent in Commercial law is a person who is authorized to act on behalf of another, called the principal to create legal relationship with a third party. Section 134 of the law of Contract Act [cap 345 RE 2002] defines an agent as follows:

"An agent is a person employed to do any act for another or to represent another in dealings with third persons and the person for whom such act is done or who is so represented is called the principal."

From the above quoted provision of the law, for one to establish that he is an agent of another, he must prove the following:

- i. that he is employed by that other person to do an act or represent him in dealings with a third party.
- ii. That that other person (ie the principal) do exist.

In the case at hand, the defendant produced exhibit D2, which is an authorization book. The authorization book authorizes him to act as a general agent. A general agent is an agent authorized to transact every kind of business for the principal. The authorization is stamped by Dong Yangshi RED SUN Heat Preservation Vessel Co., Ltd. However, I note that the registered user of the trade mark **RED SUN** (If we take it that it is properly registered) in China is Dong yang City Dadi Porcelain Enamel Manufactory (exh.D1) but the authorization letter (exh.D2) belongs to Dongyangshi REDSUN Heat Preservation Vessel Co. Ltd. The defendant did not clarify this contradiction in his evidence in chief. However, in re-examination, he said that Dongyang Dadi Porcelain Enemal Manufactory is a plant of a big Red sun company. On my part I don't think if the issue is who owns who between Dongyang City Dadi Porcelain Enamel Manufactory and Dongyangshi RED SUN Heat Preservation Vessel Co., Ltd, but who is the registered owner/user of the trade mark **RED SUN** in China. If we are to assume that the trade mark is

registered in China. This is important because in my view, it is only the registered owner/user who can authorize another person to use or deal with its registered trade mark. In the present case because presumably the registered user is Dongyang City Dadi Porcelain Enamel Manufactory, Dongyangshi RED SUN Heat Preservation Vessel Co Ltd cannot authorize the defendant to use the said trade mark, therefore the plaintiff cannot claim to be an agent of Dongyangshi RES DUN Heat Preservation Vessel Co. Ltd for purposes of the trade mark RED SUN because the trade mark does not belong to them.

The 5th issue is whether or not the defendant was using the trade mark Red Sun before it was formally registered by the plaintiff. In his testimony DW1 told the court that he imports and sales merchandise including Red Sun products from Thailand and that he has been doing that business in Tanzania since 2003. He did not bother to produce in evidence any documentary evidence for instance import and or shipping documents, invoices, delivery notices and/or receipts which would establish that he was dealing with the Red Sun brand before it was formally registered by the Plaintiff. It is my view that mere assertions affords no proof of the fact alleged. These findings also cover issue No.6 which is whether the plaintiff was aware of the previous use of the said trade mark by the defendant. I would therefore resolve both issues in the negative.

I have already answered the 7th issue that the plaintiff is a partnership with two partners, Maneno Ismail and TU Qiang and that there is no evidence to prove otherwise.

Regarding reliefs, the plaintiff is requesting for an order for perpetual injunction restraining the defendant, his agents, and servants from importing and/or selling in Tanzania porcelain, vacuum flasks and the like goods in a mark similar or identical to the plaintiff's registered mark. I think he is entitled to that. It has been established that the plaintiff is a registered user of a mark RED SUN in Tanzania.

Under the provisions of Sections 14 (1) and 31 of the Trade and Service Marks Act, he has exclusive right to the use of a mark in this Country.

Under the provisions of section 31 of the Act, the registration of a trade mark gives the registered proprietor the exclusive right to the use of a mark in relation to any goods including sale, importation and offer for sale or importation. That being the law therefore I order that the defendant be restrained from importing and/or selling in Tanzania goods in a mark similar or identical to the Plaintiff's registered mark.

The Plaintiff is also requesting this court to order the defendant to declare and account for the sales made under RED SUN trade

mark which is the property of the plaintiff. I find this to be a queer request. The plaintiff did not specify in his prayer (under this title), the period under which he would like the court to order the defendant to account for the sales made under the disputed mark. He acquired proprietorship of the mark on 25th June 2007 upon registration and about nine (9) months later he instituted this suit. Does he want the court to order a declaration of sales during the pendency of the suit or immediately before or after institution of the suit?

Secondly, there is no evidence whatsoever touching the sales (if any) of the goods with the mark RED SUN by the defendant. If the plaintiff had wanted to succeed in this respect he was required to bring evidence to establish that the defendant was actually selling goods bearing his trade mark or at least similar or identical to his trade mark. That evidence is lacking. I therefore decline to grant the prayer under paragraph (II) of the plaint.

Regarding damages, there is no evidence tendered or adduced of a causal connection between the monetary harm suffered by the plaintiff and the defendant's wrongful conduct. In this regard monetary remedy is, or should be in my view, a matter for the court's equitable discretion. Thus, the general rule in trade mark litigation should be that, when infringement is entirely innocent and no actual harm to the plaintiff is proved, an injunction should suffice and monetary damages should not be awarded. In other

words monetary damages should not be granted as a matter of right.

In the instant case there is no showing of wrongful intent on the part of infringer and no actual harm to the plaintiff has been proved, therefore the plaintiff cannot succeed in his prayer for damages.

In upshot therefore, I enter judgment for the Plaintiff and order that the defendant be restrained from importing and/or selling in Tanzania goods in a mark similar or identical to the plaintiff's registered trade mark RED SUN. The plaintiff will have his costs of the case.

Order accordingly.

A.R.MRUMA

JUDGE

13/11/2009

Date 13.11.2009

Coram: Hon. A.R.Mruma, Judge.

For the Plaintiff – Mr. Kitare for the Plaintiff.

For the Defendant – Mr. Maige for the Defendants.

CC: R.Mtey.

COURT: Judgment delivered.

A.R.MRUMA

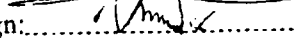
JUDGE

13/11/2009

4,593 – Words

Jd.

I Certify that this is a true and correct
of the original/order Judgment Rulling

Sign:.....

Registrar, Commercial Court. DSM.

Date:.....