

**A TANZANIA CIGARETTE COMPANY LIMITED v.
MASTERMIND TOBACCO (T) LIMITED**

**B HIGH COURT OF TANZANIA
(Commercial Division)
AT DAR ES SALAAM
(Massati, J)**

C COMMERCIAL CASE No. 11 OF 2005

**D Trade and service marks – Infringement of trademark – Meaning of infringement
– How infringement may be established – section 32(1) of the Trade and
Service Marks Act, number 12 of 1986 Chapter 326 RE 2002.**

**E Intellectual Property Law -Trade and service marks – Registration of a trade
mark – Effect of registration - When such registration becomes valid –
Whether a proprietor of a trademark can commit infringement.**

**F Intellectual Property Law -Trade and service marks – Registration of a trademark
– Registration of a trademark which is identical with a trademark belonging
to a different proprietor and already on the register in respect of the same
goods – Prohibited – section 20 of the Trade and Service Marks Act,
number 12 of 1986.**

**G Intellectual Property Law -Trade and service marks – Registration – Date of
registration of a trademark – section 28(1)(b) of the Trade and Service
Marks Act, number 12 of 1986.**

**H Intellectual Property Law – Trade and service marks – Registration – Prior
right of use of a trademark – Whether a person has a prior right of use of
a trademark which he has only applied for registration – Whether such
prior right of use of a trademark is entitled to protection.**

**I Intellectual Property Law – Trade and service marks – Registration – Registration
has been opposed – Effect of such opposition on the validity of the
registration.**

**A Intellectual Property Law -Trade and service marks – Ownership of a trademark
– Two similar and deceptively confusing registered trademarks – Who owns
the trademark – Who has exclusive right to the use of the trademark –
Legal basis of establishing ownership and right to the use of a trademark
– sections 14(1), 20 and 32 of the Trade and Service Marks Act, number
12 of 1986.**

**C Intellectual Property Law - Trade and service marks – Registration – Imitation
of a trademark – An earlier application raises a rebuttable presumption
that a subsequent application may be a result of imitation.**

**Torts – Tort of infringement of trademark – whether the defendant infringed the
trademark of the plaintiff – Meaning of infringement.**

**D Torts – Passing off – Elements of the tort of passing off – When an action for
passing off may be maintained.**

The defendant, Mastermind Tobacco (T) Limited (Mastermind), a manufacturer of cigarettes applied for registration of “Master” trademark. The application was filed on 24 June 2004 and after following the requisite procedures the trademark was registered on 20 May 2005 and the registration became effective from the date of filing the application. With knowledge of the pending application for registration of the defendant’s “Master” trademark filed three months before, the plaintiff, Tanzania Cigarette Company Limited (TCC) manufacturer and distributor of cigarettes, filed an application for registration of its “Safari” trademark on 6 September 2004 and was eventually registered on 20 January 2005. After procuring registration, on 4 May 2005 the plaintiff filed an opposition to the application of the “Master” trademark pointing out that it was the registered proprietor of the “Safari” trademark registered on 6 September 2004. That opposition was not determined in favour of the defendant. In this case, the parties, manufacturers of cigarettes, claimed against each other for infringement of trademarks, passing off and unfair competition. The dispute between the parties was based on the similarity in the pictorial representation in the packets of the two products, namely, “Safari” cigarettes and “Master” cigarettes. The labels on the packets of the “Master” and “Safari” cigarettes resembled and were deceptively and confusingly similar. The defendants denied any infringement of the plaintiff’s trademark and counterclaimed that the plaintiffs were passing off the defendant’s “Master” cigarettes by manufacturing “Safari” cigarettes. The defendant charged

A that the plaintiff's registration of the "Safari" trademark was obtained fraudulently and that the plaintiff practiced unfair competition. The Court considered a number of issues including the duty of the Registrar of Trade and Service Marks, which of the two trademarks was valid, whether the plaintiff got the registration of its trademark fraudulently, whether the defendant had infringed the plaintiff's trademark, whether a trader's right of use to a trademark is protected before registration and whether there was unfair competition.

C **Held:** (i) While section 20(1) of the Trade and Service Marks Act 1986 protects a trade or service mark of a proprietor which is already in the Register, section 30 protects the right of an unregistered user of a trademark. In view of the spirit of the provisions of section 30, public policy and the fact that registration is valid from the date of application for such registration, the term "already in the register" in section 20(1) of the Act may be defined to include a trademark whose registration is pending with the Registrar;

E (ii) Although the "Safari" trademark had been registered, its registration was obtained by fraud and in terms of section 50(2) of the Act its registration was invalid and did not confer in law exclusive right of use of that trademark to the plaintiff and the plaintiff could not maintain an action on infringement.

F (iii) Since at the time of registration of the defendant's "Master" trademark a Notice of Opposition against its registration was pending, and since the opposition was not decided in favour of the defendant and since by proceeding to register the "Master" trademark while an opposition was pending the Registrar violated the provisions of section 28(1)(b) of the Act, the defendant was not the lawful proprietor of the "Master" trademark under dispute.

G (iv) Although the plaintiff procured the registration of "Safari" trademark earlier/ before that of the defendant, the defendant nevertheless had prior rights over the "Master" trademark by virtue of making the application first.

H (v) Although a trader may maintain an action for passing off at common law whether or not the respective trademark has been registered, no exclusive right of use is conferred if the subsequent registration is bad in law.

I (vi) Although the defendant had filed its application for registration earlier, since the subsequent registration violated the provisions of section 28(1) of the Act

and therefore bad in law, no exclusive right of use of the "Master" trademark was conferred on the defendant.

Both the suit and counterclaim dismissed

Cases referred to:

- (1) *Pharmaceutical Manufacturing Co. v. Novelty Manufacturing Co. Ltd* [2001] 2 EA 521
- (2) *Aktiebolaset Jonkoping Vulcan Indstricks Fabriksak Tiebolag v. East African Match Co. Ltd.* [1964] EA 62
- (3) *Michael Aboud and Sons v. Pee Cee and Sons Pautap Stores Ltd.* [1970] 3 AIR (Commercial)
- (4) *American Cyanamid v. Ethicos* [1975] PRC 513
- (5) *Registrar of Trade Marks and Another v. Kumar Rajan Sen Air* [1966] Calcutta 311
- (6) *Ratilal Gordhawbhai v. Lalji Lakani* [1957] EA 314
- (7) *N.R. Dongre v. Whirlpool Corporation* [1996] 5 SCC 714
- (8) *R. v. Taibali Mohamed Bahi* (1943) 10 E.A.C.A. 60
- (9) *Morandi. Rutakyamirwa v. Petro L. Joseph* [1990] T.L.R. 49
- (10) *Inter Lotto U.K. Ltd. v. Camelot Group PLC* [2003] 3 All ER 191
- (11) *Lever and Others v. Goodwin and Others* (1886 – 1890) All ER 427
- (12) *Supa Brite Ltd. v. Pakad Enterprises Ltd* [2001] EA 263
- (13) *Reckitt and Colman* [1990] 1 WLR 59
- (14) *Erven Warnink B.V. v. V.J. Townsend and Sons* [1980] RPC 31
- (15) *Agro Industries Ltd. v. Attorney General* [1994] T.L.R. 43

Statutory provisions referred to:

- (1) Trade and Service Marks Act, number 12 of 1986, sections 2, 14(1) and (2), 20(1), 28(1)(b), 30, 31, 32(1), 37, 50(1) and (2),

- A** (2) Evidence Act, 1967, section 59
- (3) Fair Trade Practices Act, number 4 of 1994, section 20(1)(a) and (3)(a) to (e) [Repealed and replaced by the Fair Competition Act, (Chapter 285) Ed.]
- B** (4) Fair Competition Act (Chapter 285) section 20
- Mr. Mnyele* from Marando, Mnyele and Company Advocates, for the Plaintiff
- Ms. Kasonda* from Mkono and Company Advocates, for the defendant
- C**

JUDGMENT

(Dated 28 November 2005)

- D** **Massati, J:** At the behest of the Plaintiffs, M/S Tanzania Cigarette Company Ltd, M/S Marando, Mnyele and Company Advocates, filed a suit in this Court against the defendants Ms Mastermind Tobacco
- E** (T) Limited for the following relief:
- (a) A perpetual injunction restraining the defendants whether acting by their directors, officers, servants or agents of or otherwise howsoever from infringing registered trademark number 30524 Safari Graphics.
- F** (b) The defendants be ordered to deliver all the manufactured and or imported cigarettes infringing the trademark for destruction.
- (c) General damages and any other relief that the Honourable Court may deem it fit to grant.
- G** (d) Costs of this suit

The plaint was filed on 18 February 2005.

- H** The defendant instructed M/S Mkono and Company Advocates who prepared and filed a Written Statement of Defence in which they pray for the dismissal of the suit. The defendant also proceeded to file a Counterclaim for the following reliefs:
- I**

- (a) An injunction restraining the Plaintiff/(defendant), whether by itself or its officers, servants, or agents or any of them or otherwise, from manufacturing, importing, selling or offering or exposing or advertising for sale or procuring to be sold or passing cigarettes and tobacco products not of the Plaintiff/(defendants)'s manufacture or merchandise in packaging, labeling or other appearance which by reason of colorable or other resemblance to the Plaintiff (defendants) packaging or otherwise, leads to belief that such goods are of the Plaintiff (defendant).
- C**
- (b) An order declaring that only the Plaintiff/(defendant) is the proprietor of, and is entitled to use or authorize other persons to use the trade or business name MASTER in any form in Tanzania and that the acts of the defendant (plaintiff) of attempting to appropriate and register the Plaintiff (defendant) Corporate name and trademark MASTER in its name is unconscionable, undesirable and contrary to law and morality.
- D**
- (c) The defendant (Plaintiff) be condemned to pay general damages and costs of this counterclaim, and as the Honourable Court may determine.
- E**
- (d) Any other or alternative relief that this Honourable Court may deem just to grant.
- F**

In a simple language, the parties' claims against each other are for infringement of trade marks and passing off and unfair competition. For the purposes of this judgment, I will retain the description of Plaintiff and defendant when dealing with the suit, and the parties in the counterclaim shall be baptized as "MASTERMIND" and "TCC" for the counterclaimant and the counter defendant respectively.

G

At the beginning of the trial the following issues were framed for the suit, and the counterclaim respectively.

H

FOR THE SUIT

1. Whether the defendant has infringed the Plaintiff's trademark?
- I**

- A 2. Whether the Plaintiff registered trademark SAFARI graphic fraudulently?
3. Whether the defendant has prior rights over MASTER trademark by virtue of making the application first?
- B 4. Whether the defendant has extensively marketed the MASTER brand cigarette so as to make it well known?
5. Whether the trademark SAFARI was changed by the Plaintiff so as to resemble the trademark MASTER?
- C 6. To what reliefs are the parties entitled?

ON THE COUNTERCLAIM

- D 1. Whether TCC has passed off MASTERMIND'S "MASTER" cigarettes by manufacturing SAFARI cigarettes?
2. Whether MASTERMIND has exclusive rights in "MASTER" trademark?
3. Whether MASTERMIND has goodwill in the trademark "MASTER" to protect?
- E 4. Whether TCC has engaged in unfair competition against MASTERMIND?
5. To what reliefs are the parties entitled?

F The parties lined up several witnesses to prove their respective cases. The Plaintiff's case was conducted by Mr. Mnye, learned Counsel, whereas Ms. Kasonda, learned Counsel assisted by Ms. Gogadi led the defence case.

G The Plaintiff's case was built by 7 witnesses. The first witness, Lucy Mandara, the Plaintiff's Legal Affairs Manager testified as to how she was involved in the registration of the SAFARI trademark. She said that SAFARI KING SIZE FILTER trademark is registered in the name of the Plaintiff. She said she applied for its registration on 6 September 2004. To illustrate it she tendered Exh. P1 collectively. H The Registrar of Trade Marks accepted the applications by his letter dated 17 September 2004. She tendered the letter of acceptance as Exh. P2. She went on to say that the Plaintiff paid application and I

advertisement fee, and for that she tendered the ERV receipt number 21206458 of 20 September 2004 as Exh. P3. A

The trademark was then advertised in the Tanzania Patents Trade and Services Marks Journal of 15 November 2004, which she admitted as Exh. P4. She went on to tell the Court that after advertisement and after 60 days had gone without Notice of Opposition, she went ahead and filed Form TM 8 which she tendered as Exhibit P5 and paid 60 000 as registration fee. Thereafter the Registrar issued a Certificate of Registration for SAFARI trademark. The said certificate was tendered as Exh. P6. The trademark certificate was number 30524 and was effective 6 September 2004. B C

The witness was then led as to her knowledge and experience in the trade marks registration laws and regulations. When shown a letter from Mkono & Co, Advocates, dated 13 January 2005 asking for extension of time within which to file a Notice of Opposition the witness opined that there was no such provision in law. D

PW1 further said the MASTER trademark of the defendant because simultaneously with the application for their SAFARI she had also applied for registration of MASTER trademark on 6 September 2004. However its registration was refused by the Registrar by his letter of 26 October 2004. PW1 then admitted a number of registration certificates for other brands of SAFARI cigarettes as Exh. P7 collectively Exhibit P1 she went on, was associated to but not the same as Exh. P6. She said the defendant infringed the SAFARI trademark by manufacturing MASTER cigarettes with a trademark that was deceptively and confusingly similar to SAFARI trademark number 30524. And she identified the trademark in question (a label of SAFARI trademark) and tendered it as Exh. P8. PW1 produced a total of 6 packets (3 for Safari Menthol and 3 (Safari King Size filter) as Exh. P9 collectively. E F G H

PW1 was also shown and asked to compare the Master labels (which she tendered as Exh. P10 and 6 packets of Master cigarettes (3 of Master Filter, and 3 of Master Lighter which she admitted as Exh. P11. She said Exh. P9 and P11 are confusingly similar, in that I

- A in both SAFARI and MASTER Light, there are circles in the middle, and the words SAFARI and MASTER are similarly composed and positioned. She said the coloring of blue labels was also similar, so was the dress. She said the similarities are confusing.
- B PW1 went on to testify that their Company became aware of the infringement in early February 2005; and proceeded to instruct counsel to institute the suit which was filed on 13 February 2005. She thus
- C refuted the defendant's claim that the Plaintiff acquiesced to the infringement. She said the grant for refusal of registering MASTER trademark was because it was similar to QTM number 001686. On following up the refusal through the Trademark and Service Journals she came across an advertisement of the Master label by the defendant
- D in the 15 March 2005 Journal (Exh. P12). The defendant's application was number 001686 and filed by Mkono & Co. Advocates. PW1 said on seeing this she immediately instructed their lawyer to oppose the application. She tendered the instructing as Exh. P13.
- E She went on to tell the Court that the objection was filed through Form TM 5 which she tendered as Exh. P14. it was received by the Registrar and duly paid for vide ERV number 23376162 which she tendered as Exh. P15. She said since the 60 days lapsed on 14 May
- F 2005 and their objection was filed on 4 May 2005 it was filed within time. She said according to law, the Registrar could not proceed to register the trademark after receiving the Notice of Opposition and not until after the disposal of the opposition.
- G She said, however, in the present case even after registering the Notice of Opposition, the MASTER trademark was registered all the same although their lawyers Marando, Mnyele & Co. had written asking the Registrar to recall the Certificate of Registration. She
- H tendered the letter of the Registrar as Exh. P16. So, she wound up her testimony by opining that to her, the Certificate of Registration of MASTER trademark was *issued ultra vires* the law. She prayed for judgment in favour of the Plaintiff and dismissal of the counterclaim
- I with costs.

On cross-examination by Ms. Kasonda, learned Counsel, PW1 said her duty was not to design logos, but boasted of her knowledge in trademarks and services regulations. She admitted that under Regulation 84 of the Trade and Service Marks Regulations GN 240/2000, the Registrar has powers to extend time.

She said she filed an application for registration of the Master trademark as instructed, and that the application was refused because another application for a similar trademark was pending. She said to her knowledge QTM was just an application number and that the Registrar has the right to refuse or accept to register.

She said, SAFARI cigarettes are not in the market yet but that in paragraph 6 of the plaint, she was only referring to a few cigarettes produced as surplus on trial basis. At the moment these cigarettes were only within the company premises, but feared that come the market trial period, confusion between the two brands of cigarettes would reign. She said SAFARI cigarettes were produced in late January 2005. She said she was not aware whether the Notice of Opposition had been served on the other party. She said in her view, until such time that the Registrar gives a decision on the opposition, the registration remains valid in law.

Re-examined, PW1 said, according to the Trade and Service Marks Act, opposition has to be filed within 60 days. She was not aware whether the defendant has applied for extension of time or whether the Registrar has granted that extension as there are no proceedings yet on the matter. She said according to the Regulations the Registrar is charged with duty of serving the other party and that she has never been summoned for a hearing of the opposition.

PW2 Stella Urio told the Court that she was the Plaintiff's brand Manager, in the Marketing Department. She said she manages the SAFARI Sweet Menthol, Club, and Winston. She said she holds a B.Sc. (Economics) of the University of Wisconsin, USA, and also a M.A. in Organizational Behaviour Specialty in International Business and Marketing; and that she joined the Plaintiff Company in 1999.

A She said she was responsible for all the brands that she manages from strategic plans, annual plans, budgets and market research.

B She went on to tell the Court she was fully conversant with the SAFARI brand. They are manufactured by the Plaintiff Company. She has also heard about the MASTER cigarettes which are manufactured by the defendant Company.

C She said she was involved in the invention and design of the SAFARI brand although the trademark itself was not new to the Plaintiff Company. She said their intention was to launch another brand in the segments and decided to start with SAFARI taking into account the value of the segment, the targeted smokers and distributors. She said consumers are mostly product is to be produced consistently in terms of quality availability and what it stands for.

E She said in the present case the MASTER cigarettes were introduced in early February 2005 whereas the counterclaim was filed on 10 March 2005. Any known brand needs at least 15 years to acquire brand value or brand equity. So she said in this case since the counterclaim was filed before the launching of the defendant's production, the MASTER cannot be said to have acquired any goodwill.

F PW2 went on to tell the Court that the Plaintiff's market is countrywide with consumers from all social and economic levels. She said in her view to the illiterate and semiliterate consumers the level of confusion between the two brands (i.e SAFARI and MASTER) would be very high in view of the similarity in the graphics and colours of the two brands.

H And consumers are not likely to identify who manufactured which brand. She said since they have not started full scale manufacturing of SAFARI brand so they cannot be said to have been selling them. And since the Plaintiff has both a strong credibility and services, and excellent net working, putting a similar product would in fact benefit the new comer taking advantage of the Plaintiff's 30 years goodwill. This is more so because PW1 said their products were of a higher quality than those of MASTERMIND. She said the defendant's

A products are poor, without straight lines, and so cannot stand straight. The cigarettes are poorly wrapped. On the other hand the Plaintiff's cigarettes were of high quality, good quality packets, constant in shape and no loose tobacco between the cellophane and the packets. She therefore wound up her testimony by disputing that the Plaintiff's SAFARI were spurious or inferior in quality.

C Cross-examined by Ms Kasonda learned Counsel, PW2 told the Court that the SAFARI design was adopted from Kenya, but in Tanzania it belongs to the Plaintiff, having adopted it in the earlier part of 2004. She said the Master brand was from their marketing department. She said although she knew Mastermind Tobacco (T) Ltd after it had started operations she was not aware of the MASTER brand. She said she was aware of other competitors such as BAT, Hedges, Mastermind and Iringa Tobacco Company Ltd, and took it to be healthy. She said on the similarity of brands the consumers would be the best judges. If the similarity is confusing or not she said their products entered the market in January 2005 but the Master products jotted in February 2005. Re-examined by the learned Counsel for the Plaintiff PW2 said "MASTER" and "MASTERMIND" were two different things with different meanings.

F The next witness for the Plaintiff was Simon Masele who featured as PW3. He introduced himself as the branch Supervisor in the Plaintiff's sales department. He said his duty was to prepare for sales for Dar es Salaam branch, receive feedback from the market and prepare reports and has worked in that capacity for 6 years.

H PW3 told the Court that he first heard of the Master cigarette in early February 2005. He said he first received a call from one of their customers one Gasper Maziwa, trading as Bahati Cold Drinks, who told him some people had approached him to introduce the new brand. He said the customer identified the salesmen as a former staff of the Plaintiff Company. He told the Court that he was also aware of SAFARI Cigarette manufactured by the Plaintiff but they are not yet in the market.

A He said on 28 – 29 July 2005, he conducted some survey on the two cigarettes, SAFARI and MASTER. He produced a bundle of questionnaires as Exh. P22. He said the purpose of the survey was, first to establish to what extent the Master cigarettes were known, second, to see the similarity between MASTER and SAFARI, and thirdly to see if the two brands could confuse and deceive customers. He said by using Samples of MASTER and SAFARI Cigarettes he visited various parts of the city. They were MASTER filter and SAFARI filter and menthol. The areas he visited included, Kariakoo, Tandale, Mwenge and Sinza, and interviewed a total of 15 persons. He then made an analysis of the survey. He said of the people interviewed, about the Master cigarettes, 8 denied having even heard of it, while 6 admitted knowing it. He also concluded that all 15 persons admitted having been deceived by the samples of “MASTER” Cigarettes (“A” & “B”) while all admitted that the two brands of cigarettes resembled. He therefore concluded that SAFARI and MASTER cigarettes were confusingly and deceptively similar. Cross-examined by Ms. Kasonda, PW3 admitted that he prepared and marked the questionnaires himself. He said he indicated the names and places of the interviewed. He denied having interviewed “imaginary persons”.

F To illustrate what PW3 had just said, the Plaintiff summoned Gasper Stephen Mariwa PW4, Modest Munishi, (PW5) Abubakari Shabani (PW6 and Godwin Konda (PW7), PW4 testified that one Chomba an ex staff of the Plaintiff Company had brought to him samples of the Master cigarettes. After that he phoned to inform PW3. Asked to compare Exh. P9 and P 11, PW 4 said they looked similar, and that it was possible for customers to confuse them if put together in a shelf. He said normally customers do not look at labels. In cross examination PW 4 said he first came to know MASTER Cigarettes in February 2005. He said as they were not yet popular, they were slow moving. He said he had been selling SAFARI brands sometime before but had not yet started selling the current SAFARI brand. He said, Chomba who was an ex staff of the Plaintiff Company never told him the manufacturers of MASTER Cigarettes. On re

examination PW4 told the Court that the new SAFARI Cigarettes were brought to him as samples by PW3 few weeks ago.

PW5, Modes Munishi said he does business at Sinza, in the trade name of Africa Sana Corner Bar. He said he knew and identified PW3 as the one who visited him about a month ago. He said it was PW3 who showed him MASTER cigarettes for the first time. He also showed him SAFARI cigarettes, and asked him some questions from a questionnaire. He identified the questionnaire with his name (Exh. P22) and said he agreed with the answers that had been ticked in the said Exhibit. Cross examined, PW5, admitted both brands of cigarettes were brought to him for the first time by PW3.

Abubakar Shaban (PW6) testified that he runs a shop called Just Imagine Corner Shop, at Africa Sana, Sinza. He said PW3 visited his shop some two weeks before with samples of SAFARI and MASTER cigarettes, and asked him several questions. He said that in answer to a question put by PW3 he told him that the two brands of cigarettes did not resemble. He identified from Exh. P22, one questionnaire as his own and associated himself with the answers to the questions therein shown.

And lastly PW7 Godwin Konda testified that he did his business at Mwenge. He told the Court that PW3 had gone to his shop two weeks before, holding two brands of cigarettes, namely MASTER and SAFARI and asked him to compare them. He identified one questionnaire from Exh. P22 as his own and associated himself with the answers therein. Cross examined by Ms. Kasonda, PW7 said he had heard of but not seen the MASTER cigarettes before, nor the SAFARI cigarettes. He said he could identify the two brands because he sells them in his shop.

With this the learned Counsel for the Plaintiff closed the Plaintiffs case. The defendant then took the turn to give her evidence. As hinted above in revisiting the defendant’s evidence, I will refer to the parties as MASTERMIND and TCC respectively.

A MASTERMIND began their case with the evidence of Jarvis Kalangu testifying as DW1.

B DW1 introduced himself as the Marketing Manager of Mastermind Tobacco (T) Ltd, which was established in 1996. He said his Company produces 4 brands of cigarettes. He named them as master filter, master menthol, master light and Rocket. He said while TCC was suing them for infringement MASTERMIND is suing TCC for passing off their MASTER product, as theirs.

C He said MASTER is owned by Mastermind Tobacco (T) Ltd because he was privy to and participated in registering it. He said, their application was filed on 22 June 2005 through their lawyers. He identified the application form and tendered it as Exh. D1. He also tendered the accompanying letter from Mkono & Co. Advocates to the Registrar of Trade Marks and Services as Exh. D2. The receipt ERV 21200102 of 23 June 2004 was admitted as Exh. D3. The letter of acceptance of registration of Trademark QTM number 001686 in class 34 for D "MASTER" was tendered by DW1 as Exh. D4. DW1 also tendered a letter dated 22 November 2004 from Mkono & Co. Advocates to the Registrar of Trade Marks as Exh. D5. DW1 identified Exh. D5 as one accompanying an application for several trade marks including E the "MASTER" and enclosing a cheque for 170 000. The ERV receipt F number 22153669 of 22 November 2004 was admitted as Exh. D6.

G DW1 went on to tell the Court that after the payments, the trademark was advertised in the Trademark Journal of 15 March 2005. Upon advertisement the trademark was registered vide a certificate which he tendered as Exh. D7.

H He went on to inform the Court that TCC had also attempted to register the trademark as her own. For that he produced a copy of the letter dated 26 October 2004 from the Registrar to TCC as Exh. D8. He said according to Exh. D8, TCC's application for registration number QTM 001859 "MASTER" in class 34 was refused on the ground that it was similar to QTM 001686.

I

A He went on to identify Exh. P 11 as the cigarettes manufactured by Mastermind. He said they came into the market in February 2005, and it was launched to the retail outlets by using picture brands and public address systems including posters and photos of a branded car. B He admitted one poster and photo of a branded car as Exh. D9 collectively.

C He said since issuing a press release the MASTER trademark is now well known in Tanzania. He mentioned the Guardian, the Daily News, Mtanzania, Tanzania Daima, the Citizen and Majira newspapers as carrying the said press statement. He said Mastermind now produces Filter, Master Menthol, Master Light and Rocket, and that marketing had now spread to Morogoro, Dodoma, Singida, Kigoma, Moshi, Tanga and Mtwara, expanding from Dar es Salaam. He said the Master Cigarettes are produced, packed and labelled as demonstrated in Exh. D P 11. He said Mastermind has not authorized any other Company to produce or market the Master Cigarettes.

E DW1 went on to tell the Court that TCC's passing off Mastermind's products is vividly admitted by TCC's own pleading in paragraph 6 of the plaint in which they admitted to have started manufacturing SAFARI cigarettes, (Exh. P6). He said there are certain similarities between Exh. P9 and Exh. P11 which include the blue background, the sun/moon, the lines on top and the bottom of the packets. DW1 F said this was an infringement of their label.

G He said his Company took 5 years to prepare before starting manufacturing those cigarettes. He said according to Exh. P3 and Exh. D3, Mastermind was the first to apply for registration. Exh. P3 and D3 are ERV receipts dated 20 September 2004 and 23 June 2004 respectively. With this the witness prayed for the dismissal of the suit, and judgment for Mastermind on the counterclaim.

H DW1 was thoroughly cross examined by Mr. Mnyele, learned Counsel. He said he has over 40 years working experience in marketing, having worked for East African Tobacco Company in 1963, in the course of which he attended several courses in marketing and salesmanship in and out of the country. I

A He said it was true TCC's application for registration was refused because the trademark had been allotted to some one else. He said according to Exh. D1, Mastermind had applied for MASTER filter label and that is the registered trademark. He said in Exh. P1, there is also an application for MASTER trade mark by TCC also for MASTER filter label. He said according to Exh. D8, the Registrar had refused registration because it was similar to a previous application, and Mastermind has the trade mark already.

C DW1 said Mastermind began to produce the MASTER Cigarettes in January, 2005 and distribution began in February 2005, but admitted that at that time the trademark was yet to be advertised and registered. He further admitted that no promotion was done prior to February 2005 and the stories/press statement carried in March 2005 was a follow up. DW1 identified Exh. P17 - 21 as the said newspapers. He said that it was therefore true that the promotion was carried out between 18 - 22 March 2005.

E DW1 said he knew the meaning of goodwill in business or product or service. He said goodwill is based on the quality, availability, affordability and continuity of supply of a product and is acquired over a period of time, depending on the type of product and the market. F On this account he admitted that no goodwill could be acquired within a week or a month. He told the Court that in this case, Mastermind started its promotion between 18 - 22/3/2005, but had filed her Written Statement of Defence on 10/3/2005. Therefore, the witness admitted, G no promotion had been made, and no goodwill acquired before filing her defence.

H Lastly, DW1, told the Court that passing off meant using somebody else's product/trademark as one's own. He said however, that he had no evidence to show, that TCC were selling SAFARI as MASTER Cigarettes. He also admitted that the two brands are similar and may be confusing and deceptive.

I Ms Kasonda took time to re-examine DW1. In the course, DW1 told the Court that according to Exh. D4, the trade mark MASTER

A was registered on condition that Mastermind delete all the words except "MASTER" which was the dominant word in the trademark. DW1 said although they started production in January 2005, their application for registration had been filed since June 2004.

B Lastly DW1 said they were suing TCC to avert their intention to manufacture and sell SAFARI Cigarettes which DW1 said he had seen them in Court.

C DW2 Lilian Thomas Kimaro is the Deputy Registrar of Trade and Service Marks. Her duties include scrutinizing new applications and signing certificates of trademarks and preparing patents for services and trade marks journals.

D She said in the course of her duties she had come to deal with the registration of MASTER and SAFARI trademarks. She identified Exhibits P1, D1, and D3.

E She said Exh. P1 was filed on 6 September 2004, whereas Exh. D1 was filed on 23 June 2004 and that both have similar/identical labels.

F She opined that the validity of a trademark becomes effective from the date of filing. In priority of time, Exh. D1 was filed first. She said the law would not allow registration of two similar logos or trademarks. In this case, two similar logos were registered by mistake because the search personnel were unable to uncover the prior application. She said, if the first one would have been seen, the SAFARI trademark would not have been registered. G

H She went on to opine that the effect of registering the same trademark twice is that its registration remains valid until the aggrieved party proceeds under section 36 of the Trade and Service Marks Act. DW2 was then referred to Exh. P14, a Notice of Opposition filed by TCC. She told the Court that according to the law, the Registrar had to transmit the notice to the opposite party who would be required to reply. The reply is transmitted to the other party, who would then file evidence in reply, before the matter is heard by the Registrar. I

A She said however, in the normal circumstances, once a Notice of Opposition is filed, no Certificate of Registration can be issued. However, in the present case, the Notice of Opposition was belatedly filed in the file after issuing the certificate. But, she added, the registration was valid, and it was open to any aggrieved party to proceed under section 36 of the Act, and challenge the registration.

C Cross-examined by Mr. Mnyele, learned Counsel, DW2 told the Court that she was conversant with the provisions of the Trade and Service Mark Act and the Rules. She said according to the law once a Certificate of Registration of a trademark is issued, a party is entitled to exclusive right of use of the trademark. She said she was the one who dealt with the registration of MASTER trademark. She said according to the rules any opposition has to be filed within 60 days, and that Exh. P14 (a Notice of Opposition of the registration of MASTER) was filed in time. It was the duty of the Registrar to serve the notice to the other party. She admitted that, in this case the Notice of Opposition was not promptly served on the other party due to the automation exercise that was going on in their office at the time. She said if she had seen the notice, the Registrar would not have registered the trademark. Lastly she said their office has not received any application for the removal of the MASTER trademark from the Register. And with that the defendant's case came to rest.

G Learned Counsel then proceeded to argue their final submissions in writing. For the sake of avoiding duplicity, I will proceed to examine Counsel's arguments in each issue, and express my determination thereon. I will adopt the approach taken by the learned Counsel for the Plaintiff of discussing the issues in two sets, first those on the main suit; and second, those of the counterclaim.

H On the main suit, the first issue is whether the defendant has infringed the Plaintiff's trademark? Mr. Mnyele learned Counsel for the Plaintiff submitted that the tort of infringement is provided in section 31 of the Trade and Service Marks Act 1986 which gives I a right to a registered owner of a trademark to sue for damages and/

A or prevent other persons from using the said trade mark. He then quoted section 32 of the Act, which defines what constitutes infringement. Mr. Mnyele learned Counsel pinned down his case by submitting that by manufacturing master cigarettes, using labels that resemble those of the Plaintiff, the defendant has committed an act of infringement as the labels are deceptive and confusing to the ultimate consumer of the products. On the general statement of the law of infringement the learned Counsel referred the Court to two cases one decided by the High Court (Commercial Court) of Kenya of *Pharmaceutical Manufacturing Co. v. Novelty Manufacturing Co. Ltd* (1) and one from Uganda; in *Aktiebolaget Jonkoping Vulkan Indstricks Fabriksak Tiebolag v. East African Match Co. Ltd* (2). Mr. Mnyele then proceeded to submit that on the facts and evidence on record, the Plaintiff has proved that it has good title on the infringed trademark, as exhibited by Ex.P6. He said according to **KERLY** at page 293; the Certificate of Registration was a *prima facie* evidence of title on a particular mark. He urged the Court to disregard the testimony of DW2 to the effect that the SAFARI trade was inadvertently and therefore wrongly registered because that allegation was not only not pleaded, but also reflected poorly on the running of the Registrar's office which should not be condoned by the Court. Besides, the evidence was hearsay and that it would be unjust and against public policy for a party to suffer at the hands of the Registrar's negligence. He said after all, Exh. P2 was in itself evidence of compliance with all the legal requirements as per Part IV of the Act. That learned Counsel then proceeded to submit that the Plaintiff has, on a balance of probabilities proved that the MASTER Cigarettes labels resemble and are deceptively and confusingly similar. The learned Counsel referred me to a case arising from Siera Leone of *Michael Aboud and Sons v. Pee Cee and Sons Pautap Stores Ltd* (3) for guidance as to how to consider similarity of trademarks. He submitted that there is sufficient evidence on record from PW1 and Exh. P9 and P11 apart from PW3, PW4, PW5, PW6 and PW7 who confirmed that the two labels were confusingly similar and deceptive. So he urged this Court to answer the first issue in the affirmative.

A On the other hand, Ms. Kasonda, learned Counsel for the defendant, submitting on the first issue said that in order for infringement to be established under section 32(1) of the Trade and Service Marks Act number 12 of 1986, the trademark must be used by a person
 B who is not a proprietor or registered user of the trademark. She submitted that the defendant was the owner of the Master trademark on the strength of Exh. D1. She submitted that according to Exh. D4. The application of the defendant was duly accepted, and duly
 C registered on 20 May 2005. She submitted that therefore it was illogical to say that the defendant was infringing someone's trademark. She went on to quote a passage from **Jeremy Philip's Book Trademark Law** at page 228.

D Ms. Kasonda went on to submit that the Plaintiff was very much aware of the existence of the defendant's pending application for MASTER label trademark as evidenced by Exh. D8 and admitted by PW1. She said there was no provision in the Trade Mark Act which
 E prevented an applicant of a trademark from using the trademark pending the issuance of a Certificate of Registration. She therefore called upon the Court to answer the first issue in the negative.

F The bone of contention here is that the defendant has infringed the Plaintiffs trademark registered in the name of SAFARI. Section 2 defines the term "trade or service mark" to mean:

G any visible sign used or proposed to be used upon in connection with or in relation to goods or services for the purposes of distinguishing in the course of trade or business the goods or services of a person from those of another .

The term "visible sign" is defined to mean:

H Any sign which is capable of graphic reproduction, including a word, name, brand, device, heading, label, ticket, signature, letter, number, relief, stamp seal, vignette emblem or any combination of them.

I In the present case the name of the Plaintiff's registered trade mark is "SAFARI" whereas that of the defendant is "MASTER". So the

A disputed visible sign is not in the form of a name, as the names are different. What the parties claim is the similarity in pictorial representation in the packet of the two products.

B I gather this from the evidence of the parties on record. Thus PW1 testifies on page 15 of the typed proceedings:

C In SAFARI and MASTER Lights there are circles in the middle. The words SAFARI and MASTER are similarly positioned in the same manner. The colouring of the labels (blue) is also similar. The characteristics and simulation of the above and lower lines are similar. The dress up of the packets are similar.

And PW2 at page 20 of the proceedings says:

D From a distance the colours the shapes and the positioning of different elements in the packets (are the same)

Earlier on, PW2 had observed:

E The invention of the SAFARI trademark to indicate the introduction of either sunrise or sunset. The idea behind MASTER mark is also the rising and setting of the sun on a dark blue background. So these and SAFARI virtually represent the same thing.

F And DW1, testified on page 43 of the proceedings that:

G There are certain similarities (between Exh. P9 and P11). The blue colour, the sun/moon the lines at the top and bottom are almost similar.

H So, even as between the witnesses from each side, there is little doubt that the two brands of cigarettes "SAFARI" and "MASTER" (Exh. P9 and P11) are similar in appearance. That they are confusingly similar is, amply demonstrated by PW1, PW2, PW4, PW5, PW6 and PW7. Having myself closely scrutinized them I too conclude that the two brands have similar visible signs or get up except for the names. Therefore each is a trademark by definition. The question is who is the owner of the trade mark in dispute leaving the names aside.

I Section 14(1) of the Trade and Service Marks Act stipulates:

A 14(1) The exclusive right to the use of a trade service mark as defined in section 32 shall be acquired by registration in accordance with provisions of this Act.

B (2) Registration of trade or service mark shall not be considered validly granted until the application has fulfilled the conditions for registration.

C Section 20(1) of the Act prohibits the registration of a trade or service mark which is identical with a trade or service belonging to different proprietor and already on the register in respect of the same goods services or closely related goods or services or that so nearly resembles that trade or service mark as to be likely to deceive or cause confusion.

D This takes me to the next question. Resemblance of the graphics apart, which of the two trade marks is valid under sections 14(1) and 20(1) of the Act? It is evident from the wording of that section; this will have to be decided by reference to the date of registration of each of the trademarks.

E From the evidence on record, the defendant filed her application for registration of the trademark on 24 June 2004 (Exh. D2) and the mark was finally registered on 20 May 2005 as per Exh. D7. According to Exh. D7, the registration became effective from 24 June 2004. It was registered in Class number 34 under number 30748. On the other hand the Plaintiff had filed her application for registration on 6 September 2004 (Exh. P1) and was eventually registered on 20 January 2005 but with effect from the 6 September 2004 (Exh. P6).

G According to section 28(1)(b) of the Act, the date of application is deemed to be the date of registration if the application shall not have been opposed, or if opposed, the opposition has been decided in favour of the application. True, in this case the Plaintiff filed an opposition to the application of the Master Mark on 4 May 2005 (Exh. P14). In that notice, the Plaintiff described herself as the registered proprietor of SAFARI registered on the 6 day of September 2004. It is also true that the opposition has not been determined in favour of the defendant.

A In my view in the light of the provisions of sections 20(1) and 28(1) of the Act and the evidence of DW2 the Assistant Registrar of Trade and Service Marks, the Plaintiff's mark would appear to be not validly registered by reason of a prior application for registration of the defendant's mark. So apparently in the words of section 28 B of the Act, the application of the Plaintiffs SAFARI trademark and Exh. P6, was accepted/issued in error, and therefore apparently invalid. The reason is to be traced in the chronology of the events, which shows that in priority of time, the defendant's MASTER trademark C became effective on 24 June 2004, whereas the Plaintiffs became effective on 6 September 2004. On the face of it therefore it appears that the defendant is the lawful proprietor of the MASTER Lights trademark. (Ex.P11).

D Mr. Mnyele, learned Counsel for the Plaintiff has referred to this Court a number of persuasive authorities. With great presence of mind, I have studied the decisions cited to me by Mr. Mnyele and I have no qualms in expressing my gratitude and appreciation to the E learned Counsel. I have with respect, no doubt that the extracts from **Blancowhite Kerly's Law of Trade Marks and Trade Names** (12 ed), represent good law and are of persuasive authority especially on the manner of proving some aspects of infringement.

F I have also no doubt that the statement of the law by Sir Udo Udoma in the *Tiebolac* case represents the position of the law on trademarks, and have no hesitation in adopting that approach myself in the present case. However, with due respect to the learned Counsel, G *Pharmaceutical Manufacturing Co. v. Novelty Manufacturing Ltd.*, was decided on different facts. In that case, the defendant admitted infringing the Plaintiff's trademark and accordingly judgment was entered against it. In the present case, the defendant has not admitted H infringement; so that case is distinguishable from the one at hand. Again in *Aktiebolaget Jon Koping Vulvan Indstricksfa - Briksaktebolag v. East Africa Match Co. Ltd* (2), the Court there found that the two I labels were completely different, both as to their get up and layout generally. In the present case, I have already found above that the

- A two competing trademarks SAFARI and MASTER are similar and confusing. And in the West African case of *Michael Aboud and Sons v. Pee Cee and Sons (Pauta Stores)* the Court found that since the defendant was willing to give some undertaking in their reply not to
- B import JACK BRAND products, which appeared to resemble the Plaintiffs that was evidence of acknowledgement that they had done something wrong and judgment was partly based on the acknowledgment. Here the defendant has not made any undertaking of such a nature. The
- C facts in this case are therefore different from those in the cited cases.

- I accept the proposition put by the learned Counsel that infringement means counterfeiting or making a colourable imitation of another
- D person's trademark which is registered (See *American Cyanamid v. Ethicos* (4)). I also accept the position enshrined in section 32 of the Trade and Service Marks Act that no infringement can be committed by a proprietor of a trademark. And I have no doubt in my mind that
- E both "SAFARI" and "MASTER" labels, which are confusingly similar have been registered under the Trade and Service Marks Act and that under section 50(1) registration is *prima facie* evidence that the law has been complied with. The first question that I have to decide
- F is whether or which of the trademarks is valid in the eyes of the law?

- According to section 14(1) of the Trade and Service Marks Act, exclusive right of use of a trademark is acquired by registration in
- G accordance with the provisions of the Act, and that registration shall not be considered validly granted until the application has fulfilled the conditions for registration. And section 20(1) of the Act prohibits the registration of a trademark which is identical with a trade or
- H service mark belonging to a different proprietor and already in the register in respect of the same goods, or service closely related goods or service.

- I On the other hand, it is also the law that section 28(1) of the Act prohibits the registration of a trademark whose registration has been

opposed until that opposition has been decided in favour of the applicant. The case of the *Registrar of Trade Marks and Another v. Kumar Rajan Sen Air* (5), cited by Mr. Mnyele, learned Counsel, no doubt therefore represents the correct position of the law.

In the present case, there is no doubt that when the Registrar proceeded, to register the "SAFARI" trademark an application for registration of "MASTER" trademark was pending after it had been filed three months before. According to DW2, the SAFARI mark was wrongly registered in the circumstances. Mr. Mnyele has strongly protested to this evidence, branding it hearsay and against public policy as it reflects on the inefficiency of a public office. I do not agree with Mr. Mnyele. The Registrar has a statutory duty to see that all registrations are done in accordance with the law. And as seen above section 20(1) of the Act prohibits the registration of identical marks by two different persons. There can be no estoppel to that statutory duty. Although section 20(1) of the Act protects a trade or services mark of a different proprietor and already in the register and that the MASTER trademark had not been registered when the SAFARI trademark was registered but as we shall see below since it was pending and as long as; section 30 protects the right of an unregistered user of a trademark it is contrary to the spirit of that provision and public policy if the Registrar was allowed to ignore a pending application for registration in favour of a later applicant for the same mark. I would for that purpose be prepared to stretch the definition of the term "already in the register" in section 20(1) to include a trademark whose ... registration was pending with the Registrar. That is even more so if the concept of retrospectivity of the registration of a trade mark enshrined in section 28 of the Act is to have any meaning at all.

But there is something else. The registration of SAFARI has been challenged for having been registered fraudulently. That allegation is found in paragraph 4:2 of the defendant's written statement of Defence and opposed by the plaintiff in paragraph 4:2 of the reply.

A It forms the second issue in the main suit, which I will have to consider before returning to the first issue.

B Submitting on that issue Mr. Mnyele learned counsel submitted that is a question of fact and that the defendant had to prove it on a standard higher than on a balance of probabilities. He cited *Ratilal Gordhawbhai v. Lalji Lakani* (6) as authority for that proposition. He submitted that the defendant has failed to prove fraud to the required standard. Ms Kasonda learned counsel for the defendant submitted that there was sufficient evidence on record to prove fraud on the part of the Plaintiff. She said that PWI knew that MASTER'S application for registration was pending when the plaintiff submitted an application for registration of a trade mark which was similar to the MASTER.

D Furthermore the plaintiff also attempted to register the MASTER label but the application was refused. She borrowed a passage from T.A. Banco and Robin Jacob's book **Kelly Law of Trade Marks** (12 ed) and page 178 to define "fraud."

E It might be fraud for a person to procure the registration of a trademark as ...which he knows he is not entitled to claim the exclusive use of ... if for instance he knows that it is used by another trader

F With that she concluded that by conceding their knowledge as to the existence of MASTER trademark pending with the Registrar and by proceeding to register the SAFARI with that knowledge, the Plaintiff must be deemed to have registered it fraudulently.

G It is true that the term "fraud" is not defined in the Trade and Service Marks Act, although it is used in several provisions of the Act, such as sections 37 and 50(2). In **Broom's Legal Maxims** (10 ed) At page 542 the mode of proving fraud is discussed.

H Fraud is proved when it is shown that a... representation has been made (1) knowingly or (2) without belief in the truth or (3) recklessly without caring whether it be true or false

I And in **Legal Thesaurus** edited by M. Monir at page 176 "fraud" is classified in to two categories 'actual' and "constructive"

A The former applied to those cases in which there is an intention to commit a cheat or deceit upon another person to his injury. But constructive frauds are meant of such acts or contracts as although not originating in any actual design or contrivance to perpetuate a positive fraud or injury upon other person .. but their tendency to deceive or mislead other persons or B to violate private or public confidence or to improve or injure the public interest, are deemed equally reprehensive with positive fraud and therefore are prohibited by laws or within the same reason and mischiefs as acts or contracts done *mala anomie*. C

In the present case, and on the facts and evidence on record there is no doubt that the defendant's application for registration was lying pending in the office of the Registrar. It is evident from the testimony of PWI that the Plaintiff knew of the pending application. The Plaintiff D filed an application to register "MASTER" which was rejected on account of it being similar to a pending one. By proceeding to register the SAFARI, the Plaintiff either knowingly or recklessly did so without caring whether or not the two marks resembled. After procuring registration E the Plaintiff then filed an opposition to the registration of MASTER which the Plaintiff knew had been pending for over three months prior to the filing of their application. So I have every reason to conclude that by so doing the Plaintiff intended to violate the defendant's F right and cause injury to her. Direct evidence of actual design or contrivance to perpetrate a positive fraud, may he wanting, but I am positive that constructive fraud has been established by the available strong circumstantial evidence. For the above reason, I will answer G the second issue in the affirmative. I find and hold that the registration of the SAFARI mark under dispute was procured fraudulently.

H The combined effect of my finding in the second issue and my discussion on the first issue generally is that although the SAFARI mark has been registered, its registration was obtained by fraud, and in terms of section 50(2) of the Act its registration was invalid. And since infringement only protects a registered trademark and since in law, registration is valid only if it complies with all the I

A conditions of registration, and since DW2 has also shown that the SAFARI mark was registered by mistake, I will proceed to hold that the Plaintiff cannot maintain an action on infringement. On the other hand it is true that the defendant's trademark was eventually registered
 B on 20 May 2005, and since it was pending since 24 June 2004, it is deemed to have been effective as from the latter date. However it is also true that when it was registered a Notice of Opposition against its registration was pending.

C And it is clear that no registration in law could properly proceed without first deciding the opposition in favour of the applicant. By so proceeding to register, the Registrar violated section 28(1)(b) of the Act. For the same reasons, therefore the defendant is not the
 D lawful proprietor of the Master trademark under dispute either. Therefore it cannot be protected under section 32(1) of the Act. The argument of the learned counsel for the defence therefore also fails.

E So all said, the first issue is answered in the negative, not because the defendant is protected under section 32(1) of the Act but because the Plaintiff's trademark now in dispute was registered fraudulently and by mistake and would not confer in law, exclusive right of use of that trademark to the Plaintiff. And under sections 31 and 32 of
 F the Act, only valid registration can be protected by an action in infringement.

The third issue is whether the defendant has prior rights over MASTER trademark by virtue of making the application first? It was
 G submitted by Ms. Kasonda, that the validity of a trademark dates back to the date of the application for registration. She sheltered herself with the provisions of sections 20(1) and 28(1) of the Act. She therefore asked the Court to hold that the defendant has prior
 H rights over the MASTER trademark.

Mr. Mnyele, learned counsel for the Plaintiff, while conceding the right of use of a prior applicant of a trademark, submitted that that right would only be effective upon the application being registered.
 I And since under section 28(1) of the Act the MASTER trademark

should not have been registered pending the determination of an opposition against its registration the defendant had no prior rights over the mark. He reinforced his argument by citing an Indian case of the *Registrar of Trademarks and another v. Kumar Rajan Sen Air (5)*. A

B I have no doubt that the case cited by the learned Counsel, represents good law. And I have already held above that both SAFARI and MASTER were wrongly registered in law. And I have no doubt in my mind that a proprietor of a trademark acquires exclusive use of the trademark,
 C upon registration. But the question here is, whether the person has a prior right of use of a trademark which he has only applied for registration?

D It was held by the Supreme Court of India in *N.R. Dongre v. Whirlpool Corporation*, quoted in **Sarkar on Trade Marks - Law and Practice** (4 ed) at page 172, that:

E A trader needs protection of his right to prior use of a trade mark as the benefit of the name and reputation earned by him cannot be taken advantage of by another trader by copying the mark and getting it registered before he could get the same registered in his favour.

F Therefore a trader's right of use to a trade mark is protectable before registration.

G In the present case, the defendant had filed her application for registration of her MASTER trademark three months prior to the Plaintiff's application. Although the Plaintiff procured the registration of SAFARI graphic label earlier/before that of the defendant, the defendant nevertheless had prior rights over MASTER trademark by virtue of making the application first. Therefore the third issue is answered in the affirmative. H

The fourth issue is whether the defendant has extensively marketed the MASTER brand cigarettes so as to make it well known?

I It was submitted by the learned Counsel for the Plaintiff that although the MASTER cigarettes were promoted through newspapers

A and posters as demonstrated by Exh. P17 - P21, and Exh. D9, this was only for a short period, and its impact not demonstrated by any other witness apart from DW1 who stayed in office. He said the defendant could have but failed to produce corroborative evidence as to whether the MASTER cigarettes had reached Morogoro, Dar es Salaam, Singida, Kigoma, Moshi, Arusha, Tanga and Mtwara. He therefore concluded that the issue had not been proved by the defendant to warrant an affirmative nod.

C Ms Kasonda, learned Counsel for the defendant submitted that a mark may be famous notwithstanding how long it has been in the market. For that proposition she quoted a passage from a book **Famous and Well Known Marks** by Frederick W. Master. She said Exh. D P17 - P21 had a wide circulation in the country. She said even some customers interviewed by PW3 had indicated that they were aware of the MASTER cigarettes. She therefore said this constituted sufficient evidence to convince the Court to answer the 4th issue in the affirmative.

E I am aware that this is a civil case, and that as a rule no corroboration is required to prove any allegation. What is required of any party in such case is to prove her case on a balance of probabilities. And that whether there is any evidence at all is a question of law, but whether that evidence is sufficient is a question of fact. See *R v. Taibali Mohamed Bahi* (8). Let me begin with Ms. Kasonda's submission in which she quotes a passage from **MASTERT'S** book. The passage was however, conveniently, not quoted in full. Whatever was available, the full passage reads:

A mark may become famous and well known almost overnight through modern advertising and advanced technology.

H That is the part quoted by Ms Kasonda. But the passage does not end there. It continues:

More frequently a mark will become well known with the passage of time by dint of the continued expenses of resources, time...

I

My understanding of this passage read as a whole is that as a rule marks take time to be known although in exceptional cases, through modern technology and advertisement this could take a short time. So the fame of a trademark is normally a function of time.

In any case the passage quoted by Ms Kasonda, is not, in itself evidence. It is an opinion from an expert on science as to the type of technology that could be used to promote a trademark. Such opinion appears in the learned Counsel's final submission for the first time. But as the Court of Appeal of Tanzania once said in *Morandi Rutakyamirwa v. Petro L Joseph* (9) a submission is not evidence. And even if it were evidence it should have contained grounds for forming such opinion. The passage quoted by Ms Kasonda contains no grounds for forming that opinion, and it is therefore, together with all the other reasons above not evidence at all in law.

As for the newspapers Exh. P17 - 21, I accept and find as a fact that they published the MASTER trademark for about 3 or 4 days, but whether they are of wide circulation in the country is a question of fact. And the Court cannot take judicial notice of that fact as it is not expressly listed under s. 59 of the Evidence Act 1967. Exh. P17 - P21 were produced by PW2 under cross-examination. I do not remember to have heard her say that these newspapers had a wide circulation in the whole of Tanzania. Neither did DW1 ever say so. On the premises, I find that while there might be some evidence on record, that evidence is not sufficient to establish that that stint of promotion was enough to make the cigarettes well known. In fact, both PW2 and DW1 admit that a goodwill is acquired over a period of time. DW1 said in cross examination that no goodwill can be acquired within one week or one month. For all the above reasons I will answer the fourth issue in the negative.

The fifth issue is whether the trademark SAFARI was changed by the Plaintiff so as to resemble the trademark MASTER?

Mr. Mnyele learned Counsel submitted that on the evidence on record, it cannot be said that the Plaintiff imitated the MASTER

A trademark to make the SAFARI trademark. He relied on the evidence of PW1. He said the defendant had a duty to prove the imitation and failed to do so. So he prayed that the issue be answered in the negative.

B Ms. Kasonda, learned Counsel for the defendant submitted that since the Plaintiff has quite a number of SAFARI labels (Exh. P7) some of which she does not use and which are distinct from MASTER, the Plaintiff's application of the SAFARI trademark in dispute which resembles the MASTER was ill intentioned, as the Plaintiff was aware of the existence of MASTER'S application for registration. She said this was admitted by PW2. So by rushing for the registration of a similar trademark, the Plaintiff's intention was to prevent the defendant's entry into the market. So in her opinion this was sufficient evidence to prove that the Plaintiff changed the SAFARI trademark to imitate the MASTER trademark, and so, argued that the fourth issue be answered in the affirmative.

E I agree with Mr. Mnyele, that imitation is a question of fact and has to be decided on the basis of the evidence on record.

F It is true that according to Exh. P6 and P7, the Plaintiff had registered different types of SAFARI. The SAFARI Kali Filter and SAFARI King Size were graphically and colourably different from the SAFARI King Size Filter shown in Exh. P6. According to Exh. P1, this type of SAFARI brand was submitted for registration along with MASTER on 6 September 2004. The MASTER Lights trademark was by then pending registration. Looking at Exh. P8 (SAFARI King Filter and Exh. P7 and P10 (MASTER Lights) it is difficult to see the difference immediately. In fact, all the parties agree that the two brands are confusingly similar.

H There is no direct evidence that the Plaintiff imitated the MASTER trademark in SAFARI label and resemblance *per se* does not prove imitation. But as I posed to answer the second issue, the 3 months prior existence of the application for registration of MASTER trademark, together with the Plaintiffs admitted knowledge of MASTER and

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A their intention to launch their products in the market, and the close resemblance of the two brands is not a mere coincidence. I think these factors build a strong circumstantial evidence that call for some satisfactory explanation from the Plaintiff. As I found in the second issue I find no satisfactory explanation for that coincidence B from the Plaintiff as the existence of that coincidence is, I think, peculiarly within the Plaintiffs knowledge, and section 115 of the Evidence Act requires that:

C 115. In civil proceedings when any fact is especially within the knowledge of any person the burden of proving that fact is upon him.

D The evidence of PW2, that she was involved in the SAFARI trademark graphics does not assist the Court because she did not indicate the date of that "invention". I suppose the intention of the evidence of PW3, and PW4, in mentioning an ex-worker of the Plaintiff by the name of Chomba was to introduce that Chomba may have transferred that "invention" to the defendant Company. However, we don't know E when Chomba ceased employment with the Plaintiff; and since even PW2 did not indicate when that invention was made, the evidence PRESIDENTIAL PARASTATAL SECTOR REFORM COMMISSION v. AZANIA BANCORP LIMITED of PW2, PW3 and PW4 is not sufficient F to prove that the Plaintiff "invented" the graphic in dispute and thus offer some explanation for that coincidence. On the other hand, DW1 produced Exh. D1 to show that at least for point of time, the defendant was the first to apply for registration of that brand. I think an earlier application raises a rebuttable presumption that any subsequent application G of a similar mark, may be a result of imitation. The burden of rebutting that presumption is, in this case on the Plaintiff, and I am not satisfied that the Plaintiff had discharged that burden. Therefore, I will answer the fifth issue in the affirmative. H

I will leave the answer to the 6th issue to the end of this judgment. I will now turn to examine the issues raised in the counterclaim.

The main suit in this case was tried together with the counterclaim. Masterminds' claims against and which are refuted by TCC are set I

A out in the introductory part of this judgment. And from the pleadings the following issues were framed for trial of the counterclaim:

1. Whether the defendant (TCC) has passed off Mastermind's MASTER Cigarettes by manufacturing Safari Cigarettes?
- B 2. Whether Mastermind has any exclusive rights in MASTER trademark?
3. Whether MASTER has goodwill over the trademark MASTER to protect.
- C 4. Whether TCC has engaged in unfair competition against Mastermind?
5. To what reliefs are the parties entitled?

D Next I will examine the learned Counsel's final submissions on each of the issues. Submitting on the first issue Ms. Kasonda, learned Counsel for Mastermind submitted that passing off is a tort consisting of a representation that a person's goods or business are connected with the goods or services of someone else. Quoting section 30 of the Trade and Service Marks Act she submitted that the Act does not bar a suit for passing off even against a registered trademark proprietor. E The learned Counsel went on to submit that on the evidence on record, TCC manufactured cigarettes similar in design and labels to those of MASTER. She said, quoting from **Kerly's, Law of Trade Marks and Trade Names** that this was wrong. She submitted that even a registered trade mark proprietor has no right to use a registered mark if that mark would deceive. For that proposition the learned Counsel referred me to some English decisions of *Inter Lotto Uk Ltd v. Camelot Group Plc* (10) and *Lever and others v. Goodwin and others* (11). F

H The learned counsel concluded that by imitating the get up of MASTER, TCC has brought itself within the old common law doctrine, in respect of which equity will give to Mastermind an injunction in order to restrain TCC from passing off the SAFARI goods as those of Mastermind's. So she submitted that the first issue be answered in the affirmative. I

A On the other hand, Mr. Mnyele learned Counsel, concedes that much as to the law of passing off, he quoted the same passages from **Kerly's Law of Trademarks and Trade Marks** At page 334 and **Salmond on Trademark Law and Practice** at page 194 as well as **Salmond on Tort** (17 ed), and the Kenyan case of *Supa Brite Ltd v. Pakad Enterprises Ltd* (12). He also quoted a passage from *Reckitt and Colman* (13). Having laid bare the position of the law, Mr. Mnyele went on to submit that in the present case, Mastermind has not established by evidence the commission of the tort of passing off because Mastermind had had no goodwill at the time of filing the counterclaims. He therefore concluded by submitting that the first issue be answered in the negative. C

D The concept, principle and law of passing off, is I think, fairly well developed and both Counsel in this case are not disputing these principles. **Sarkar on Trade Marks Law and Practice**, (4 ed.) has devoted quite a portion of Chapter IV of the book to revisit and summarise, the concepts and elements of the law of passing off, but nothing could be mere succinctly put than those put by Lord Diplock in *Erven Warnink B.V. v. V.J. Townsend and Sons* (14) at page 39; that the essential characteristics of a passing off action should be: E

- (i) Misrepresentation. F
- (ii) Made by a person in the course of trade.
- (iii) To prospective customers or ultimate consumers, of his goods supplied by him. G
- (iv) Which is calculated to injure the business or goodwill of another trader (in the sense that it is a reasonably foreseeable consequence) and
- (v) Which causes actual damage to the business or goodwill of the trader by whom the action is brought, or (in *quia timet* action) will probably do so. H

I Here registration or non registration of trademark is immaterial. As the learned author captions at page 157:

A An action for passing off is thus a generalized action and is enforceable in respect of registered as well as unregistered trade marks.

B To maintain an action for passing off, there must not only be established that the party suing has goodwill in the mark, but also there must be intention to deceive even if there are a few confusions in the market. Although the party need not establish actual deception, but reasonable grounds for apprehending deception, he must however establish distinctive features, substantial user and wide reputation.

C I have no doubt in this case that Mastermind and TCC are engaged in manufacturing cigarettes. I further find that in this case Exh. P9 and P11 are confusingly similar. I have already held above that in priority of application Mastermind had prior right of use of the MASTER trademark over the SAFARI trademark. However such right of use is not exclusive, unless Mastermind can prove that the public have been deceived or that there is a reasonability of deception. It has been submitted in this case, that the confusion would reign in the get up of the products.

F On the evidence on record, it is clear in mind that although Mastermind had launched its MASTER products in the market from 18 - 22, March 2005, TCC had not yet introduced the SAFARI graphic label, at all in the market. So SAFARI was not introduced by TCC in the course of trade. Besides I agree with Mr. Mnyele, that even if TCC had introduced it in the cause of trade Mastermind had acquired no goodwill by the time of filing the counterclaim which could be injured by SAFARI. Therefore I find that Mastermind has failed to meet the tests set in *Waznink's* case. I would in the event, answer the first issue to the counterclaim in the negative.

H The second issue in the counterclaim is whether the Mastermind has exclusive rights in the MASTER trade mark? Mr. Mnyele, learned Counsel, submitted that since exclusive right of use of a trademark is conferred on registration and since registration is not relevant in an action for passing off, that is a non issue; but in any case since I Mastermind's registration was itself defective Mastermind cannot

A be said to have acquired any exclusive right of use over the mark. Ms. Kasonda learned Counsel submitted that Mastermind had exclusive right of use to the MASTER trademark by virtue of it having been registered by virtue of sections 31 and 32(1) of the Trade and Service Marks Act. She said even if the mark is not registered, an owner of B an unregistered trade mark has exclusive right to use it and to sue for passing-off.

C I have already held above that a trader may maintain an action for passing off at common law, whether or not the respective trademark has been registered. But the right to exclusive use is conferred by statute upon registration of a trademark by virtue of the provisions of the statute cited by the learned Counsel for Mastermind. There is also no dispute that the right to exclusive use dates back to the D date of application.

E However, in the present case, although Mastermind had filed its application for registration earlier, the subsequent registration of the trademark was done contrary to the dictates of section 28(1) of the Act. To that extent the registration was bad in law and therefore conferred no exclusive right of use of the MASTER trademark to Mastermind. The second issue in the counterclaim is therefore answered F in the negative.

The third issue is whether Mastermind has goodwill on the trademark MASTER to protect?

G Mr. Mnyele who submitted on the first and third issues together stated by first stating that passing off cannot succeed without establishing goodwill. He relied on the speech of Lord Jauncy in *Reckitt and Colman Ltd v. Borpen Inc. and others* (13) to this effect:

H The fact that the propriety right which is protected by the action is the goodwill rather than in the get up distinguishes the protection afforded by the common law to a trader from that afforded by statute to the registered holder of a trademark who enjoys a permanent monopoly therein. Goodwill I was defined by Lord MacNaughtan in *Inland Revenue Commissioner v.*

- A *Muller and Co's Margarine Ltd* [1901] AC 217, 223-24 as the benefit and advantage of the good name, reputation and connection of a business. Get up is the badge of the Plaintiff's goodwill in the mind of the public
- B Mr. Mnyele then proceeded to submit that in the present case, the promotion done by Mastermind between 18 - 22 March 2005 was not sufficient to build for Mastermind that goodwill which could be protected. He said this was admitted by DW1.
- C Ms. Kasonda, learned Counsel for Mastermind, conceded that this was the undisputed position of the law, by reinforcing her argument by quotations from the books **Passing Off Law and Practice** by Sdale and Silver Leaf and **Famous and Well - Known Marks** by Fredrick W. Master. But she said:
- D We have already submitted in paragraph 7 above that the MASTER label trade mark is well known by virtue of its intensive advertising and marketing.
- E In paragraph 7 of her final submission the learned counsel was attempting to convince the Court to answer the fourth issue to the main suit in the affirmative. With respect, I did not answer that issue in the affirmative. I am still of the same view that in the circumstances of this case the promotion on the MASTER trademark was done in so short a time
- F as it could not have built any goodwill to Mastermind on the MASTER Cigarettes. I would hold therefore that Mastermind had no goodwill to protect in the MASTER trademark as yet. This gives the third issue a negative answer.
- G The fourth issue is whether TCC had been engaged in unfair competition against Mastermind? Miss Kasonda, launched her submission on this issue by quoting section 20(1)(a) of the Fair Trade Practices Act number 4 of 1994. She submitted that the registration of SAFARI-label which is similar to MASTER was intended to drive Mastermind out of business, especially considering that TCC had attempted in vain to register the MASTER trademark in its own name in full knowledge that that name came from Mastermind's own name. She said this
- I amounted to unfair competition.

Mr. Mnyele, submitted that according to the evidence of PW2 and PW3, the Safari cigarettes have never been introduced into the market. And even DW1 confirmed that TCC was selling SAFARI cigarettes as MASTER cigarettes.

It is clear from the submissions of the learned Counsel that the learned Counsel's submissions had crossed paths on this issue. Whereas Mr. Mnyele's submission is based on the fact that the SAFARI Cigarettes have not yet been introduced in the market to amount to unfair competition, Ms. Kasonda's submission is benchmarked on the provisions of section 20(1)(a) of the Fair Trade Practices Act number 4 of 1994.

The point introduced by Ms Kasonda is one of law. Although it can be accommodated in the fourth issue to the counterclaim, it was not directly tackled by Mr. Mnyele in his submission.

The stance taken by Mr. Mnyele in not replying to the substance of Ms. Kasonda's submission, cannot, in my view, be taken to mean that the issue was unpleaded. The issue in this case was framed and, Mr. Mnyele's omission was sufficiently indicative that he had left that point to the Court for decision. I am fortified on this position by the observations of the Court of Appeal of Tanzania in *Agro Industries Ltd v. Attorney General* (15). I find it imperative therefore for me to decide on that point of law, although not traversed at all by Mr. Mnyele.

I think it is true that the intention of the Fair Competition Act is to encourage competition in the economy by prohibiting restrictive practices, among other objects. And it is correct that section 20 restricts predatory trade practice if that person does so with the intention.

- (a) to drive a competitor out of business, or to deter a person from establishing a competitive business in the country or in any specified area of location within the country.

And section 20(3)(a) defines what a predatory trade practice means:

- A A person sells or supplies or threatens to sell or supply goods or service at certain prices to be below their average variable cost, or intended to drive a competitor out of business or to deter a person from establishing a competing business in the country.
- B The criteria for determining whether a person's act is a predatory trade practice is the "*price*" whether current or future. The rest of sections 20(3)(b) to (e) are not relevant in the present case.
- C In the present case, it can no doubt be argued that by registering the SAFARI cigarettes, TCC may have threatened to supply the said cigarettes, but the missing link is the "*price*". There is no evidence, as Mr. Mnyele has submitted whether those cigarettes were introduced in the market and if so, at what price. Thus section 20 of the Fair
- D Competition Act (Chapter 285) is of no assistance in resolving the fourth issue. It has been prematurely introduced in the present case. Which leads me to the conclusion that since the SAFARI cigarettes had not been introduced in the market the question of unfair competition
- E does not arise. Therefore the fifth issue is answered in the negative.
- The last issues for both the main suit and the counterclaim are, to what reliefs are the parties entitled?
- F The Plaintiff's claim is based on infringement on its SAFARI trademark by the defendant, for which it prays for perpetual injunction, delivery of all manufactured/or imported cigarettes that infringe the trademark, general damages and costs. I have held above that although
- G the Plaintiff had procured the registration of SAFARI label earlier than the defendant's MASTER and since the two get ups are confusingly similar to each other, and since the application for registration of the MASTER was made prior to that of SAFARI and was still pending
- H when the SAFARI was registered, I declare that the SAFARI trademark was fraudulently and/or otherwise by mistake wrongly registered *vis-a-vis* the MASTER trademark. And since infringement is protected by registration, and by that, I mean lawful registration, and since
- I fraud vitiates everything, the Plaintiff had no trademark in law in

the name of the disputed SAFARI which could be infringed. Therefore the Plaintiff has failed to prove its case on a balance of probabilities, and the suit is accordingly dismissed.

On the other hand, Mastermind's action is based on the common law tort of passing-off and unfair competition. I had held above that under common law a trader may maintain an action for passing-off even if the trademark is not registered. In the present case, although the MASTER trademark was eventually registered, its registration was not in accordance with the law, and therefore unlawful, but by reason of it having filed an application for registration of the trademark earlier than TCC'S SAFARI Mastermind had a prior right of use to the trademark which happened to be confusingly similar to SAFARI. Therefore Mastermind had a *prima facie* right to protect its trademark from passing-off. However to prove the tort of passing-off, one has to further prove that he had goodwill in the products that are alleged to be passed off.

In my judgment, Mastermind had not yet acquired any goodwill in the MASTER cigarettes when it launched the counterclaim. Without goodwill no action for passing off can succeed.

As to unfair competition since SAFARI cigarettes had not yet been put on the market and its prices known, no predatory trade practice has been established under the Fair Competition Act 1994 and therefore there was no evidence of unfair competition. That leg of the counterclaim too fails. Consequently the whole of the counterclaim fails and it too, is dismissed.

Before I pen off let me make a few remarks. From the look of things it appears to me that the parties have instituted their claims prematurely without first exhausting the machinery established within the offices of the Registrar of Trade and Service Marks, instanced by the pending Notice of Opposition filed by the Plaintiff. Their claims are to some extent, like premature babies whose proper place is the incubator who for this purpose is the Registrar, so that their