

A bring that claim, if necessary, up to the House of Lords with a party on
the record whose interest it is to resist the appeal. The research which
has been given to the matter does not discover any previous decision in
B which the House of Lords has undertaken, on the petition of an unsuccessful
appellant, to review the decision below when the opposite party has been
finally settled with, and I think it is an essential quality of an appeal fit to
be disposed of by this House that there should exist between the parties
C a matter in actual controversy which the House undertaken to decide as
a living issue.

In the instant case, as there is no living issue to be decided, it would
be improper for this court to decide an academic question, the answer
to which cannot affect the respondent in any way. The appeal is accordingly
D dismissed. Each party to bear his own costs.

E **KIBO MATCH GROUP LTD v. H.S. IMPEX LTD**

F HIGH COURT OF TANZANIA
(COMMERCIAL DIVISION) AT DAR ES SALAAM
(Dr. Bwana, J.)

G **COMMERCIAL CASE No. 7 OF 1999**

G *Civil Practice and Procedure – Application for temporary injunction – Order
37, rule 2 of the Civil Procedure Code 1966.*

H *Trade Mark – Infringement of trademark both parties manufacturing or dealing
in similarly branded items from different counties – Sections 31 and 32 of
the Trade and Service Marks Act 1986.*

I The applicant had sued the respondent for infringement of its trade marks. It
manufactures in Tanzania safety matches under the trade mark KANGAROO,
identified by a distinct label depicting a picture of three kangaroos on the box of its

A matches. The respondent is an importer and distributor of safety matches also identified
as KANGAROO with a similar, distinct label depicting three kangaroos. The applicant
filed a chamber application seeking a temporary injunction to restrain the respondent,
whether by its officers, servants, agents or any of them or otherwise from infringing
B and or passing off the trade mark of the applicant by way of importation, distributor,
sale, advertisement, or otherwise, of safety matches under the name and device of
“KANGAROO” until final determination of the suit. It was plead by the plaintiff that
the importation was designed and calculated with the object of profiting at the expense
C of the applicant. The advocate for the respondent raised three Preliminary Objections.
The first one was that the application was misconceived as it was pegged on a suit
that was instituted against a wrong part; secondly, that it was based on a suit which
had prayers offending the principles of natural justice and, thirdly, that it rested on suit
D instituted in a wrong forum. The learned counsel argued that the respondent was a
mere importer and distributor of the safety matches imported from Indonesia and not
the manufacturer.

Held: (i) The court is satisfied that unless immediate action is taken, the applicant
may suffer irreparable damage, whether quantifiable or not, and further the final
decision would be rendered nugatory as consequence of not granting the temporary
injunction.

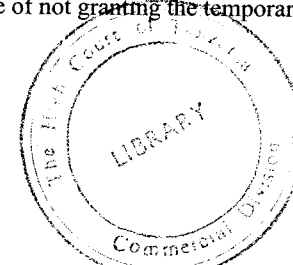
Application granted

Cases referred to:

- (1) *Atilio v. Mbowe* [1969] HCD n. 284
- (2) *Ibralim v. Ngaiza* [1971] HCD 249
- (3) *Colgate Palmolive v. Zakaria Provision Stores and others* High Court
Civil Case Number 1 of 1997 (unreported)
- (4) *American Cynamid Co. v. Ethicon Ltd* [1975] AC 396

Statutory provisions referred to:

- (1) Civil Procedure Code 1966, Order 37, rule 2
- (2) Trade and Service Marks Act 1986, sections 31 and 32
- (3) Civil Procedure, Order 38, rule 2



- A *Dr Nguluma*, for the Applicant
Mr Lutema, for the Respondent

RULING

- B (Dated 10 December 1999)

- C **Bwaba, J.:** Before I examine the legal mish mash that seem to surround these proceedings at this stage, the factual position of the matter need to be put in its proper perspective albeit, briefly.

- D On 15 November 1999 the plaintiff filed the main suit against the defendant requesting this court ... to restrain the defendant by permanent injunction, from importing, distributing, selling, offering, exposing, advertising for sale, procuring to be sold or passing off safety matches bearing the plaintiff's trade mark or in any other manner infringing the said trade ... the plaintiff is the registered proprietor of a trademark namely Kangaroo identified by a distinct label depicting a picture of three kangaroos on the box of its matches.

- F While that main suit is pending in court, the plaintiff/applicant filed a chamber application (pursuant to Order 38, rule 2 of the Civil Procedure Code) for an order:

- G That a temporary injunction be granted to restrain the respondent, whether by its officers, servants, agents or any of them or otherwise from infringing and/or passing off the applicant's trademark by way of importation, distribution, sale, advertisement, or otherwise of safety matches under the names and device of 'Kangaroo' until final determination of the main suit.

- H That application for an interim injunction forms the basis of this Ruling. From the pleadings, it is apparent that the defendant/respondent is an importer and distributor of safety matches also identified as Kangaroo with a similar, distinct label depicting three Kangaroos.

- I When the Chamber application came for hearing, Mr Lutema raised three Preliminary Objections namely:

1. That the application is misconceived and bad in law as it is pegged on a suit that has been instituted against the wrong party. A
2. The application is misconceived and bad in law as it hinges on a suit which has prayers offending the principles of natural justice. B
3. That the application is misconceived and thus bad in law as it rests on a suit that has not been instituted in a proper forum. B

Both counsels had a chance to argue their points before this court. Regarding the main application it is Mr Lutema's submission that his client did not infringe the trade mark law as it is not the manufacturer of the Indonesian brand. He cited section 32 of the Trade and Service Marks Act Number 12 of 1986 (hereinafter referred to as the Act) in support of the view that an importer and distributor cannot be said to infringe the provisions of the said Act. He also submitted that the applicant having quantified (in paragraph 9 and 7 of the plaint and chamber application respectively) the damages suffered, an injunction is not necessary. He cited the case of *Atilio v. Mbowe* (1) in support. E

Dr Nguluma in his submission made reference to the imminent and continuing loss being suffered by his client as a result of the infringement. section 31 of the Act as well as the *Atilio case* (1) and that of *Ibrahim v. Ngaiza* (2) as well as *Colgate Palmolive v. Zakaria Prov. Stores and others* (3) were cited and relied upon. F

Before I deal with the main issue of this chamber application, that is, the application for injunction, I will firstly examine the matters raised in the Preliminary Objection. First is the issue of suing the wrong party. It is Mr Lutema's submission that as per section 32 of the Act only a manufacturer who uses a sign which is identical with or similar to the trade mark that may cause confusion, can be sued. That is correct to that extent, if I may observe. However, section 32 should be read together with section 31 which states: H

Section 31

Subject to the provisions of this Act and any limitations or conditions entered into the Register, the registration of a trade or service mark shall, if valid, I

A give or be deemed to have given to the registered proprietor the exclusive right to the use of a trade or service mark in relation to any goods including sale importation and offer for sale or importation.

B The substantive factual and legal issues shall be unveiled in the course of the main trial. However, it suffices to note at this juncture that the law (cfr. section 31) protects the proprietor of a trade and service mark in relation to the sale, importation and offer for sale or importation of the goods in dispute. In the pleadings, the defendant admits to have imported the goods from Indonesia. The main claim by the plaintiff is that he has suffered loss and damages as a result of the said importation of matches which infringe his trademark rights. He avers and rightly so, that the law is not restricted to manufacturers only. It covers
C importers as well as distributors (section 31 and 32 of the Act read together), that is, in the instant suit, the defendant. Therefore this suit is properly instituted against the defendant.

E As concerns offending the principles of natural justice, Mr Lutema submitted in substance, that holding that the plaintiff in this case is the right proprietor of the trade mark without calling the other party (from Indonesia) who uses that sign, is tantamount to condemning him unheard. I must state at the out set that, with due respect, I do
F not subscribe to this line of argument. The issue before the court is not between two manufacturers of Kangaroo labeled matches each claiming to be the rightful proprietor of the trademark. It is simply between a proprietor registered in Tanzania – on the one hand – and
G an importer of goods with labels similar to the registered one on the other hand. The manufacturer in Indonesia cannot be sued as the subject matter in the instant suit is different. Not suing the Indonesian manufacturer is, therefore, not violating his human rights or contravening
H any natural law as contended by Mr Lutema. If anything, Mr Lutema's submission on this point is a contradiction in terms.

I The same argument may be advanced in respect of the third point of Mr Lutema's submission, that is, that this suit has not been instituted in a proper forum. To him, such a forum would be in Indonesia! Again,

A it suffices to state that the issue is not between two manufacturers registered in which country, but rather, between a manufacturer and
B a defendant alleged to have infringed the former's proprietary rights arising from a trademark. The infringement is alleged to have occurred by the importation and distribution of those matches in Tanzania, thus, within the territorial jurisdiction of this court. Therefore this court is the proper forum.

C The above said, I now turn to the issue of an application for a temporary injunction. The plaintiff/applicant is a limited liability company incorporated in Tanzania, having its headquarters at Moshi. It is the registered proprietor of a trademark Kangaroo as registered in Part A under class 34 Schedule III of the relevant Register. It is
D under Registration Number 21008 dated 10 October 1989. It deals in the production of safety matches carrying a registered trademark of Kangaroo and a label depicting three Kangaroos. It was the exclusive user of the said trademark until – and is not in dispute – the defendant
E company started importing and distributing for sale safety matches bearing the word Kangaroo and the label of three Kangaroos depicted thereon. It is admitted by the defendant that the said matches are manufactured and imported from Indonesia.

F It is the plaintiff's averment that the said importation was designed and calculated with the object of enabling the said goods, which are of poor quality, to be mistaken as products of the plaintiff or having
G connection with the plaintiff with a view to profiting thereby, at the expense of the said plaintiff. Computation of an estimated loss was prepared. An interim injunction, pending the disposal of the suit therefore, will restrain the defendant from repeated infringement of the plaintiff's trademark.

H In his submission, Mr Lutema argued that since the damage has been quantified by the plaintiff, there is no need for injunction as it can be granted only in case where the damage is irreparable and cannot
I be quantified in monetary terms. Again, *Atilio's* (1) case is relied upon.

A It is settled law that in order that the court may grant such an injunction the following salient features must exist, *inter alia*:

- B 1. It must be satisfied that there exists a *prima facie* case, serious enough to be tried on the facts alleged and with a probability of decree in favour of the applicant.
- C 2. The award of damages to the plaintiff-applicant will not provide an adequate remedy for the loss sustained as a result of the defendant respondent's infringement.
- D 3. The plaintiff-applicant stand to suffer greater hardship from the withholding of the injunction than that suffered by the defendant if it is granted.

D However, I must be quick to add that in cases such as the instant one, quantification of damages is not always a conclusive factor. Matters such as loss of goodwill; confusion and/or deception resulting from apparent similarity of the goods involved, are equally important.

E They may have far reaching consequences to the business of both parties even after the conclusion of their case in court. Therefore, an injunction may be granted to protect a party from an irreparable infringement of or on his rights as well as when it is just and convenient to do so. It is also aimed at preventing irreparable injury which is substantial and cannot be adequately remedied or atoned for by damages.

G It is worth mentioning here that a long held view of establishing a *prima facie* case before an injunction is granted is misleading. As rightly pointed out by Mapigano, J., in *Colgate – Palmolive Company v. Zacharia Provision Store and others* (3):

H I direct myself that in principle the *prima facie* case rule does not require that the court should examine the material before it closely and come to a conclusion that the plaintiff has a case in which he is likely to succeed, for to do so would amount to prejudging the case on its merits. All that the court has to be satisfied of, is that on the face of it the plaintiff has a case which needs consideration and that there is likelihood of the suit succeeding.

I

To underscore the foregoing, Lord Diplock stated the following in *American Cyanamid Co. v. Ethicon Ltd* (4): A

There was no rule of law that the court was precluded from considering whether, on a balance of convenience, an interlocutory injunction should not be granted unless the plaintiff succeeded in establishing a *prima facie* case or a probability that he would be successful at the trial of the action B

...

In other words therefore, the court should be free to use its discretion in granting that remedy if and when it is satisfied that unless immediate action is taken the plaintiff applicant may suffer irreparable damages – quantifiable or not and further, that the dispute would be rendered nugatory as a consequence thereof. C

D I have examined the present chamber application in depth and on the strength of the pleadings and submissions by both advocates as well as on the strength of the authorities cited herein, I am satisfied that this application should succeed. Therefore I grant a temporary injunction in favour of the applicant – Kibo Match Group Ltd – to restrain the respondent – H.S. Impex Ltd – whether by its officers, servants agents or any of them or otherwise, from importation, distribution, sale, advertisement or otherwise, of safety matches under the names and device of “KANGAROO” until final determination of the main suit. Costs of this application are awarded to the applicant. E F

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