

**IN THE HIGH COURT OF THE UNITED REPUBLIC OF TANZANIA**

**(COMMERCIAL DIVISION)**

**AT DAR ES SALAAM**

**COMMERCIAL CASE NO. 132 OF 2018**

**BETWEEN**

**KENAFRIC INDUSTRIES LIMITED ..... PLAINTIFF**

**Versus**

**LAKAIRO INDUSTRIES GROUP CO. LTD ..... 1<sup>st</sup> DEFENDANT**

**LAKAIRO INVESTMENTS CO. LTD .....2<sup>nd</sup> DEFENDANT**

**LAMECK OKAMBO AIRO .....3<sup>rd</sup> DEFENDANT**

**REGISTRAR OF TRADE AND SERVICE MARKS .....4<sup>th</sup> DEFENDANT**

**ATTORNEY GENERAL .....5<sup>th</sup> DEFENDANT**

**Date of last order: 22<sup>nd</sup> March, 2022**

**Date of Judgment: 30<sup>th</sup> May, 2022**

**JUDGMENT**

**MKEHA, J.**

The Plaintiff, Kenafric Industries Limited, a limited liability company incorporated in accordance with the laws of Kenya, through legal services of Breakthrough Attorneys, preferred this suit claiming against Lakairo

Industries Group Co. Ltd (the 1<sup>st</sup> Defendant), Lakairo Investments Co. Ltd (the 2<sup>nd</sup> Defendant), limited liability companies registered in accordance with the laws of Tanzania, Lameck Okamba Airo, a natural person (the 3<sup>rd</sup> Defendant), the Registrar of Trade and Service Marks (the 4<sup>th</sup> Defendant) and the Attorney General (the 5<sup>th</sup> Defendant) for declaratory orders that, she is the rightful owner of the trademarks **"Pipi Kifua"**, **"Special Veve"** and **"Orange Drops"**. The Plaintiff claims that, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have passed off the products in respect of which she has registered marks and further that, the defendants have infringed the proprietary trademarks in respect of the same products. As a result, apart from the declaratory orders, the Plaintiff prays for an order directing the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants to cease and desist from infringing her marks, an order for expungement of the infringing marks from the Register of Trade and Service Marks, an order directing the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants to withdraw from the market and destroy on oath the existing products, packages and branding materials in the names of **"Pipi Kifua"**, **"Special Veve"** and **"Orange Drops"**, an order for payment of TZS 3,971,392,942 being special damages for loss of business in the confectionery market of

Tanzania, an order for payment of general damages at the discretion of the court and an order for costs.

Whereas Ms. Ernestilla Bahati learned advocate represented the Plaintiff, Mr. Ibrahim Shineni and Mr. Jovin Ndungi learned advocates represented the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants. On the other hand, Ms. Careen Masonda learned State Attorney represented the 4<sup>th</sup> and 5<sup>th</sup> Defendants.

Through their Written Statements of Defence, all the Defendants denied the Plaintiff's claims. At the Final Pre Trial Conference, the following issues were framed for determination by this court:

- (1) Whether the Defendants infringed on the Plaintiff's trademark rights;
- (2) Whether the Defendants passed off any of the Plaintiff's goods;
- (3) Whether there existed a distributorship agreement between the parties;
- (4) Whether the Plaintiff suffered damages and to what extent and
- (5) To what reliefs are the parties entitled.

To prove her case, the Plaintiff brought three (3) witnesses. Mr. STEPHEN ODOUR OBARE appeared as the first witness for the Plaintiff's case. He worked for the Plaintiff Company as an Assistant Export Manager at a time

relevant to this case. He testified that, the Plaintiff Company, since its incorporation, was dealing with manufacturing of among other things, sweets and bubble gums. He stated that, the Plaintiff was the proprietor of trademarks known as **"Special Veve"** for bubble gums, **"Orange Drops"** for hard boiled sweets and **"Pipi Kifua"** for sweets.

PW1 continued to testify that on 25<sup>th</sup> November, 2017 the Plaintiff made an application to the African Regional Intellectual Property Organization (ARIPO) for registration of trademarks in respect of **"Orange Drops"** sweets and **"Special Veve"** bubble gums, an application which was granted on 18<sup>th</sup> February, 2019. He collectively tendered in court, ARIPO Journal dated 30<sup>th</sup> September 2018, Application for Registration of Trademark and Certificate of Registration of Trademarks for **"Orange Drops"** and **"Special Veve"** and the same were collectively admitted as **Exhibit P1**.

PW1 testified further that, the Plaintiff was also a registered proprietor of the trademark **"Pipi Kifua"** registered under the Trade and Service Marks Act, Cap. 326, since 5<sup>th</sup> January, 1999 and that, the said trademark had been renewed from time to time. He tendered a Certificate of Registration

for a trademark in the name of "**Pipi Kifua**" and the court admitted the Certificate as **Exhibit P2**.

PW1 further stated in his statement that, the Plaintiff's products were distributed for sale in East African Countries and among the largest distributors in Tanzania were the 1<sup>st</sup> and 2<sup>nd</sup> Defendants, Lakairo Industries Group Co. Ltd and Lakairo Investments Co. Ltd. He stated that, the Plaintiff had entered into a business relationship with the 2<sup>nd</sup> Defendant to distribute bubble gums under the name "**Special Veve**", hard boiled sweets under the name "**Orange Drops**" and sweets under the name "**Pipi Kifua**" and that, their business relationship went well until the year 2018 when the Plaintiff became aware of the Defendants' actions of infringing the Plaintiff's trademarks by producing goods that were similar to those of the Plaintiff and releasing them into the market while passing them off as having been manufactured by the Plaintiff. He stated that, the goods manufactured were similar to those of the Plaintiff in name and appearance and that the goods of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants were being sold at a lower price in comparison with those of the Plaintiff hence affecting the Plaintiff's market. To show similarity of the trademarks, PW1 tendered a Certificate of Registration of Trademarks for "Pipi Kifua" in

favour of the 3<sup>rd</sup> Defendant which was admitted as **Exhibit P3**. Packages and Labels for “**Super Veve**”, “**Special Veve**” as well as what the witness named as original “**Orange Drops**” and what he named as counterfeit “**Orange Drops**” were collectively admitted as **Exhibit P4**.

In his endeavour to prove the Plaintiff’s case, PW1 further tendered in court invoices evidencing the Plaintiff’s sales from 2014 to 2018 which the court admitted as **Exhibit P5**. The witness further tendered Demand Notices sent to the 1<sup>st</sup> Defendant, which were admitted as **Exhibit P6** and email correspondences between the Plaintiff and 2<sup>nd</sup> Defendant evidencing their business arrangements and the same were admitted as **Exhibit P7**. Again, PW1 tendered in court, Receipts for purchase of goods produced by the 1<sup>st</sup> Defendant and the court admitted them collectively as **Exhibit P8**.

In his further testimony, PW1 stated that sometimes in the year 2021 after this matter was already in court, the Plaintiff came to learn that the 3<sup>rd</sup> Defendant had obtained registration of the trademark “Pipi Kifua” from the 4<sup>th</sup> Defendant despite the Plaintiff having been issued with a Certificate of Registration in respect of the same product, to wit, “Pipi Kifua” by the 4<sup>th</sup> Defendant. The witness stated that, this was a matter of infringement and continued to state the particulars of infringement and passing off which will

be unveiled at a later stage of this judgment. He concluded that, the Defendants' actions of manufacturing products similar to those of the Plaintiff and passing them off as those of the Plaintiff had substantially caused loss and damage to the Plaintiff and that despite demands made by the Plaintiff for the Defendants to stop the acts, the Defendants refused to heed to the demands and it was for the alleged acts of the Defendants the Plaintiff prayed for the reliefs as indicated hereinabove.

During Cross Examination by Mr. Jovin Ndungi learned counsel for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants, PW1 told the court that Exhibit P3 is a certificate of registration of a Trademark for **Lakairo "Super Veve"** bubble gum and that both the Plaintiff and the 3<sup>rd</sup> Defendant had registration. He said that, on part of Lakairo's **"Super Veve"** there is the word LAKAIRO and the marks for the two companies are different, the similarity being on the word **"Veve"**.

When he was questioned regarding ARIPO Registration, PW1 told the court that, whereas KENAFRIC's registration was made by ARIPO on 18<sup>th</sup> February 2019, Lakairo's registration was made on 27<sup>th</sup> October, 2018 and that Lakairo's **"Super Veve"** preceded the Plaintiff's registration". He said

that, the word **"Veve"** had been used in both marks although it originated from the Plaintiff. In respect of the Trademark **"Pipi Kifua"** the witness told the court that, the Plaintiff's **"Pipi Kifua"** was registered on 05<sup>th</sup> January 1999 as "Ki Pipi Kifua" and that the Defendants' **"Pipi Kifua"** was registered as "LAKAIRO PIFI KIFUA" and what was disclaimed was the word LAKAIRO and DEVICES. He said that, the final consumer of the products could not differentiate the marks. Again, upon being cross examined by Ms. Lightness Msuya learned State Attorney for the 4<sup>th</sup> and 5<sup>th</sup> Defendants, PW1 told the court that, the Plaintiff was the first to register the Trademark for **"Pipi Kifua"** while the 3<sup>rd</sup> Defendant was the first to register the Trademark for **"Special Veve"**.

When he was re-examined by Ms. Ernestilla Bahati learned advocate, PW1 told the court that, the packages for the Plaintiff's products and those of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants were identical in terms of colours and almost everything. He further told the court that, the Plaintiff's **"Special Veve"** commenced having legal protection before the Defendant's **"Super Veve"**. He further said that, the Plaintiff's products were circulating in the market even before the Defendants registered their Trademark.



In further proof of her case, the Plaintiff brought one Mr. RAMADHANI JUMANNE RAMADHANI as the second witness (PW2). He stated through his witness statement that, he was a Sales Person working for Impact Marketing Limited, a company involved in sales and marketing of different goods supplied by the Plaintiff for sale within Dar es Salaam. He told the court that, he had been dealing with the Plaintiff's goods in the style of **"Special Veve"**, **"Pipi Kifua"** and **"Orange Drops"** since 2014. He further told the court that, in the year 2018 he became aware that there were introduced in the market goods in the name of **"Super Veve"**, **"Orange Drops"** and **"Pipi Kifua"** which were not belonging to the Plaintiff. He stated that, at first, there was a confusion regarding the actual company that produced the said products due to the fact that the packaging, general outlook of the goods and names of the new goods resembled with the Plaintiff's products. According to the witness, later on, it came to be known that the new goods were being produced by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants.

PW2 stated further that, as per feedback from the consumers, the goods produced by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants were of low quality and were being sold at a lower price. He stated that, while a box of the Plaintiff's **"Special**

**Veve**" containing 20 packets was being sold at TZS 29,000/=, the similar box of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants' **"Super Veve"** was being sold at TZS 27,000/=. He further stated that, the final consumers faced confusion to the extent of being reluctant to buy the Plaintiff's products believing that she had lowered quality of her products. He concluded by stating that, the Defendants' act of manufacturing similar products and packing them in the same design as that of the Plaintiff amounted to tainting the good will gained by the Plaintiff's products to the consumers.

When the witness was cross examined by Ms. Careen Masonda learned State Attorney for the 4<sup>th</sup> and 5<sup>th</sup> Defendants, he told the court that, he was not trained in intellectual property rights. The witness told the court that, he was able to differentiate products of the plaintiff from those of the 1<sup>st</sup> and 2<sup>nd</sup> defendants through the use of manufacturers' logos.

MR. MBARUKU RAJABU appeared as the third and last witness (PW3) for the Plaintiff's case. He stated through his witness statement that, he was one of the consumers of different goods manufactured by the Plaintiff. He stated that, he was a regular consumer of the Plaintiff's products namely, **"Super Veve"**, **"Orange Drops"** and **"Pipi Kifua"**. He stated further that, in the year 2018 it came to his knowledge that, there were other

products in circulation named as **"Super Veve"**, **"Orange Drops"** and **"Pipi Kifua"** which were being produced by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants. He stated that, he was surprised to find that the 1<sup>st</sup> and 2<sup>nd</sup> Defendants were manufacturing goods similar to those of the Plaintiff and selling them to consumers. He observed that, the goods produced by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants had the same packaging and outlook as those of the Plaintiff. He stated further that, the products produced by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants were of low quality compared to those manufactured by the Plaintiff. He stated that, he knew the Plaintiff's products because of the unique taste and quality. He further stated that, despite the fact that the 1<sup>st</sup> and 2<sup>nd</sup> Defendants' products were of low quality, he at times bought them for the sole reason of being cheaper. He concluded his testimony by stating that, given the similarity in the general outlook of the products manufactured by the Plaintiff and those manufactured by the 1<sup>st</sup> and 2<sup>nd</sup> Defendants, consumers aimed at purchasing original products from the Plaintiff would end up purchasing the Defendants' goods.

The defence case is built upon witness statements and testimonies of two witnesses. MR. LAMECK OKAMBO AIRO (DW1) appeared as the first witness for the Defendants. He stated through his witness statement that,

he was the Managing Director, founder and shareholder of both, the 1<sup>st</sup> and 2<sup>nd</sup> Defendants. At a time, relevant to this case, the witness, who is also the 3<sup>rd</sup> Defendant, managed both, corporate and business affairs of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants.

DW1 stated that, the 1<sup>st</sup> Defendant was the manufacturer of bubble gums and hard-boiled sweets branded as **"Super Veve, "Orange Drops" and "Pipi Kifua"**. He stated that, the 1<sup>st</sup> Defendant was a registered owner of LAKAIRO trademark for bubble gum products registered as TZ/T/2017/1407 in Class 30 effective from 27<sup>th</sup> July, 2017. He tendered in court Registration Certificates in respect of Trademarks **"Super Veve" and "Pipi Kifua"** which were admitted as **Exhibit D1** collectively.

DW1 further stated that, since the 24<sup>th</sup> August 2018, he became the registered owner of Trademark No. TZ/T/2018/1616 for hard boiled sweets branded as "Pipi Kifua". He stated that, the 2<sup>nd</sup> Defendant dealt in general trading and transportation of various goods. According to DW1, the 2<sup>nd</sup> Defendant was not in any way engaging itself in manufacturing business. The witness stated further that, to the best of his understanding, there was no similarity between the trademarks of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants and

those of the Plaintiff. He stated that, the products of the 1<sup>st</sup> Defendant had their own get up and design and had no any similarity with those of the Plaintiff. The witness further renounced presence of any distributorship agreement between the plaintiff and the 2<sup>nd</sup> Defendant. He stated that what the Plaintiff and the 2<sup>nd</sup> Defendant used to have was a normal purchase and sale agreement whereby, the 2<sup>nd</sup> Defendant used to buy from the Plaintiff various products which she afterwards sold for profit in Tanzania. He maintained that, at no point in time did the 2<sup>nd</sup> Defendant act as an agent for the Plaintiff.

DW1 made a conclusion that, neither did the Defendants infringe on the Plaintiff`s Trademarks nor did they pass off any of her products. According to DW1, all the products manufactured by the Plaintiff and the Defendants were in the confectionery industry and of generic nature to the extent that, no person could claim exclusivity in the market. He finally denied all the Plaintiff`s claims.

Upon being cross examined by Ms. Ernestilla Bahati learned advocate, DW1 told the court that, the business relationship between the parties could be traced to more than 10 years back, before he appeared testifying against

the plaintiff. He admitted that, he used to buy several commodities from the Plaintiff, **"Special Veve"** and **"Pipi Kifua"** inclusive. DW1 told the court that, the defendants started manufacturing **"Super Veve"** and **"Pipi Kifua"** in 2018 not by imitating the Plaintiff's commodities but because of his original idea. He further admitted that the defendants' products had almost similar names with those of the Plaintiff. He was however quick to add that, what was unique on part of the defendants' products was the name **Lakairo Veve / Super Veve**. He told the court that the Plaintiff's and 1<sup>st</sup> Defendant's products had similar red colour in their packages, the only difference being on their logos **"Super Veve"** and **"Special Veve"**. He also told the court that, similar colours were to be found on the packages used in packing the parties' sweets. The witness further admitted that, the way the name **Pipi Kifua** had been written on packages of the competing products was through the use of similar colours.

Upon being re examined by Mr. Jovin Ndungi learned counsel, DW1 told the court that, he made registration in respect of **"Special Veve"** and that he never infringed the Plaintiff's Trademark.

Ms. LOY MHANDO appeared in court as the second defence witness (DW2). She was by then the Principal Assistant Registrar at the Intellectual Property Division, responsible for registration and administration of Patents, Trade and Service Marks and other Intellectual Property matters.

DW2 stated that, basing on records available at the office of 4<sup>th</sup> Defendant, the 3<sup>rd</sup> Defendant appeared to be the registered owner of Trademark No. TZ/T/2018/1616 LAKAIRO Pipi Kifua in Class 30 in respect of hard boiled sweets since 24<sup>th</sup> August, 2018. He stated that, the said mark was registered on condition of disclaiming all words except the word "LAKAIRO" and devices. She stated further that, the words PIPI KIFUA were disclaimed for being descriptive for all goods falling under Class 30 of the Nice Classification under the Trade Marks Law.

DW2 stated further that, basing on the said records, the Plaintiff was the proprietor of Trademark No. **26501 (KI) Pipi Kifua** in Class 30 since 5<sup>th</sup> January, 1999 and that the Trademark was registered on condition of disclaiming the word "PIPI". According to her, the exclusivity was only granted for a logo with letters "KI". She insisted that, the words "Pipi

Kifua” could not be part of a mark for all goods falling under Class 30 of the International Nice Classification of Goods and Services.

DW2 stated also that, in terms of the official records, the 1<sup>st</sup> Defendant was the proprietor of Trademark No. TZ/T/2017/1407 **Special Veve** in Class 30 in respect of Bubble gums since 27<sup>th</sup> July, 2017. She added that, before granting registration of this Trademark, the 4<sup>th</sup> Defendant searched in the Registry and found no similar marks. The witness further told the court that, whereas the Plaintiff claimed to have filed applications **No. AP/M/2017/003153** and **AP/M/2017/003161** for **“Special Veve”** and **“Orange Drops”** at the ARIPO, which issued certificates of registration on 18<sup>th</sup> February 2019, the 4<sup>th</sup> defendant had no such knowledge.

DW2 stated further that, according to the Banjul Protocol, all Regional Applications through ARIPO route are received and transmitted to designated ARIPO member states for examination and that, after six months of receipt of the said applications, if there is no information from the member states, the application is treated as accepted. She then stated that, as far as **“Special Veve”** and **“Orange Drop”** were concerned, the



1<sup>st</sup> Defendant had priority over the Plaintiff since the 1<sup>st</sup> Defendant's Application was filed on 27<sup>th</sup> July, 2017 while the Plaintiff's was filed through ARIPO route on 25<sup>th</sup> October, 2017. According to her, the Plaintiff was the first in registering (KI) PIPI KIFUA with a condition of exclusivity of the letters "KI" and the associated Logo. She went on stating that, the 1<sup>st</sup> Defendant's Pipi Kifua was registered with a condition of exclusivity of the words LAKAIRO and the associated Logo. She was insistent that, the words "Pipi Kifua" in relation to goods falling under Class 30 of the Nice Classification were descriptive and could not be exclusively owned by any person in that class.

Upon being cross examined, DW2 told the court that, Tanzania was a signatory to the Banjul Protocol and a member to the ARIPO. According to the witness, there was in place, legal prohibition against marks having a possibility of confusing consumers. That marked the end of the defence case and the trial in general.

The Final Written Submissions filed by the learned counsel for the parties, where useful, will be considered in the course of determining the framed

issues. Analysis of evidence and determination of the framed issues is a task for which I hereunder embark on.

The first issue is, "whether the Defendants infringed on the Plaintiff's trademark rights". To respond to this issue, it is imperative to know what legally the term infringement of a trademark means or connotes. **Bryan A. Garner's Blacks Law Dictionary (10<sup>th</sup> Edition)** defines the phrase "trademark infringement" as the unauthorized use of a trademark or of a confusingly similar name, word, symbol or any combination of these in connection with the same or related goods or services and in a manner that is likely to cause confusion, deception or mistake about the source of the goods or services. In a book, **Intellectual Property Law by P. Narayanan (3<sup>rd</sup> Edition)**, it is stated at page 198 that **"a registered trademark will be infringed if the person in the course of trade, in relation to the same goods for which the mark is registered, uses without authority the same mark or a deceptively similar mark"**.

That being the position, it is paramount to consider whether the Plaintiff had a registered mark and if the answer is in the affirmative, whether the said registered mark was infringed by the Defendants. According to the evidence on record, it was the evidence of STEPHEN ODUR OBARE (PW1)

and LOY MHANDO (DW2) supported by **Exhibits P1 and P2** that the Plaintiff had the following registered Trademarks.

- (1) Trademark No. **AP/M/ 2017/003153 KI Special Veve** in Class 30 filed on 25<sup>th</sup> October 2017 and registered on 18<sup>th</sup> February, 2019 through African Regional Intellectual Property Organization (ARIPO);
- (2) Trademark No. **AP/M/ 2017/003161 KI Orange Drops** in Class 30 filed on 25<sup>th</sup> October 2017 and registered on 18<sup>th</sup> February, 2019 through African Regional Intellectual Property Organization (ARIPO); and
- (3) Trade Mark No. 26501 (**KI**) **Pipi Kifua** in Class 30 registered on 10<sup>th</sup> January, 1999 under the Trade and Service Marks Act, Cap. 326.

On the other hand, through testimonies of PW1 and DW2, it was not in dispute that the 1<sup>st</sup> Defendant was the registered owner of: Trademark No. **TZ/T/2017/1407 Special Veve in Class 30** in respect of Bubble Gums registered on 27<sup>th</sup> July, 2017. Again, there was no dispute that the 3<sup>rd</sup> Defendant was the registered owner of Trademark No. **TZ/T/2018/1616 LAKAIRO Pipi Kifua** and the associated logo in Class 30 registered on

24<sup>th</sup> August, 2018 in respect of hard boiled sweets which gave the proprietor exclusive right to the use of the words **LAKAIRO and devices**.

It was further not in dispute that the Plaintiff had been actively manufacturing and supplying products bearing the trademarks **KI Special Veve, KI Orange Drops** and **KI Pipi Kifua** and that, at various times the Plaintiff was in business relationship with the 2<sup>nd</sup> Defendant whereby, the latter used to buy the former's products which she afterwards sold on profit. According to DW1, the business relationship between the two lasted for more than ten years. That the Plaintiff was the first to engage in manufacturing and supplying the products in dispute is evidenced by Tax Invoices (**Exhibit P5**) and Email Correspondences (**Exhibit P7**). All these prove the fact that, there was a business relationship between the parties involving goods branded as **KI Special Veve, KI Orange Drops** and **KI Pipi Kifua** even before the 1<sup>st</sup> and 3<sup>rd</sup> Defendants registered Trademarks Nos. **TZ/T/2017/1407 Special Veve in Class 30** and **TZ/T/2018/1616 LAKAIRO Pipi Kifua** in years 2017 and 2018 respectively.

Narrowing to the details, it is clear that, the 1<sup>st</sup> and 3<sup>rd</sup> Defendants were quick to register in Tanzania under the Trade and Service Marks Act, Cap.

326, Trademark No. **TZ/T/2017/1407 Special Veve in Class 30** and that they did so knowing that there were products in the market branded as **KI Special Veve**, whose trademark was registered in favour of the Plaintiff by ARIPO with effect from 25<sup>th</sup> October 2017.

Registration of Trademark No. **TZ/T/2017/1407 Special Veve in Class 30**, as testified by DW2, preceded and in law therefore, deserves priority over Trademark No. **AP/M/ 2017/003153 KI Special Veve** in Class 30 filed on 25<sup>th</sup> October 2017 and registered on 18<sup>th</sup> February, 2019 through the African Regional Intellectual Property Organization (ARIPO). With this position, the Plaintiff cannot succeed on a claim of infringement in respect of this Trademark. However, the foregoing finding has nothing to do with passing off allegations. This other aspect is addressed in other parts of this judgment.

Regarding the Trademark in respect of "**Orange Drops**", there was no dispute that the Defendant had not registered Trademark in respect of the said product. The said position notwithstanding, there was ample evidence of presence in the market, of products manufactured and supplied by the 1<sup>st</sup> defendant, bearing the mark "**Orange Drops**". See: The testimony of

PW3 and Exhibit P8. I hold that, the use, by the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants of goods bearing the mark **"Orange Drops"** in the manner explained hereinabove, constitutes an act of infringement of the trademark rights of the Plaintiff.

As for the Trademark **KI Pipi Kifua**, the testimonies of PW1, DW1 and DW2 are in agreement on the following: That, Trade Mark No. 26501 (**KI Pipi Kifua** in Class 30 was registered on 10<sup>th</sup> January, 1999 under the Trade and Service Marks Act, Cap. 326 in favour of the Plaintiff. In this Trademark, the word "PIPI" is disclaimed. That, Trademark No. **TZ/T/2018/1616 LAKAIRO Pipi Kifua** and the associated logo in Class 30 was registered on 24<sup>th</sup> August, 2018 in respect of hard-boiled sweets and the registered mark gave the proprietor exclusive right to the use of the words **LAKAIRO and devices**. Viewing the registration dates, the Plaintiff's Trademark takes precedence and has priority. This position remains so, irrespective of the conclusion made by DW2 (the expert witness) that, **the words "Pipi Kifua" in relation to goods falling under Class 30 of the Nice Classification are descriptive and cannot be exclusively owned or used by any other person in this Class**. The testimony of DW2 which suggests that, in Trademark No.

26501 **(KI) Pipi Kifua**, the words PIPI KIFUA are both disclaimed as being descriptive, cannot, in my considered view, change the position that, the Plaintiff's Trademark takes precedence. This is because, as Exhibit P2 clearly indicates, it is only the word "PIPI" that is disclaimed. Had it been the Registrar's intention to disclaim the two words PIPI KIFUA, he would have done so expressly, just as he did in respect of the word PIPI. I therefore hold in respect of this Trademark that, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have infringed upon the Plaintiff's Trademark rights. My holding is based on strength of the testimonies of PW1, PW3 and DW2 without ignoring the contents of Exhibits P2 and P8.

Therefore, as per the court's findings hereinabove, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> defendants infringed upon trademarks rights of the Plaintiff in respect of Trademark No. **AP/M/ 2017/003161 KI Orange Drops** and Trademark No. **26501 (KI) Pipi Kifua**, all in Class 30. In addition to the reasons offered for the findings hereinabove, the following are the other reasons:

- (i) The Defendants' trademarks were similar with those of the Plaintiff;
- (ii) The goods upon which the trademarks relate were also similar;  
and

- (iii) The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants' marks were causing confusion as testified by PW1, PW2 (a sales person) and PW3 (a consumer). This fact was not contested through cross examination.

The second issue is "Whether the Defendants passed off any of the Plaintiff's goods." Before dealing with the actual issue, it is pertinent to explain what passing off means in Trademark law. The general law applicable to passing off was enunciated in 1842 by Lord Langdale M.R. in **PERRY V. TRUEFITT (1842) 6 BEAV. 66, 73** in the following words:

*"A man is not to sell his own goods under the pretence that they are the goods of another man. . . "*

Accordingly, a misrepresentation achieving or intended to achieve such a result is actionable because it constitutes an invasion of proprietary rights vested in the plaintiff.

One of the Landmark cases relating to Passing Off is the case of **RECKITT & COLMAN LTD VS. BORDEN INC [1990] 1 ALL E.R. 873**, also known as the **Jif Lemon case**. In this case the court reaffirmed what is called "the three-part test" (**reputation and goodwill, misrepresentation,**



**and damage)** in order to establish a claim of passing off. In this case, Mr. Reckitt sold lemon juice under the name "Jif Lemon" which came in yellow plastic container that was shaped like a lemon. Borden, a competitor, started to produce lemon juice in a similar lemon-shaped plastic container that was only slightly larger with a flattened side. Reckitt sued Borden for passing off their product as Jif Lemon juice. At the trial, the court found in favour of Reckitt, which was subsequently upheld at the Court of Appeal. The Court, (Lord Oliver) held at page 880 reaffirming the classic test for passing off:

*First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by*

*him are the goods or services of the plaintiff. ... Third, he must demonstrate that he suffers or ... that he is likely to suffer damages by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.*

In respect of the facts of this case, for all these three products, the evidence of PW1, PW2 and PW3 is that the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants were manufacturing and distributing in the market, confusingly similar products, of the same get-up, colour and design with those of the Plaintiff.

Section 31 of the Trade and Service Marks Act provides that:

*"Save for the provisions of this Act, and any limitations or conditions entered in the registry, the registration of Trade and Service Mark shall if valid, give or be deemed to have given exclusive rights to the use of a trade or service mark in relation to any goods including sale, importation and offer for sale or importation".*

In **Mellor J, Kerly's Law of Trade Marks and Trade Names, 15<sup>th</sup> Ed, Sweet & Maxwell, 2011** at p. 459, the issue of confusion of trademarks

is considered, and it is stressed thus: *"It should be emphasized that the court must determine whether there is a likelihood of confusion, it is not necessary for the claimant to prove actual confusion at all"*. Upon carefully looking at the packages and labels of the products (Exhibit P4), I am in agreement with the submissions of the learned counsel for the Plaintiff that, the products manufactured and packed by the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants and those manufactured and packed by the Plaintiff had resembling get-up, packages and actual products which were confusingly similar to the extent that it was hard for a consumer to differentiate. To be specific, the plastic packages for "Pipi Kifua" manufactured by the Plaintiff and those manufactured by the 1<sup>st</sup> Defendant had the following common features on looking:

- (1) Green and Yellow colours with a transparent curved space at the bottom with two cartoons, a cartoon on the right blowing a trumpet with the words PIPI KIFUA in red font protruding.
- (2) The words PIPI KIFUA, all written in red font with white engrossment.
- (3) The words Quality Sweets above the words PIPI KIFUA
- (4) The words BOILED SWEETS below the words PIPI KIFUA

- (5) A red ribbon at the top left corner with the words MPYA written in black circle.

The plastic packages for **"Orange Drops"** also had orange and yellow colours, the words **"Orange Drops"**, the words flavored sweets appearing on both packages of the Defendants` and the Plaintiff`s.

Again, the packages for "Super Veve" and "Special Veve" were made of a red box, the words Veve in yellow colour, the words Bubble Gum in white colour, a yellow circle written 100 pcs in black print and the words MPYA on the top right corner written on a white background. The words Veve were also printed on all four corners of each box in yellow colour.

I still recall the testimony of DW2, the Principal Assistant Registrar of Trade and Service Marks who testified that the marks in question were not similar. The witness was referring to words disclaimed in each trademark. The witness restricted herself from commenting on the get-up of the products. A get-up of a product generally denotes a form in which the brand owner presents its products to the market and typically includes the labelling and packaging of a product which consists of a number of features such as colour combinations, arrangements, graphics and other designs.

In the case of **SABUNI DETERGENTS LIMITED VS. MURZAH OIL MILLS LIMITED, Commercial Case No. 256 of 2001, High Court of Tanzania (Commercial Division) at Dar es Salaam (Unreported)**, this court was invited to consider two competing marks, TAKASA LIMAO and FOMA LIMAO. Like in this case, the Defendant's products were using resembling packages in the same market thus confusing consumers; the court (Bwana, J. as he then was) found that, the act was prohibited under section 31 of the Trade and Service Marks Act. The court observed at page 7 of the typed Judgment:

*The defendant's products using similar / resembling packages entered the same market as those of the Plaintiff thus confusing consumers and / or making them to believe that TAKASA LIMAO is the same as FOMA LIMAO. That state of affairs is what is termed as passing off and it is prohibited under section 31 of the Act...passing off occurs by an act of: - one manufacturer, manufactures goods and labels them or imitates the trademark which is registered and then sails through the same market channels where consumers may mistake them to be that of the other manufacturer.*

Submitting in respect of passing off, the counsel for the Plaintiff referred to **A Guide to Intellectual Property, Patents, Trademarks, Copyrights and Designs, 5<sup>th</sup> Edition by Hon: Sir Robin Jacob Daniel Alexander and Lindsay Lane** where on page 77 it is stated:

*"In order to protect good business good will, the law forbids any trader to conduct his trade so as to mislead customers into mistaking his business or goods for someone else's. It makes no difference if it is other traders or general public deceived nor whether the deception is fraudulent or otherwise ... this sort of deception is called passing off and anyone who suffers financial loss as a result of it is entitled to bring an action in the Courts".*

The similarity found in the goods manufactured and supplied by the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants with those of the Plaintiff after their previous business relationship, evident in the Tax Invoices and Email Correspondences cannot be just a coincidence, it is by design. Section 32 of the Trade and Service Marks Act, Cap. 326 provides:

*32(1) The exclusive rights referred in section 31 shall be deemed to be infringed by any person who, not being the proprietor of a*

*trademark or registered user thereof using by way of a permitted use, uses a sign either: -*

*(a) Identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade or business, in relation to any goods in respect of which it is registered or in relation to any closely related goods and in such manner as to render the use of the sign likely to be either:*

*(i) As being used as a trade mark or business or company name, or*

*(ii) In a case in which the use is upon the goods or in physical relation thereto, or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as a registered user to use the trademarks or to goods or services with which such a person as aforesaid is connected in the course of business or trade or*

*(b) Identical with or nearly resembling in the course of trade or business in any manner likely to impair the distinctive character or acquired reputation of the trademark.*

Guided by the case of **RECKITT & COLMAN LTD V BORDEN INC [1990] 1 ALL E.R. 873**, and applying “the three-part test” (reputation and goodwill, misrepresentation, and damage), I am of clear position that the Plaintiff’s trademarks and products had acquired good reputation and good will. The defendants did not attempt to dispute this fact. In no certain terms were the defendants able to demonstrate that, the use of the names, marks or other symbols was not such as to be likely to pass off their goods as those of the Plaintiff. Neither were the Defendants of the view that their goods were totally different with those of the Plaintiff. I am further persuaded by the evidence on record that, what I see as similarity and resemblance of the three marks in question is not a result of mere coincidence but a design intending to create a misrepresentation to consumers of the products. The Plaintiff who claims to have lost market of her goods as a result of introduction into the the market, of products similar to her`s, must have suffered damages. From the foregoing reasoning, and mindful of the position that, the fact that the defendants` marks are registerd offords them no good defence in an action for passing off, I hold that, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants deliberately passed off the Plaintiff’s goods in respect of all the three products.



As demonstrated hereinabove, it would appear that, the three defendants made registration in respect of Trademark No. TZ/T/2017/1407 **Special Veve** for the sole intention of passing off the Plaintiff`s goods which they knew, having dealt with those products for a considerable period of time through the business relationship between them. In my considered opinion therefore, while dealing with a claim relating to passing off, brought by a prior user as it happened in this case, the court is permitted to go into issues related to validity of registration of the defendant`s trademark. In deserving cases, the court may even grant an order of injunction in favour of the person whose mark is not registered and against the person whose mark is registered. In his book titled **Intellectual Property Law, Third Edition, P. Narayanan** writes at page 235 that, an order for delivery-up of the infringing labels and marks for destruction or erasure is one of the reliefs available in an action for passing off. Other reliefs include an injunction subject to terms and claims for damages. **See also: JC DECAUX SA AND ANOTHER VS. JP DECAUX TANZANIA LIMITED, COMMERCIAL CASE NO. 155 OF 2018 AT DAR ES SALAAM.** From the foregoing, I hold that, the defendants` **Special Veve** was not validly registered as the proprietor made an application for registration with a

hidden intent of passing off goods of the Plaintiff. It is a mark fit for expungement from the Register of Trade and Service Marks.

The third issue is "whether there was any distributorship agreement between the parties". DW1 told the court that, there was no distributorship agreement. Indeed, I found none. The plaintiff did not bring evidence to that effect. What is available on record is evidence to the effect that, the first three defendants used to buy goods from the Plaintiff. Mere existence of business relationship between the parties cannot constitute a distributorship agreement in the absence of express agreement providing for the same or conducts from which implied agreement could be inferred. The third issue is answered in the negative.

The fourth issue is "whether the Plaintiff suffered damages and to what extent". Having held that the Defendants had infringed the trademark rights of the Plaintiff and passed off the Plaintiff's goods, I move forward to see, what were the consequences of the defendants' actions to the Plaintiff. That the Plaintiff had established market in Tanzania for her products is a fact which is not disputed by the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants. Businessmen do register trademarks for specific purposes, the main purpose being to distinguish their goods from those manufactured or

supplied by others. As defined in section 2 of the Trade and Service Marks Act, Cap. 326, trademark means:

*"Any visible sign used or proposed to be used upon, in connection with or in relation to goods or services for the purpose of distinguishing in the course of trade or business, the goods or services of a person from those of another."*

Once there is a valid registration, the proprietor of a Trademark is regarded as having exclusive right over the trade and service mark and is entitled to the protection provided under section 31 of the Trade and Service Marks Act, Cap. 326.

It was the Plaintiff's case that, she suffered both, specific and general damages. To prove specific damages, the Plaintiff stated that, a sum of money equivalent to total sales for the past four years from 2014 to 2018, amounting to TZS 3,971,392,942/- ought to be treated as the actual loss on part of the Plaintiff. It is a well-known principle of law that specific damages must be specifically proved. **See: Zuberi Augustino vs. Anicet Mugae (1992) T. L. R. 137** and **Masolele General Agencies vs. African Inland Church Tanzania (1994) T.L.R. 192**. The Plaintiff was

expected to bring evidence on say, what she actually lost in terms of sales by showing her dropping sales in the market, if any and /or failure to reach sales targets during the time when the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants introduced their goods in the market. The Plaintiff`s failure to bring such proof is fatal as I hold that, she is not entitled to be awarded specific damages claimed.

However, on part of general damages, a different story may be told. The law is settled that, general damages are discretionarily awarded by the trial court after consideration and deliberation on the evidence on record able to justify the award. **See: ANTONY NGOO AND DAVIS ANTONY NGOO VS. KITINDA KIMARO (2015) T.L.R. 54.** In this case, there is evidence on record, from PW3, who happened to be a regular consumer of the Plaintiff`s products, before penetration of the defendants` products into the market. This witness testified that, in 2018, it came to his knowledge that, there were new products in the market, which were confusingly similar to those used to be produced and supplied by the Plaintiff. The witness told the court that, the new products introduced in the market, were of low quality and cheaper, compared with those of the Plaintiff. Notwithstanding the fact that the new products were of low

quality, in some occasions, PW3 opted to buy the products because of being cheaper. The fact that the Plaintiff`s trademarks and products had acquired good reputation and good will was not challenged by the defendants. Exhibit P4 indicates how the get-up of the Plaintiff`s and Defendants` products was confusingly similar, rendering the consumers unable to differentiate the products. All these are evident, when one looks at the testimonies of PW1, PW2, PW3 and DW2 as well as Exhibits P2 and P8. These in my considered opinion are sound reasons for awarding general damages to the Plaintiff.

The last issue is, "to what reliefs are the parties entitled." I have held that the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants infringed upon the plaintiff`s trademark rights and that, they further passed off the Plaintiff`s goods. Following the holdings hereinabove, I proceed to grant reliefs as hereunder:

- (i) I declare the Plaintiff to be the rightful owner of Trademark No. AP/M/ 2017/003153 **KI Special Veve**, Trademark No. AP/M/ 2017/003161 **KI Orange Drops**, and Trade Mark No. 26501 **(KI) Pipi Kifua**, all in Class 30.

- (ii) I order the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants to cease and desist from infringing upon the Plaintiff`s trademarks and passing off the goods referred to in (i) above.
- (iii) I order and direct the 4<sup>th</sup> Defendant to expunge from the Register of Trademarks, Trademark No. **TZ/T/2017/1407 Special Veve** and Trademark No. **TZ/T/2018/1616 LAKAIRO Pipi Kifua**, all in Class 30.
- (iv) I order the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants to withdraw from the market and destroy on oath, the existing products, packages, advertisements and branding materials in the names of **“Pipi Kifua”, “Special Veve”** and **“Orange Drops”**
- (v) The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants are ordered to pay general damages of Tanzania Shillings Two Hundred Million (TZS 200,000,000/-) to the Plaintiff.
- (vi) The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants are ordered to pay the Plaintiff, an interest of 7% per annum on the decretal sum from the date of judgment to the date of payment in full.
- (vii) The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants are condemned to pay costs of this suit.

DATED at DAR ES SALAAM this 30<sup>th</sup> day of May 2022.

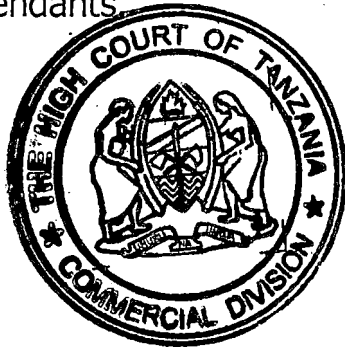


*C. P. MKEHA*  
C. P. MKEHA

JUDGE

30/05/2022

**Court:** Judgment is delivered this 30<sup>th</sup> day of May 2022 in the presence of Ms. Vicky Merisheki learned advocate for the Plaintiff, Mr. Ibrahim Shineni learned advocate for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendants and Ms. Rose Kashamba learned State Attorney for the 4<sup>th</sup> and 5<sup>th</sup> Defendants.



*C. P. MKEHA*  
C. P. MKEHA

JUDGE

30/05/2022

**Court:** Right of Appeal fully explained.

*C. P. MKEHA*  
C. P. MKEHA

JUDGE

30/05/2022