

**THE REPUBLIC OF UGANDA**  
**IN THE HIGH COURT OF UGANDA SITTING AT KAMPALA**  
**(COMMERCIAL DIVISION)**  
**CIVIL SUIT No. 0359 OF 2019**

5 **MIGOO INDUSTRIAL AND TRADING COMPANY (U) LIMITED ..... PLAINTIFF**

**VERSUS**

**RIDA INTERNATIONAL INDUSTRY (U) LIMITED ..... DEFENDANT**

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**Before: Hon Justice Stephen Mubiru.**

**JUDGMENT**

15 a. The plaintiff's claim;

The Plaintiff sued the defendant for recovery of a general and special damages for infringement of its industrial design, passing off and fraud, a permanent injunction restraining further infringement, declarations and costs. The plaintiff's claim is that it is the registered owner of the trademark  
20 MIGOO, in respect of clothing, footwear and headgear by virtue of which it has been manufacturing and selling gumboots in Uganda and elsewhere since the year 2012. Sometime during the year 2012 the plaintiff's director contacted a one Mr. Li Dong Biao to design an industrial mould for the production of gumboots. It is on that basis that the plaintiff began the production of gumboots under the MIGOO trademark, which are sold in Uganda, the Democratic  
25 Republic of Congo, South Sudan, Rwanda, Kenya and Tanzania among other markets. To the plaintiff's surprise, during or around the year 2016 the said Mr. Li Dong Biao incorporated a company in Uganda that was named "Rida International Industry Uganda Limited" that manufactures and sells gumboots in the same market, under the RIDA trademark. The gumboots manufactured and sold by the defendant under that name are identical to those produced by the  
30 plaintiff in design, shape, colour and sizes save that the latter's are cheaper and of a poor quality. As a result the defendant's activities have undercut the plaintiff's sales, caused confusion in the market, thereby causing the plaintiff losses.

b. The defence to the claim;

In its written statement of defence, the defendant contends that its industrial design is different from that of the plaintiff. The defendant has not in any way infringed on the plaintiff's industrial design. It manufactures its products under a design registered on 28<sup>th</sup> August, 2018 as UG/D/2018/0004 while that of the plaintiff was registered on 18<sup>th</sup> February, 2019. The defendant's activities have not occasioned any confusion in the market saw that its products are of a superior quality that is outcompeting the plaintiff's product. Instead the plaintiff unlawfully raided and seized material from the defendant's factory on or about 13<sup>th</sup> May, 2019 thereby putting the defendant out of production from 14<sup>th</sup> May, 2019 to 10<sup>th</sup> June, 2019. It is in that regard that the defendant counterclaims for special damages, general damages for trespass to land and conversion, restoration of its property wrongfully seized, interest and costs.

c. The issues to be decided;

The following were identified as the issues to be decided by court, namely;

1. Whether the defendant infringed the plaintiff's industrial design in respect of the gumboots.
2. Whether or not the defendant passed off her gumboots as those of the plaintiff.
3. What remedies are available to the plaintiff?

d. The submissions of counsel for the plaintiff;

Counsel for the plaintiff, M/s Waymo Advocates, submitted that the plaintiff's industrial design was registered on 16<sup>th</sup> November, 2018 under reference UG/D/2018/00049. This conferred upon the plaintiff the exclusive right of making, selling and using the design and to prevent its unauthorised copying or imitation by others. Save fir the trade mark at the bottom of the sole, the defendant's product's design is identical to that of the plaintiff. The plaintiff did not authorise the defendant to use the plaintiff's protected industrial design and the similarity thus constitutes an infringement of the plaintiff's design. It is for that reason that the plaintiff is entitled to recovery of a general and special damages for infringement of its industrial design, passing off and fraud, a permanent injunction retraining further infringement, declarations and costs.

e. The submissions of counsel for the defendants;

The suit proceeded *ex-parte* the defendant's written statement of defence and counterclaim having  
5 been struck out on 22<sup>nd</sup> January, 2021 upon a preliminary objection raised by the plaintiff on  
grounds that it had been filed out of time without the leave of court. Consequently counsel for the  
defendant did not file any submissions.

f. The decision;

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**1<sup>st</sup> issue;**      whether the defendant infringed the plaintiff's industrial design in respect of the  
gumboots.

In order to catch the attention of buyers, a product must be visually attractive. Visual attraction  
15 thus enhances its marketability. A bad appearance of a product may have an adverse impact on its  
marketability. Since consumers are often drawn to eye-catching products, manufacturers pay  
adequate attention to the designs of the articles they produce, commonly endeavouring to make a  
product more convenient to use and more visually appealing by shaping it to fit the people who  
use it and the industrial processes that produce it thereby giving the product a distinctive elegance  
20 that makes users want it. For this purpose they invest substantial capital and carry out research,  
hence the legal protection provided to industrial designs. Industrial designs give products a  
competitive edge in the marketplace. Those designs that are well-received in the marketplace may  
thus attract competition. The protection confers the exclusive privilege of making, selling and  
using the design.

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Section 71 of *The Industrial Property Act, 3 of 2014* defines an industrial design as “that aspect of  
a useful article which is ornamental or aesthetic that may consist of three dimensional features like  
a shape or surface of an article or a three dimensional feature such as patterns, line or colours.” A  
“design” is, therefore, a pattern or representation which the eye can see and which can be applied  
30 to a manufactured article (see *In re Clarke's Design*, [1896] 2 38, at p. 44 and *In re Read & Gres-*  
*well's Design*, 42 Ch. D. 200, at p. 262). Although the design makes the article attractive for sale

and is part and parcel of the article itself, it is clear from the definition that design means the features of shape, configuration, pattern or ornament applied to an article and not the article itself. Industrial designs protect only the visual features of a product. To protect the functional features of a product, such as what it is made of and how it works, one needs to obtain patent protection.

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Although the design of a product may have technical or functional features, industrial design, as a category of intellectual property law, refers only to the aesthetic nature of a finished product, and is distinct from any technical or functional aspects. Registered designs are intended to protect features of an industrial article which have eye appeal and not merely functional aspects of the design (see *Lucasfilm Ltd and others v. Ainsworth and Another* [2010] Ch 503; [2010] 3 All ER 329; [2010] 3 WLR 333). An industrial design is thus constituted by features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to or are judged solely by the eye.

15 To qualify for registration under *The Industrial Property Act 3 of 2014*, the design must not, to the proprietor's knowledge, have been in use by a person other than the applicant at the time the design was adopted by the applicant. "There must be the exercise of intellectual activity so as to originate, that is to say suggest for the first time, something which had not occurred to any one before as to applying by some manual, mechanical, or chemical means some pattern, shape, or ornament to some special subject-matter to which it had not been applied before (see *Dover Limited v. Nürnberger Celluloidwaren Fabrik Gebrüder Wolff* [1910] 2 Ch. 25, at p. 29). In other words, the design must be original and there must be some substantial difference between the new applied-for design and pre-existing designs.

25 To constitute an original design there must be some substantial difference between it and what had theretofore existed as applied to articles of an analogous character. A slight change of outline or configuration, or an unsubstantial variation is not sufficient to enable the author to obtain registration. Novelty (an industrial design is considered to be new or novel if it has not previously been disclosed to the public and it may be considered original if it significantly differs from known designs or combinations of known design features) and individual / distinctive character (a design has individual character if the overall impression produced by it on the informed user differs from

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the overall impression produced on such a user by any design that had been available to the public earlier) are the protection conditions.

It was the testimony of plaintiff's Chief Executive Officer P.W 3 Mr. Xiang Jinxin that the plaintiff began the production and sale of gum boot with the distinctive design right from the year 2012 but caused its registration as an industrial design during the year 2018 upon noticing that its market had been infiltrated by the defendant's identical product but of inferior quality. Its application was advertised in the Uganda Gazette on 16<sup>th</sup> November, 2018 under reference UG/D/2018/00049 (exhibit P. Ex.16). The certificate of registration was issued on 18<sup>th</sup> February, 2019 (exhibit P. Ex.9). That of the defendant was registered on 28<sup>th</sup> August, 2018 (exhibit P. Ex.12). Indeed whereas the plaintiff was incorporated on 8<sup>th</sup> June, 2011 (exhibit P. Ex.1), the defendant was incorporated five years later on 28<sup>th</sup> June, 2016 (exhibit P. Ex.6).

Ordinarily priority is given to the earlier registration in time. According to sections 72 (2) and 17 (3) of *The Industrial Property Act, 3 of 2014* where two or more persons have made the same industrial design independently of each other, the person whose application has the earliest filing date, or if priority is claimed, the earliest validly claimed priority date that leads to the registration of an industrial design, has the right to the industrial design. The design registration system thus operates on a first-to-file basis. This means, the first person to file for protection will, in general, have priority over others.

However, such registration has no effect against "the prior user" defined as any person who in good faith, for the purposes of his or her enterprise or business, before the filing date or, where priority is claimed, the priority date of the application on which the industrial design is granted, and within the territory where the industrial design produces its effect, is using the industrial design or is making effective and serious preparations for that use (see section 41 (1) of *The Industrial Property Act 3 of 2014* with the necessary modifications). This exception prevents the deprivation of the prior user the right to do what it had already been doing before the relevant industrial design application was filed. It is thus immaterial that the defendant's design was registered on 28<sup>th</sup> August, 2018 six months earlier than that of the plaintiff registered on 18<sup>th</sup> February, 2019.

By registering a design, the owner obtains a right to ownership and the right to prevent others from using the design without his permission. During the existence of the registration no person may, without the licence of the owner of the design, make, import, sell or offer for sale any article in respect of which the design is registered and to which the design or a design not differing substantially therefrom has been applied. Infringement of an industrial design occurs when someone applies a registered industrial design or a design not differing substantially, to an article, for the purposes of sale, rental, or exposure for sale, without the permission of the owner. To claim infringement, one must be able to prove that they have a valid registered industrial design and that another party is using the same design or a design not differing substantially from it, applied to the same product.

The scope of protection conferred on an industrial design is provided in Article 26 of *The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)* which provides as follows:

1. The owner of a protected industrial design shall have the right to prevent third parties not having his consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.
2. Members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.
3. The duration of protection available shall amount to at least ten years.

Similarly, section 79 of *The Industrial Property Act, 3 of 2014* provides that registration of an industrial design confers upon its registered owner the right to preclude third parties from performing any of the following acts in Uganda; - (a) reproducing the industrial design in the manufacture of a product; (b) importing, offering for sale and selling a product reproducing the protected industrial design; or (c) stocking of that product for the purposes of offering it for sale or selling it.

The plaintiff's right to the exclusive use of the design cannot be seriously questioned. The plaintiff's certificate issued on 18<sup>th</sup> February, 2019 (exhibit P. Ex.9), in the absence of proof to the

contrary, is sufficient evidence of the design, of the originality of the design, of the name of the proprietor, of the person named as proprietor being proprietor, of the commencement and term of registry, and of compliance with the provisions of the Act.

5 A registered design provides protection for the appearance of the whole or a part of a product. This appearance can result from the shape, lines, contours, colours, texture or materials of the product itself and / or its ornamentation. A registered design may be infringed in two ways: (a) the infringing article bears a design which is exactly the same as or identical to that which has been registered; or (b) the infringing article bears a design which is not substantially different from that  
10 which has been registered. A design is not regarded as new if it differs from a registered design only in immaterial details or in features which are variants commonly used in the trade. There will be no infringement if the alleged infringement is substantially different from the look of the registered design as a whole.

15 In light of the reference in the definition of “design” to “ornamental or aesthetic ....features,” it appears that infringement must be determined on an ocular basis. The primary concern is what the article looks like in terms of pattern, shape, or ornament, not what it does. The questions are; is the design sufficiently different compared to the fundamental form of the article and the prior art? Is an allegedly infringing design sufficiently similar to the original? A visual comparison is a  
20 necessity in answering these questions. The most important aspect of a design is the visual appeal to the potential customer which may be a factor that substantially influences the customer’s choice or preference for one product over another, particularly for items where all other factors such as function and cost are relatively equal. The emphasis is on the visual image conveyed by the article. The appearance of the allegedly infringing article must be compared to the appearance of the  
25 registered design, from the perspective of a customer (see *AMP Inc v. Utilux Pty Ltd* [1971] FSR 572 and *Lucasfilm Ltd and others v. Ainsworth and another*, [2011] 4 All ER 817, [2011] 3 WLR 487). The eye of the consumer, however, is exercised *de facto* by the judge.

The comparison is to be made between the alleged infringing article and the registered design and  
30 the similarities and differences between the registered design and the alleged infringing article are noted by a side by side comparison. At the end of the day it is the general impression of an object

as a whole that may be more important. In considering whether there is or is not a substantial difference, it is also important to bear in mind the concept commonly referred to as “imperfect recollection.

- 5 The imperfect recollection test acknowledges that consumers compare industrial designs based on their general impression as opposed to a meticulous side by side comparison. Under this test, judgment involves looking at the designs together, then apart, at different times, and a little distance off. The test which has to be applied in each case is whether the industrial design made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one
- 10 product for another due to similarity of industrial design and other surrounding factors. A purchaser cannot retain in his or her mind every detail of the design which he or she has once seen. Thus in determining the probability of confusion on the question of similarity between two industrial designs, due allowance must be made to approach the problem from the point of view of a person of average intelligence and of imperfect recollection. It is a matter of first impression.
- 15 To establish infringement, the owner of the design must prove that in the eye of an ordinary observer, giving such attention as a purchaser usually gives, the protected and accused designs are substantially the same. The court will find an infringement if the resemblance is such as to deceive such an observer, inducing him or her to purchase one supposing it to be the other.
- 20 The court applies the test in order to determine the possibility of confusion of one product for another by the consumer because there may be a possibility that the consumer is an unwary purchaser of average intelligence and imperfect recollection who may be absolutely illiterate or have no knowledge of the English language or of the language in which the accompanying trade mark is written, and to whom different words with slight difference in spellings may sound
- 25 phonetically the same. Although the average consumer of the category of products concerned is deemed to be reasonably well informed and reasonably observant and circumspect, account is taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks and must place trust in the imperfect picture of them that he or she has kept in mind. It should also be borne in mind that the average consumer’s level of attention is
- 30 likely to vary according to the category of goods in question. Even consumers with a high level of attention need to rely on their imperfect recollection of industrial designs.



When the matter in question is to be judged by the eye, it will inevitably be difficult to express verbally the process of reasoning leading to the conclusion that the defendant's design represents a departure from the prior design. *In the Matter of Rollason's Registered Design (1898) 15 RPC 441 at 447*, Lord Herschell said;

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It is not possible to give reasons for the conclusion at which one arrives in a case of this sort - you cannot analyse the difference. You might find many differences, and yet come to the conclusion that the designs were the same; you might find but few differences, and yet come to the conclusion that the designs were different. [O]f course, in the present day it is very difficult to register any design that does not contain in it something that has been done before.

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Despite the inherent difficulty, the first task is to define the consumer circles that are relevant for the purposes of the case. The actual and potential customers of the goods in dispute constitute one of the factors to be dealt with in the analysis of their similarity. While a coincidence in the relevant consumer circles is not necessarily an indication of similarity of the goods, largely diverging consumer circles weigh heavily against similarity. The court decides the issue by placing itself in the position of an informed user. The concept of the "informed user" is flexible enough to incorporate the views of consumers, experts, specialists and skilled tradespersons. It must be understood as lying somewhere between that of the average consumer, applicable in trade mark matters, who need not have any specific knowledge and who, as a rule, makes no direct comparison between the trade marks in conflict, and the sectoral expert, who is an expert with detailed technical expertise.

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Thus, the concept of the informed user may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his or her personal experience or his or her extensive knowledge of the sector in question. It would alternatively be defined as a person who is reasonably familiar with the nature, appearance and use of products of the relevant kind; a user who views a design with the relevant high attention due to his or her interest in such goods. An informed user is neither an expert, nor the man in the street. He or she is a person who pays particular attention to the relevant products. For example, for car spare parts the informed user may be the mechanic or repairer; and for consumer items it may be the consumer who buys the item; that user is in between the level of an ordinary user and an expert. An informed user is

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well-informed, reasonably observant and circumspect and normally perceives a design as a whole without proceeding to analyse its various details, but is also not an expert or specialist capable of observing in detail the minimal differences that may exist between the designs at issue.

5 In short an informed user is someone who is knowledgeable of the design in question, is familiar with the relevant market, and may be a user of the product on which the design in question is applied on, but in between an ordinary user and an expert. The informed user can be characterised as one whose appreciation of the design at issue is conditioned by his or her personal experience of and enthusiasm for the products in question. In a decision delivered in October 2011 in the case  
10 *Grupo Promer Mon Graphic SA v. OHIM, PepsiCo Inc (C-281/10P)*, (paragraph 3) the Court of Justice of the European Union (CJEU) had the opportunity to define the “informed user” as referring; “not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the sector in question.”

15 “Without being a designer or a technical expert, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them (see *PepsiCo v. Grupo Promer Mon Graphic, C-281/10 P, EU:C:2011:679*, paragraph 59, and *Sachi Premium-Outdoor Furniture v. OHIM —*  
20 *Gandia Blasco (Armchair), T-357/12, EU:T:2014:55*, paragraph 16). He or she does not merely perceive the designs as a whole and neither analyses details nor observes in detail minimal differences which may exist (*PepsiCo, Inc v Grupo Promer Mon Graphic SA*, Case C-281/10, paras 53 to 59, October 20 2011; *Grupo Promer Mon Graphic SA v OHIM*, Case T-9/07, para 62, March 18 2010; *Shenzhen Taiden Industrial Co Ltd v OHIM – Bosch Security Systems*, Case T-  
25 153/08, para 46, June 22 2010; *Samsung Electronics (UK) Ltd v Apple Inc* [2012] EWHC 1882 (Pat) (paras 33-35).

Thus, the concept of the informed user may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his personal experience or because  
30 of his extensive knowledge of the sector in question. Since an informed user would appear to be more attentive than the average consumer, but not an expert, distinctiveness should thus be

determined from the perspective of users of the design rather than design experts. The most relevant elements of the design will determine the overall impression in the informed user, and therefore they are to be taken into consideration when doing a comparative analysis.

5      Thereafter, the informed user's degree of attention and sophistication must be established. The analysis requires taking into account certain aspects of consumer cognitive behaviour and purchasing habits; the impact of the relevant informed user's attention and sophistication. A finding of likelihood of confusion requires that there be confusion as to origin. The risk that the relevant informed user might believe that the goods in question come from the same undertaking  
10      or, as the case may be, from economically linked undertakings, constitutes a likelihood of confusion. There can be no such likelihood where it does not appear that the relevant informed user could believe that the goods come from the same undertaking or, as the case may be, from economically linked undertakings. What matters is that the informed user believes that the control of the goods in question is in the hands of a single undertaking.

15      In the instant case, the informed user of gumboots is deemed to be any person who habitually purchases such items, puts them to their intended use and who has sought information about those products, *inter alia*, by visiting shops selling such products, downloading information from the internet or by browsing through catalogues of, or including, gumboots.

20      One of the essential functions of an industrial design is to give the product the desired quality / beauty that it exudes to help determine its marketability / profitability as a brand. To the consumer or end user in a way it also guarantees the identity of the origin of the product by enabling him or her, without any possibility of confusion, to distinguish the product from others that have another  
25      origin. The origin that the industrial design is intended to guarantee is the same: it is not defined by reference to the manufacturer but by reference to the point of control of manufacture. Other functions in particular include that of guaranteeing the quality of the goods in question and those of communication, investment or advertising.

30      Industrial designers develop aspects of a product that create emotional connections with the user. They integrate all aspects of form, fit and function, optimising them to create the best possible user

experience. They also create visually appealing designs that can stand the test of time and ensure that the product is ergonomically suited to fit the user, including how they will functionally relate, interface or live with the product. Over time, a consistent good experience with a product translates into brand preference. This helps to keep alive a business's image in the mind of its consumers. If consumers are happy with its products, they will develop trust in its brand and may become, over time, loyal consumers for all its products. Often it is the external appearance that may first catch the eye of a potential consumer. Many consumers buy a brand and not the product to which it relates.

Identity is generally defined as “the quality or condition of being the same in substance, composition, nature, properties, or in particular qualities under consideration” (*Oxford Dictionaries* online edition). Identity exists not only when the goods completely coincide (the same terms or synonyms are used), but also when and insofar as the goods to which the contested industrial design is applied fall within the earlier industrial design's broader category, or when and insofar as, conversely, a broader design of the contested industrial design's includes the more specific goods of the earlier industrial design. There might also be identity when two broad categories under comparison coincide partially (“overlap”). Hence a distinction can be made between cases of “full identity” and “partial identity.” Designs differing only in immaterial details will be deemed to be identical.

Generally speaking, two items are defined as being similar when they have some characteristics in common. The similarity of industrial designs does not depend on any specific number of criteria that could be determined in advance and applied in all cases. The following factors should be taken into account: (i) the nature of good to which the industrial design is applied; (ii) the intended purpose of such goods; (iii) the method of use of the goods (iv) complementarity (whether the goods in issue complement each other); (v) competition (whether the goods in issue are in competition in the market); (vi) their respective distribution channels; (vii) the relevant consumer circles; (viii) the degree of freedom of the designer in developing the design; and (ix) the usual origin of the goods.

The relevant consumer circles play an important role in establishing a number of other factors that are relevant for the assessment of the likelihood of confusion. Likelihood of confusion means a probability of confusion on the part of the relevant consumer and does not require actual confusion. It is not necessary to establish the existence of actual confusion, but the existence of a likelihood of confusion. A likelihood of confusion (including a likelihood of association) exists if there is a risk that the average consumer might believe that the goods in question come from the same undertaking or, as the case may be, from economically linked undertakings.

(i) The nature of goods to which the industrial design is applied.

In the assessment of the individual character of a design in relation to any previous presence in the design corpus, account must be taken of the nature of the product in which that design is incorporated, in particular the industrial sector to which it belongs. The question is whether or not the contested design is intended to be incorporated into products formed of the same components with the same characteristics as those of which the products incorporating the earlier design are formed.

The informed user who looks at the designs at issue will easily recognise, as regards the product, the same shape of gumboots, the same diameter-to-height proportions across sizes, the same colour; namely black, and the same linear ornamental contours design. This contributes to producing an impression of “*déjà vu*” from the perspective of the informed user of the defendant’s contested design in relation to the plaintiff’s design.

(ii) The intended purpose of such goods.

The design of a product is intrinsically related to the value, service and function the product is intended to perform in the life (lifestyle) of the intended consumers. The status of “user” implies that the person concerned uses the product covered by the design in accordance with the purpose for which that product is intended. Apart from the experience gained by using the product concerned, the informed user is not expected to be able to distinguish the aspects of the appearance of the product which are dictated by the product’s technical function from those which are

arbitrary. In consequence, an informed user is a person who has some awareness of the existing designs in the sector concerned, but without knowing which aspects of the product in question are dictated by technical function.

- 5 The informed user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them, with the result that the concept of the informed user can be understood as referring to a user who is particularly observant, either because of his personal experience or  
10 because of his extensive knowledge of the sector in question.

In the instant case none of the linear contours constituent visual features of the ornamental aspects of the design are defined exclusively by the technical function of the article. They are exclusively aesthetic creations determining the external appearance of the product. It has little or nothing to do  
15 with the functionality, and usability of the product, but is rather clearly used to improve the product's marketability by making it more attractive or appealing.

(iii) The method of use of the goods.

- 20 The assessment of the overall impression produced on the informed user by a design includes the manner in which the product represented by that design is used. This requires court to distinguish between the visual features of the design, and features that are generic to the product. In some cases the function of the product may be of material importance for the average user in which a design may be attributed to the technical function. In the assessment of the individual character of  
25 a design in relation to any previous presence in the design corpus, account must be taken of the manner in which the product concerned is used, in particular the way it is normally handled. For this reason, the eye concerned is not the eye of the court, but that of the person who may be deciding whether or not to purchase the article in question. The features in question must therefore have some individual characteristic calculated to attract the attention of the beholder.

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The assessment addresses the question whether the design has some functional characteristics, i.e., whether the features of design bear any relation to the function to be performed by the nature of the goods. The issue is whether or not users are more likely to seek the functional characteristics in the design, constituting the design as having a distinctive function and not in reality fulfilling a technical function. For example a particular shape might be useful in making the product stronger. Some functional characteristics may be of no relevance for average consumers while others do. In some products design relates less to the features of shape or configuration and more in elements of pattern or ornamentation, the latter of which are to be given more regard in providing distinguishing features. The question the informed user attaches an interest to the function of those characteristics.

In the instant case I find that none of the linear constituent visual features of the ornamental aspects of the design are defined exclusively by the technical function of the article. They are exclusively aesthetic creations determining the external appearance of the product. It has little or nothing to do with the functionality, and usability of the product, but is rather clearly used to improve the product's marketability by making it more attractive or appealing.

A likelihood of confusion can be safely excluded when two conflicting designs, albeit containing or consisting of the same linear constituent visual features, are stylised in a sufficiently different way or contain a sufficiently different figurative element or graphic representations, so that their different overall graphical characterisation or representation eclipses the common linear contour elements. In some cases, the later trade mark may cause a sufficiently different visual impression within the context of the industrial design such that a likelihood of confusion can be safely ruled out. However in the instant case, the court takes note of the fact that the trademarks of both products “MIGOO” for the plaintiff and “RIDAR” for the defendant are at the bottom of the sole. The defendant’s trade mark, although different from that of the plaintiff, by its location and it its own therefore is incapable of causing a sufficiently different visual impression.

(iv) Complementarity (whether the goods in issue complement each other).

A complementary good is an item used in conjunction with another good. Usually, the complementary good has little to no value when consumed alone, but when combined with another good, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. I find that the plaintiff's product is not complementary to that of the defendant and vice versa.

(v) Competition (whether the goods in issue are in competition in the market).

Consumers often take the visual appeal of a product into consideration when choosing between different products of the same type. This is especially true when the market offers a large variety of products with the exact same function. As the aesthetic appeal of a product can determine the consumer's choice an industrial design adds commercial value to a product.

P.W.2 Ms. Aida Ndagire, P.W.3 Mr. Xiang Jinxin, P.W.4 Ms. Tong Jiao and P.W.5 Mr. Buule George all testified that the defendant's product is in direct competition with their. This resulted in undercutting their sales by the defendant offering a similar, albeit inferior version of their product, at a cheaper price. I therefore find that the plaintiff's product is in direct competition with that of the defendant and vice versa.

(vi) Their respective distribution channels.

Manufacturers may use alternative distribution channels to make their products available to final customers. With the direct-marketing channel, goods are sold directly to the final consumer. There is no need for wholesalers or other intermediaries in this channel because the goods are sold in large quantities. In direct channel structures, the entire task necessary to create sales and to deliver the products to industrial customers is performed by the manufacturers themselves. The various tasks involved in this process are contacting the potential customers, communicating and negotiating with them, financing and selling, storing the products, transportation and providing related services. Firms will distribute directly when they want to closely control selling, serving,



and pricing or have only a few readily identifiable customers. That explains why the industrial distributors are concentrated highly in the industrial markets they serve and certain other places that have large number of industries like large towns and cities. Most industrial goods such as raw materials, equipment, and component parts are sold through this business channel.

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In the case of small accessories, when the market requires a variety of related goods in small quantities, companies prefer to use intermediaries because of their wide coverage (due to economies of scope and scale), experience, and specialised distribution in their industries. In that case producers sell their products to wholesalers or industrial distributors, who in turn sell them to business customers. Brokers and sales agents are also common intermediaries in industrial marketing channels. Largely due to increased size, improved level of product knowledge, technical competence, specialisation of such intermediaries and various other factors, activities such as after sales and maintenance services ensures continual customer satisfaction and helps the firm not only manage its forward supply chain, but also its backward supply chain.

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A major characteristic of a distribution channel is that the retailer is closer to the end consumer than manufacturer. Therefore, the retailer is often better informed about demand conditions than the manufacturer. In the instant case, we have the testimony of P.W.2 Ms. Aida Ndagire, a distributor of the plaintiff's product of over ten year's standing, who also dealt in the defendant's product while still the official distributor of the plaintiff. Indeed P.W 3 Mr. Xiang Jinxin testified that he came to know through its marketing personnel that infringing goods were being sold in the same market and through the same distribution channels as those of its products. It would thus appear that when the products leave both rival manufacturers' gates, they enter into the same retail and distribution channels, via which they then reach the customer. The two products share the same market.

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(vii) The relevant consumer circles.

Customer needs describe the benefits that a product must fulfil, which may address several issues, including utility, functionality, aesthetics, prestige, usability and pleasure. Technical needs mainly concern quality, after-sales service, dependability, functional aspects and so on, while aesthetic

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ones concern the benefits the consumer receives in exchange for the price paid. Customer value is something perceived by customers rather than objectively determined by a seller. Overall satisfaction is the customer's feelings in response to the evaluation of one or more use experiences with a product.

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Designs are not considered as substantially different from each other if they are different merely in design features that are not easily recognised and memorised and that cannot serve to distinguish the two designs as a whole by the relevant consumer circles. It was the testimony of P.W.2 Ms. Aida Ndagire, a distributor of the plaintiff's product of over ten year's standing who also dealt in the defendant's product that a good number of customers are illiterate and cannot tell that the trade marks "MIGOO" and "RIDA" are different. She testified further that a good number of customers would pick the defendant's pair of boot believing that they had picked those of the plaintiff only to return them later on realising they were not of the same quality or that they were branded "RIDA" and she would then replace them with those of the plaintiff, accompanied with an apology.

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I find that the relevant consumer circles at the time of purchase merely perceive the design as a whole and neither analyse details nor observe in detail minimal differences which may exist at the bottom of the sole where the trade marks "MIGOO" for the plaintiff and "RIDA" are embedded.

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(viii) The degree of freedom of the designer in developing the design.

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Many design possibilities are limited by technical or constructional specifications. Constraints on the designer's creative freedom may be dictated exclusively by the technical function of the product, as opposed to standard features that the market expects. Where elements of a product are technically determined, the designer's creativity will be limited when developing the drawing or model. The more the designer's freedom in developing a design is restricted, the more likely it is that small differences between the designs to be compared will suffice to justify protection. The less freedom the designer has, the lower the bar for establishing individual character. Therefore as a general rule, where freedom of design is very limited, small differences may give rise to individual character.

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Conversely, the greater the designer's freedom in developing a design, the less likely it is that minor differences between the designs at issue will be sufficient to produce different overall impressions on an informed user. Therefore, if the designer enjoys a high degree of freedom in developing a design, that reinforces the conclusion that designs that do not have significant differences produce the same overall impression on an informed user.

The degree of freedom enjoyed by the designer in developing his design is determined, *inter alia*, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product. Those constraints result in a standardisation of certain features, which thus become common to a number of designs applied to the product concerned. In the instant case, the Designer's degree of freedom in the design of a pair of gumboots is restricted in terms of overall shape, colour, texture / material and sizes. Nevertheless, there is a high degree of design freedom with regard to the appearance (shape of the ornamental grooves) and their specific arrangement. There is a considerable scope for the design of such grooves, their individual characteristics and their specific arrangement. The degree of freedom of the designer in designing such grooves is almost unlimited because such decoration can come in any combination of colours, patterns, and shapes. Whereas the designer is limited as to the shape, not so as regards the decoration. I find that the defendant's designer had sufficient freedom in choosing a design, which would reinforce the conclusion that if the two designs do not have significant differences, they would produce the same overall impression on an informed user.

Taking all the above factors in the instant case, I find that the key features of the gumboots in issue are; - the Shaft (the long tube that covers the area from the ankle to the calf which makes the boot so recognisable as a distinctive type of footwear); the Collar (the top edge of the shaft, where one inserts the foot. This is rim-padded for extra strength and comfort); the Vamp (the part of the boot that covers the top of the foot); the Counter (the back lower part of the boot where the heel sits); and the Instep (the arch inside the boot that distinguishes the left from the right foot). Side by side, the design of the plaintiff (exhibit P. Ex.17) does not differ from that of the defendant (exhibit P. Ex.18) in any of those aspects.

The linear constituent visual features of the ornamental aspects of the design are defined by a contour like line that originates from the sole, in the middle of the boot where the Vamp meets the Counter on one side and on the opposite side, forks into a U-shape at the base of the shaft around ankle-high on each side of the Shaft, with one arm of the fork continuing upwards toward the front to join the one from the opposite side to form a complete an inverted loop slightly above the instep. The other arm of the fork continues upwards and backward toward the lower calf-area of the boot, where it too joins the one from the opposite side to form a complete inverted loop at the lower calf-area of the boot, slightly above the ankle area. Side by side, these ornamental aspects of the design of the plaintiff (exhibit P. Ex.17) do not differ from those of the defendant (exhibit P. Ex.18) in any of those aspects.

The next step is to make a global assessment of likelihood of confusion. In doing so, all relevant factors have to be taken into consideration. The global appreciation of the visual or conceptual similarity of the industrial designs in question must be based on the overall impression given by the designs, bearing in mind, in particular, their distinctive and dominant components. In doing so I have examined a pair of gumboots to which the plaintiff's registered design has admittedly been applied (exhibit P. Ex.17) and the defendant's version (exhibit P. Ex.18) from every different angle and, including a direct head-on view.

The similarity of the linear contour patterns from every different angle is, in my view, incontrovertible. Even from a direct head-on view, the defendant's design is an obvious adaptation of the plaintiff's. I find it very difficult to see how it could be successfully suggested that there is any such difference between exhibit P. Ex.18 and the plaintiff's design as would warrant a finding that the former is possessed of any originality. If, on the other hand, it could be said that a sufficient difference exists between the overall look of exhibit P. Ex.17 and that of the plaintiff's design to warrant a finding that the former possesses originality, it would appear to me to be difficult to maintain that the difference between the overall look of the plaintiff's design and that of the defendant's is not equally pronounced. It is evident that the defendant copied, with no variations, the design of the plaintiff.

The average consumer normally perceives a design as a whole and does not proceed to analyse its various details. The concept of likelihood of confusion refers to situations where: (i) the relevant consumer circles directly confuse the conflicting industrial designs, that is to say, mistake the one for the other; or relevant consumer circles make a connection between the conflicting industrial designs and assume that the goods in question are from the same or economically linked undertakings (likelihood of association). Economic links will be presumed where the consumer assumes that the respective goods are marketed under the control of the industrial design proprietor. Such control can be assumed to exist in the case of enterprises belonging to the same group of companies and in the case of licensing, merchandising or distribution arrangements as well as in any other situation where the consumer assumes that the use of the industrial design is normally possible only with the agreement of the industrial design proprietor.

Evidence of actual confusion is a factor that may weigh in favour of likelihood of confusion; its indicative value should not, however, be overestimated for the following reasons: (i) in everyday life there are always people who confuse and misconstrue everything, and others who are extremely observant and very familiar with every industrial design. Therefore, there is no legal value in highlighting the existence of these people since it could lead to subjective results; (ii) insofar as the targeted consumer's perception is concerned, the assessment is normative. The average consumer is assumed to be "reasonably well informed and reasonably observant and circumspect," even though in purely factual terms some consumers are extremely observant and well informed, whilst others are careless and credulous. Therefore, incidences of actual confusion can influence the finding of likelihood of confusion only if it is proven that these incidences usually accompany the existence of the conflicting industrial designs in the market in the typical situation in trade involving the goods concerned.

To properly weigh evidence on the number of occasions when actual confusion has arisen, the assessment must be made in the light of the number of opportunities for confusion. If the business transactions are voluminous but the instances of confusion are sparse, this evidence will have little weight in the assessment of likelihood of confusion. Evidence of actual confusion is contained in the testimony of P.W.2 Ms. Aida Ndagire. Having myself undertaken a comparative view of both designs, I find that indeed the defendant's contested design produces an impression of "*déjà vu*"

in relation to the earlier design. Having regard, first, to the strong similarity between the conflicting designs and, second, to the similarity between the goods concerned, limited though it may be in the case of footwear, the court concludes that there is a likelihood of confusion on the part of the relevant public. The designs and the goods are identical.

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The designs at issue, on account of minimal differences between them, if any, produce an identical overall impression on the informed user. The differences between the two designs are too insignificant to create a different overall impression. They are not sufficient to distinguish the overall impression of the contested design from the plaintiff's earlier design. The informed user is not an expert or specialist capable of observing in detail the minimal differences that may exist between the designs at issue. The defendant's design does not possess sufficient individual character to be eligible for protection.

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Registration of an industrial design provides a presumption of the validity of a registration and a presumption that the infringer had notice of the brand owner's rights. Infringement occurs where a person, without the licence or authority of the design owner, applies the design or a fraudulent or obvious imitation of it to any article in respect of which the design is registered; or imports, sells, offers or keeps for sale or hires or offers or keeps for hire an obvious or fraudulent imitation of the design. Since there is no evidence to show that the defendant obtained the plaintiff's licence to use the design, this issue is answered in the affirmative. I find that the defendant infringed the plaintiff's industrial design in respect of the gumboots.

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**2<sup>nd</sup> issue;**      whether or not the defendant passed off her gumboots as those of the plaintiff.

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The tort of passing off protects the goodwill of a trader from misrepresentation. It is constituted by acts which mislead the public into believing falsely, that the brand being projected is the same as a well-known brand. The plaintiff must prove that there is a similarity in the industrial design and that the defendant is passing off its goods as those of the plaintiff's. In *Reckitt and Coleman Properties Ltd v. Borden Inc.* [1990] 1 WLR 491; [1990] 1 All ER 873 Lord Oliver stated the law on passing off, thus:

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[The plaintiff] must establish a goodwill or reputation attached to the goods or services which he supplies in the minds of the purchasing public by association with the identifying get-up (whether that consists simply of a brand name or trade description or the individual features of labelling or packaging) under which its particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive, specifically as the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe the goods or services offered by him are the goods or services of the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or in a *quia timet* action that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the sources of the defendant's goods or services is the same as the sources of those offered by the plaintiff.'

The get-up of a product generally denotes the form in which the brand owner presents its product to the market and typically includes the labelling and packaging of a product which consist of a number of features such as colour combinations, arrangements, graphics and other design elements. In other words, the get-up of a product is the whole "dress" in which the goods are offered to the public. a brand owner may show that consumers associate the get-up of a product with the brand owner as a result of the brand owner's extensive use of that get-up.

The get up (the look-and-feel) and style of a product can be used as part of a passing off where it has come to be closely associated with a product. In a passing-off action the persons whose evidence is most cogent are those who, because they know only the plaintiff's goods are the more easily deceived by the similarity of the defendant's goods and it is from just that deception that the plaintiff is entitled to be protected. Where it appears to the eye of the court that there is likely to be deception, and there is evidence of rational men that they have been deceived there is little value in the evidence of witnesses who say they have not been deceived (see *Marengo v. Daily Sketch* [1948] 1 ALL E R 406).

For example in a US decision of *Mixed Chicks LLC, v. Sally Beauty Supply LLC*, 879 F. Supp. 2d 1093, Mixed Chicks LLC introduced a unique range of hair care products under the trade mark MIXED CHICKS®. The design of the bottles of the MIXED CHICKS® line of products is very

unique in that the bottles are translucent, the colour of the content of the products vary depending on the type of product and prominent orange lettering features on the bottles. A much larger competitor, Sally Beauty Products, introduced the exact same range of products under the name MIXED SILK using bottles that were exactly the same shape as the MIXED CHICKS® bottles, carried the same orange lettering and contained product contents of the same colour. The court found that Sally Beauty Products' conduct amounted to trade mark and trade dress infringement and punitive damages in the amount of USD 7.3 million and actual damages in the amount of USD 840 000 were awarded to Mixed Chicks LLC.

In cases not involving a registered industrial design, even if the get-up of the respective products are similar, the different names of products may be sufficient to distinguish the products and, in effect, exclude the likelihood of confusion amongst consumers (see *Societe Des Produits Nestle Sa v. Cadbury Uk Ltd*, [2017] WLR (D) 331 and *Microfibres Inc v. Girdhar And Co. and others*, 128 (2006) DLT 238, 2006 (32) PTC 157 Del). On the other hand, if industrial design infringement proceedings are instituted based on a registered industrial design for the get-up of a product, the names of the respective products should theoretically not feature and should, in effect, be excluded from consideration as being extraneous matter (see *Procter and Gamble Company v. Reckitt Benckiser (UK) Ltd*, [2006] EWHC 3154 (Ch). In essence, in order to determine if consumer confusion is likely, consideration should only be had to registered industrial design for the get-up and the get-up of the infringer's product.

In an action of passing off, in order to succeed, the plaintiff has to prove that there is such a striking resemblance between the two products that the consumer would buy the goods of the defendant thinking the same to be of the plaintiff. What is to be shown is that the defendant is trying to confuse the customers by passing off its goods as those of the plaintiff. A likelihood of confusion (including a likelihood of association) exists if there is a risk that the public might believe that the goods in question, under the assumption that they bear the marks in question, come from the same undertaking or, as the case may be, from economically-linked undertakings. If a significant part of the relevant public of the goods at issue may be confused as to the origin of the goods, this is sufficient. Therefore, there is no need to establish that all actual or potential consumers of the relevant goods are likely to be confused. However in this case, it was established through the



testimony of P.W.2 Ms. Aida Ndagire, a distributor of the plaintiff's product of over ten year's standing, that a good number of customers would pick the defendant's pair of boot believing that they had picked those of the plaintiff only to return them later on realising they were not of the same quality or that they were branded "RIDA" and she would then replace them with those of the plaintiff, accompanied with an apology.

Passing off is a tort of strict liability: the intention of the trader liable for passing off is not relevant. There are three elements required to prove passing off; (i) a goodwill or reputation attached to the relevant goods or services; (ii) a misrepresentation by the defendant to the public (whether or not (whether or not intentional) leading or likely to lead the public to believe the goods or services offered by him are the goods or services of the plaintiff; and (iii) that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation (see *Reckitt and Coleman Properties Ltd v. Borden Inc. (the "Jif Lemon" case)*, [1990] 1 WLR 491; [1990] 1 All ER 873). The combined testimony of P.W.2 Ms. Aida Ndagire, P.W.3 Mr. Xiang Jinxin, P.W.4 Ms. Tong Jiao and P.W.5 Mr. Buule George has established all three elements.

The element of goodwill requires the plaintiff to prove that they own a "reputation" in the design that the public associates with the plaintiff's specific product. The testimony P.W.2 Ms. Aida Ndagire established this. They testified that the products of the plaintiffs are well known and have acquired household popularity because of their quality, technical and functional superiority. The customers who bought gumboots believing them to be "MIGOO" would return them on realising they were "RIDA" and they would realise the difference in quality, the latter being of inferior quality.

The element of misrepresentation requires the plaintiff to show that the defendant has caused confusion and deceived or misled the customers into believing that their goods are actually the plaintiff's. The testimony of P.W.2 Ms. Aida Ndagire and P.W.3 Mr. Xiang Jinxin has established this. They both testified that the defendant over time has continually and progressively changed their design to become identical to that of the plaintiff. They testified further that the infringing products of the defendant are an obvious imitation of the plaintiff's and there is a material and sufficient degree of objective similarity that amounts to deceptive similarity between the two

products. The defendant has infringed the design of the plaintiff by manufacturing and selling infringing products which have a striking resemblance in shape, configuration and pattern of the plaintiff's products. The infringing products are goods being targeted to be sold to the same set of consumers as of the plaintiff's products. It is submitted that the defendant is leaning on the reputation and goodwill painstakingly built by the plaintiff over many years.

The element of damage requires the plaintiff to prove that the misrepresentation damaged or is likely to damage the plaintiff's goodwill, or cause actual or foreseeable financial or reputational loss. P.W.2 Ms. Aida Ndagire, P.W.3 Mr. Xiang Jinxin, P.W.4 Ms. Tong Jiao and P.W.5 Mr. Buule George have established this. A price war ensued between the plaintiff and the defendant as a result of the defendant's identical but inferior product, causing the plaintiff financial loss. The customers who returned the defendant's product believing it to be the plaintiff's would complain about the inferior quality.

The defendants has adopted the registered design of the plaintiff and applied it to its products as stated above with a view to cash in on the reputation and goodwill enjoyed by the plaintiff and its products manufactured with the registered design. This is a case of confusion and amounts to the defendant passing off its infringing products as those of the plaintiff with a view to encash upon the goodwill and reputation of the latter. For all the foregoing reasons, this issue too is answered in the affirmative; the defendant has passed off her gumboots as those of the plaintiff.

**3<sup>rd</sup> issue;      what remedies are available to the plaintiff?**

An industrial design adds value to a product. It makes a product attractive and appealing to customers, and may even be its unique selling point. By protecting an industrial design through its registration the owner obtains the exclusive right to prevent its unauthorised copying or imitation by others. According to section 93 of *The Industrial Property Act, 3 of 2014* upon the request of the owner of an industrial design, the court may grant, any of the following relief; (a) an injunction to prevent infringement where infringement is imminent or to prohibit the continuation of the infringement once infringement has started; (b) damages; or (c) any other remedy provided for in law. If any person applies or imitates any design for the purpose of sale, being aware that the

proprietor of such design has not given his or her consent to such application or imitation, a suit may be maintained by the proprietor of such design against such person for the damages such proprietor has sustained by reason of such application or imitation. The plaintiff herein has claimed general and special damages for infringement of its industrial design, passing off and fraud, a permanent injunction restraining further infringement, declarations and costs.

i. An injunctive order against the infringement.

If the owner proves that acts are being performed which make it likely that an infringement will occur, the court may grant an injunction to prevent infringement. P.W.3 Mr. Xiang Jinxin testified that the drawings used in the registration of the plaintiff's industrial design were prepared by the defendant's Director Mr. Li Dong Biao on 22<sup>nd</sup> May, 2012 for the purpose of creating particular designs for the products to be launched by the plaintiff. This is so stated explicitly by the plaintiff itself in paragraph 4 (b) of the plaint but was never specifically traversed by the defendant in its written statement of defence.

Considering that the process starts from conceptualisation of an idea to the making of drawings and then moulds that leading to the manufacture of the product, it is apparent therefore that Mr. Li Dong Biao took advantage of having access to the plaintiff's specifications of the design as represented in the drawings he was commissioned to prepare, to copy the plaintiff's design. There has been a conscious and substantial imitation of the get up of the plaintiff's products by the defendant which bares the designs of the defendant in causing confusion in the minds of customers. The infringing products are not only a substantial and material imitation of the plaintiff's products thereby appealing to the eye as being deceptively similar, but they also cause confusion as to their identity resulting in the likelihood of being mistaken to be the plaintiff's.

The overall impression of the infringing products without going into the minute details of material used, the logos and trade names, gives the impression as to deceptive or near similarities in the two designs. In view of the facts and circumstances stated hereinabove, the application of designs identical or similar to the plaintiff's design by the defendant to the infringing products is clearly creating and is likely to further create confusion and misconception in the minds of the customers

leading them to believe that the infringing products of the defendant are the products emanating from the plaintiff while in fact they are not.

The decision to grant or deny permanent injunctive relief is an act of equitable discretion by the court. Permanent injunctions are issued as a final judgment in a case, where monetary damages will not suffice. It is settled law that a permanent injunction is a remedy for preventing wrongs and preserving rights so that by single exercise of equitable power an injury is both restrained and repaired, for the purpose of dispensing complete justice between the parties. Permanent or final injunctions are granted as a remedy against an infringement or violation which has been proven at trial. Such an injunction will be granted to prevent ongoing or future infringement or violations. In the instant case monetary damages will not suffice to restrain the defendant from continued infringement of the plaintiff's industrial design to the detriment of the plaintiff's business.

For that reason a permanent injunction hereby issues restraining the defendant, its servants, employees, agents, assigns or persons claiming under it from reproducing the plaintiff's industrial design registered as UG/D/2018/00049 as per certificate of registration dated 18<sup>th</sup> February, 2019 in the manufacture of gumboots, importing, offering for sale and selling gumboots reproducing the protected industrial design, or stocking of gumboots of that design for the purposes of offering them for sale or selling them.

ii. Special damages.

As regards the claim for special damages, the law is that not only must they be specifically pleaded but they must also be strictly proved (see *Borham-Carter v. Hyde Park Hotel* [1948] 64 TLR; *Masaka Municipal Council v. Semogerere* [1998-2000] HCB 23 and *Musoke David v. Departed Asians Property Custodian Board* [1990-1994] E.A. 219). Special damages compensate the plaintiff for quantifiable monetary losses such as; past expenses, lost earnings, out-of-pocket costs incurred directly as the result of infringement or passing off. Unlike general damages, calculating special damages is much more straightforward because it is based on actual expenses and losses. It is trite law though that strict proof does not necessarily always require documentary evidence (see *Kyambadde v. Mpigi District Administration*, [1983] HCB 44; *Haji Asuman Mutekanga v.*

*Equator Growers (U) Ltd, S.C. Civil Appeal No.7 of 1995 and Gapco (U) Ltd v. A.S. Transporters (U) Ltd C. A. Civil Appeal No. 18 of 2004).*

In paragraph 4 (i) of the plaint, the plaintiff claimed to have incurred losses of shs. 3,500/= per pair of gum boots sold during the period running from the year 2017 until the filing of the suit in the year 2019. This loss was as a result of a forced price reduction from shs. 10,500/= a pair to 7,500/= a pair in order to meet the defendant's stiff price completion of shs. 7,000/= a pair. The total losses incurred during that period are shs. 6,589,795,284 (six billion, five hundred eighty nine million, seven hundred ninety five thousand, two hundred eighty four shillings). These figures are backed by the tax returns filed during that period (exhibit P. Ex. 14), the testimony of the plaintiff's Chief Executive Officer P.W.3 Mr. Xiang Jinxin and its Accountant P.W.5 Mr. Buule George. I therefore find that the sum claimed as special damages was not only specifically pleaded but it has also been strictly proved and it is accordingly awarded.

iii. General damages.

The amount recoverable as damages suffered by the owner of the infringed industrial design can be assessed by multiplying the number of counterfeits assigned by the infringer by the sum of profits per unit of the goods which the owner of the infringed industrial design could have sold had there been no such infringements, which is not to exceed the amount corresponding to the ability of the owner to exercise its right. Alternatively, if the infringer enjoys profits due to the infringement on the registered design, the sum of the infringer's profits is presumed to be equivalent to the damages suffered by the right holder.

It was the testimony of both P.W.3 Mr. Xiang Jinxin and P.W.5 Mr. Buule George that since the filing of the suit, the defendant's acts of infringement and passing off have continued to affect their sales and prices negatively as a consequence of which the plaintiff has suffered a further losses yet to be quantified. The claimed losses during the period are backed by the tax returns filed during that period (exhibit P. Ex.19), The sum of profits per pair of gumboots which the plaintiff as owner of the infringed industrial design could have earned had there been no such infringements can be deduced from the plaintiff's total volume of sales made over that period. On that account, I find

that the sum of shs. 5,500,000,000 (five billion, five hundred million shillings) would suffice as an award of general damages and it is accordingly awarded.

iv. Interest and costs.

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Under section 26 (1) of *The Civil Procedure Act* where interest was not agreed upon by the parties, Court should award interest that is just and reasonable. In determining a just and reasonable rate, courts take into account “the ever rising inflation and drastic depreciation of the currency. A Plaintiff is entitled to such rate of interest as would not neglect the prevailing economic value of money, but at the same time one which would insulate him or her against any further economic vagaries and the inflation and depreciation of the currency in the event that the money awarded is not promptly paid when it falls due (see *Mohanlal Kakubhai Radia v. Warid Telecom Ltd, H. C. Civil Suit No. 234 of 2011* and *Kinyera v. The Management Committee of Laroo Boarding Primary School, H. C. Civil Suit No. 099 of 2013*).

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I have chosen to be guided by what I consider to be the manufacturers’ mark-up vis-a-vis the cost of production as the appropriate rate of interest applicable to the award typically in the range of 15-20%. Consequently, the award of general and special damages shall carry interest at the rate of 15% per annum from the date of filing the suit until payment in full.

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The “normal rule” under section 27 (2) of *The Civil Procedure Act* is that costs follow the event unless the court, for good reason, otherwise directs. This means that the winning party is to obtain an order for costs to be paid by the other party, unless the court for good cause otherwise directs. I have not found any special reasons that justify a departure from the rule. Therefore in conclusion, judgment is entered for the plaintiff against the defendant, as follows;

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- a) A permanent restraining the defendant, its servants, employees, agents, assigns or persons claiming under it from reproducing the plaintiff’s industrial design registered as UG/D/2018/00049 as per certificate of registration dated 18<sup>th</sup> February, 2019 in the manufacture of gumboots, importing, offering for sale and selling gumboots reproducing the protected industrial design, or stocking of gumboots of that design for the purposes of offering them for sale or selling them.

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- b) Special damages of shs. 6,589,795,284 (six billion, five hundred eighty nine million, seven hundred ninety five thousand, two hundred eighty four shillings).
- c) General damages of shs. 5,500,000,000 (five billion, five hundred million shillings).
- d) Interest on the awards in (b) and (c) above at the rate of 15% per annum from the date of  
5 filing the suit, i.e. 3<sup>rd</sup> May, 2019 until payment in full.
- e) The costs of the suit.

Delivered electronically this 28<sup>th</sup> day of June, 2021

.....Stephen Mubiru.....  
Stephen Mubiru  
Judge,  
28<sup>th</sup> June, 2021.

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