

THE REPUBLIC OF UGANDA,
IN THE HIGH COURT OF UGANDA AT KAMPALA
(COMMERCIAL DIVISION)
CIVIL SUIT NO 112 OF 2015

KAMPALA STOCKS SUPERMARKET CO LTD}.....PLAINTIFF

VS

SEVEN DAYS INTERNATIONAL LTD}.....RESPONDENT

BEFORE HON. MR. JUSTICE CHRISTOPHER MADRAMA IZAMA
JUDGMENT

The Plaintiff is a private limited liability company doing business in Uganda. The Plaintiff's suit against the Defendant which is also a private limited liability Company is for a permanent injunction to restrain the Defendant, its agents or workmen from selling, offering for sale, dealing in the goods bearing the registered trademark of the Plaintiff, an enquiry into the damages and account for profits, delivery and destruction of offending goods and damages.

The Plaintiff is represented by Muwema and Company Advocates while the Defendant is represented by Mwesigye Mugisha and Company Advocates. In the joint scheduling memorandum filed by the parties on 16 April 2015 the material facts relating to the trademark dispute were spelt out but not all relevant facts are agreed.

The issues for trial are:

1. Whether the Defendant has and continues to infringe on the Plaintiffs registered trademark?
2. Whether the Defendant is a bona fide user of the Chinese manufacturers' marks on the imported goods?
3. What are the remedies available to the parties?

Both parties filed written submissions addressing points of law without first adducing evidence. The facts are sufficiently addressed in the written submissions of Counsel and the issues addressed are mainly of interpretation of law based on agreed facts.

The Plaintiff's written legal arguments

The Plaintiff's cause of action is based on infringement by the Defendant of the registered trademarks of the Plaintiff. The Plaintiff's Counsel submitted that the Plaintiff applied for and registered its various trademarks bearing Chinese symbols and words under Part A of the Trademark Register, which trademarks identify an assortment of goods that the Plaintiff trades or deals in. On the other hand it is the Plaintiff's contention that the Defendant's case is that both parties procured the goods from the open market in China and these goods come with their manufacturer's marks. Consequently that the Plaintiff is seeking to have a monopoly over the goods which both parties deal or trade in.

The Plaintiff's Counsel submitted generally on the issues for determination of court.

1. Whether the Defendant has and continues to infringe on the Plaintiffs registered trademark?
2. Whether the Defendant is a bona fide user of the Chinese manufactured marks?
3. Whether the impugned marks qualify as international marks?
4. Remedies available to the parties?

The Plaintiff's Counsel agreed that both parties procured goods from the same sources in China though no evidence was put forward to prove that those very trademarks are registered and offered protection in China being the country of origin. Section 101 (1) of the Evidence Act is to the effect that whoever alleges a fact must prove it. Notwithstanding the trademark registration is exhibit a real issue and as such, registration in the country of origin may not afford a party registration in a designated country.

The territorial principle is recognised under the Paris Convention for Protection of Industrial Property, 1883 to which both Uganda and China are parties. Article 6 (3) of the Paris Convention states that it trademark duly registered in the country of the Union shall be regarded as

independent of the marks registered in other countries of the Union, including the country of origin.

Under that provision of the registration of the trademark in the country of origin does not of its own take away the right by another person to register the very mark in any member country of the Union. Recognition of a trademark in the country of the union such as Uganda is dependent on the domestic legislation of the member of the Union where the trademark is sought to be enforced under article 6 (1) of the Paris Convention. Consequently registration in China per se does not of itself grant recognition in any member of the union where the trademark is sought to be enforced unless the conditions of the domestic legislation are met. The Plaintiff further submitted that article 6 (2) (supra) is to the effect that a party seeking recognition and enforcement of its trademark in any country of the Union shall make an application to a member country of the Union irrespective of whether the particular trademark has been registered in the country of origin or not.

The said convention places a requirement for a party seeking recognition of its trademark to make an application to any member state of the union which application is then put into consideration depending on the domestic legislation of the member country and its requirements. The Defendant in this suit has not adduced any evidence to prove that an application was made in Uganda and the various manufacturers or owners of the trademarks in China to a competent authority in Uganda. The fact that the Chinese manufacturers have not sought protection of the trademark in the Ugandan territory means that the state and domestic laws pertaining to trademark enforcement have no recognition of the impugned trademarks as such cannot offer them protection in the Ugandan territory.

Section 44 (3) of the Trademarks Act 2010 gives a list of requirements that must be in place if a foreign trademark is to be given protection and recognition in Uganda. It is a requirement for the foreign trademark owner to apply to be registered in Uganda within three months from the date of an objection. Secondly it must provide proof of prior registration in the country of origin. Thirdly section 44 (3) of the Trademarks Act 2010 places a requirement on the owner of the mark to prove that the very trademark for which protection is sought has been in use and

circulated the Ugandan market prior to the date of an application by any person seeking to have the same trademark registered.

The above principle is given emphasis by article 6 (c) (1) of the Paris Convention which provides that in determining whether a mark is eligible for protection, the length of time that the trademark has been in use is an important consideration. Finally the Plaintiff's Counsel submitted that section 44 (4) of the Trademarks Act 2010 requires a reciprocal arrangement between two countries in relation to protection of registered marks if protection is to be granted. Section 44 of the Trademarks Act 2010 applies to owners of the disputed marks or persons having authority to represent them. The Defendant has no legal capacity to proceed under section 44 of the Trademarks Act.

The Plaintiff's Counsel further submitted that the African Regional Intellectual Property Organisation (ARIPO) which is an Intergovernmental Organisation for Cooperation among African states on matters of intellectual property has the capacity to hear and determine applications for registered trademarks in its member states who are parties to the Banjul Protocol on Trade Marks. However Uganda is a member state of the said protocol. Section 2 of the Banjul protocol, as amended in 2004 provides for persons seeking registration and protection in member states to file an application either directly with ARIPO or with the industrial property office of the contracting state. The Chinese manufacturers should have applied for protection of their trademarks in Uganda either through the ARIPO Secretariat or in Uganda with the Uganda Registration Services Bureau in order to enjoy protection.

The Defendant has failed to adduce any evidence to show that the goods whose Trademark it continues to infringe bears international marks as to warrant protection in the member states of the protocols stated herein. The absence of such evidence renders them none existent in the Ugandan territory and gives a bona fide right to the Plaintiff to apply for registration of trademarks that the said goods carry in the Ugandan territory. In the premises the Plaintiff prays that the court rules in its favour on the prayers sought in the plaint.

The Defendant's submissions in reply:

The Defendant's Counsel submitted that the Plaintiff is a trader in Chinese products and had registered various trademarks in Uganda. The trademarks registered relate to the goods which both the Plaintiff and the Defendant procured from an open market in China and sell them in the Ugandan market without altering the original manufacturer's trademarks. The Plaintiffs trademarks are registered translations from Chinese to English of the trademarks on the goods in which both parties deal and are known to all traders dealing in those products. These trademarks are registered in China by the manufacturers.

From the above facts the Defendant's Counsel maintained that the Plaintiffs suit for infringement and seeking the remedies for injunction is misconceived because there was no infringement and ought to be dismissed.

On the first issue of whether the Defendant has and continues to infringe on the Plaintiffs registered trademarks?

Counsel submitted that it was with the advice of the court that the issues are to be narrowed down to consider whether the registration of the disputed trademarks in Uganda conferred exclusive rights on the Plaintiff. In total disregard of the directions, the Plaintiff's Counsel submitted that the issues as contained in the scheduling memorandum. For that reason the Defendant adopted the same issues while also submitting on the issue directed by the court. The first issue was whether the Defendant has and continues to infringe the Plaintiffs registered marks?

The Defendant is a trader in Chinese products and procures its products from China in an open market and the Plaintiff also procures its products from China from the same sources as that of the Defendant. The marks purportedly registered with the Plaintiff are mere translations from Chinese/English identical with those of the manufacturers. The fact is not in dispute and what is in dispute is whether these marks are registered in China and whether the Defendant is infringing or whether the Plaintiff has exclusive rights over these trademarks in Uganda.

The Defendant engaged a team of lawyers in China to conduct searches in the trademarks Registry of China and their search indicate that the disputed marks are duly registered in China.

Copies of the translated search results are on the court record and Plaintiff's Counsel was served with the same. Counsel prayed that the court finds that the marks were registered in China.

On the submission that trademark registration is a territorial issue and as such registration in the country of origin may not afford a party protection in a designated country, the Defendant's Counsel agreed that both Uganda and China are members of the Paris Convention for Protection of Industrial Property 1883. The Defendant's Counsel contends that trademarks registered in one country of the Union are protected in another country of the union.

Article 6 (1) of the Paris Convention (supra) provides that the conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation. The question of whether registration in one country of the Union can be registered in different countries is determined by domestic law. In Uganda this is the Trademarks Act No. 7 of 2010. Counsel further submitted that section 44 of the Trademarks Act of Uganda protect marks registered in the country of origin. He submitted that the trademarks in issue are already registered by the Registrar and the issue is whether they are capable of registration or not. The trademarks ought not to have been registered because they were already registered in the country of origin which is China.

The Plaintiff well knowing that the trademarks relate to goods generally traded in, with selfish interest of creating a monopoly, registered these marks in Uganda. The registration if not cancelled by this court has the implication of preventing manufacturers in China and bona fide traders like the Defendant from importing those products onto the Ugandan market. The Plaintiff is not a manufacturer and without the sole distributorship or authorisation from the registered owners of this trademarks in China cannot lawfully register them in Uganda and enjoy exclusive rights that accrue to trademark owners.

Article 6 (1) of the Paris Convention protects well-known remarks. Traders in China know that the marks in question belong to a particular industry in China and it is the same situation in Uganda. Traders who procured their products from China including the Plaintiff and the Defendant know that these trademarks belong to particular industries. The law empowers the court to cancel the marks from the Registrar of Trademarks for reasons that they are already registered in the country of origin.

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The Paris Convention article 6 protects marks registered in a country of the Union in another country of the Union. The marks can be registered by a person who has effective industrial or commercial establishment.

In reply to the submissions that the Chinese manufacturers have not sought protection of the trademark in the Ugandan territory and that the domestic law of Uganda does not afford protection, article 6 (3) of the Paris Convention can only apply when domestic requirements have been satisfied. That means that the consent of the registered owner's in China has been obtained. In the absence of the consent or authorisation of any kind, due registration cannot be considered. In those premises article 6 (3) of the Paris Convention does not support the Plaintiffs case and the court should find so.

The action is not against the owner or agent of the owner but is against a third party who is honestly dealing in the goods bearing trademarks of the owner. The order may not even be aware that there is infringement on its trademarks in the Ugandan market by the Plaintiff. The Plaintiff is inviting this court to hold that since the manufacturer does not know that the Plaintiff is infringing, it is lawful for the Plaintiff to exclude all third parties. This would be an absurd proposition because the conditions for not refusing the marks registered in the country of origin or not at all favourable to the Plaintiff. The Plaintiff is an infringer whether the marks are registered in Uganda by the manufacturer or not.

The action is not for objecting to registration and is for infringement. The Plaintiff is not entitled to enjoy trademark protection because those works are protected in the country of origin and ought to be removed from the register of trademarks in Uganda.

The Defendant's Counsel further submitted that the applicable provision of the law is section 45 of the Trademarks Act which provides that subject to subsection (3) the court may, upon application in writing within seven years from the registration in Uganda of a trademark relating to goods by a person aggrieved by the registration remove a trademark from the register. It has to be proved to the satisfaction of the court that the trademark is identical with or nearly resembles a trademark, registered in respect of the same goods in the country or place of origin. A ground for not deregistering the trademark would be that the owner of the trademark consented to the registration in Uganda of the trademark. The Plaintiff does not show that it has in any way

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obtained consent from the owner and the exceptions in subsection 3 do not favour the Plaintiff. In the case of **Tecno Telecommunications Ltd versus Kigalo investments Ltd HCMC No. 0017 of 2011**, Hon. Lady justice Helen Obura ordered removal of trademark Techno from the register of trademarks upon proof of prior registration in the country of origin. She held that the conditions for removal were satisfied and accordingly ordered for the removal. The decision though not binding is of high persuasive value. Furthermore the Defendant's Counsel submitted that the right to apply for removal under section 45 (1) is given to the aggrieved person and in this case the Defendant is aggrieved by the said the registration. The submission that the Defendant has no locus standi is self-defeating as it is the Plaintiff who had no locus standi to register the trademarks and the registration thereof was an illegality. Counsel relied on the case of **Makula International Ltd versus Cardinal Nsubuga Civil Appeal Number 4 of 1981 reported in [1982] HCB 11**.

Additionally the Defendant's Counsel submitted that the Plaintiff's conduct of using trademark law to create a monopoly is forbidden by international trade practices and amounts to unfair competition forbidden under article 10 of the Paris Convention. The said article enjoins members of the union to protect nationals against unfair competition. It further provides under article 10 (2) that any act of competition contrary to honest practices in industrial or commercial matters constitutes unfair competition. The Plaintiff is attempting to use trademark law to acquire a monopoly yet it has no authorisation to be the sole distributor of the products in the Ugandan market. The registration is not a bona fide and honest and its sole aim is to exclude other traders from importing goods manufactured in China into the Ugandan market. Furthermore Counsel submitted that the trademark is intellectual property and must contain an element of novelty but not merely copy cutting and counterfeiting already registered trademarks.

The registered trademark in Uganda do not permit the purpose of trademarks which is to indicate the origin/or source of goods and services by distinguishing goods of one undertaking from those of another. In the case of **Arsenal Football Club versus Matthew Reed Case C-206/01**, the European court of justice held that the function of trademarks is to guarantee the identity of origin of the Trademarked goods or services to the consumers or end-user by enabling them without any possibility of confusion to distinguish the goods and services from others with another origin. The proprietor of the mark has the rights to ensure that the trademark fulfils its

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function. The Defendant's Counsel submitted that a trader cannot register trademarks without manufacturer's consent and enjoy protection. The trader cannot guarantee the quality of the goods in respect of which the trademark relates unless he or she has authority of the manufacturer. It is good practice elsewhere and courts have declined to allow licensee or distributors to register trademarks associated with foreign manufacturers. Counsel referred to the report by the **Trademark Reporter, Official Journal of the International Association and a Review of International Trade Mark jurisprudence volume 93 between May and June 2003 pages 541 – 542**. It is written therein that, the courts have on many occasions prevented licensees and distributors from registering trademarks associated with the goods produced by foreign manufacturers. Canada is a member of the Paris Convention. It follows that this court can also prevent the Plaintiff who is a counterfeiter under section 71 of the Trademarks Act 2010 from being the registered owner. The Defendant's Counsel emphasised that the registration of the Plaintiff is an illegality brought to the attention of the court and it overrides other factors according to the case of **Makula International versus Cardinal Nsubuga** (supra).

The international practices are against gray marketing and counterfeiting trademarks and that is exactly what the Plaintiff is doing. In Chile and the Central Preventive Commission created under the Chile Anti-Trust Laws, ruled that obtaining of registration of foreign products bearing trademarks cannot prevent sales of legitimate products manufactured in another country and imported onto the Chilean market. Chile is a member of the Paris Convention.

The Defendants Counsel prayed that the court should prove the registration of the trademark in Uganda does not prevent a third party from importing goods from China of products with similar trademarks.

The Plaintiff failed to establish that it is protected under the Paris Convention. The Plaintiff's Counsel further relied on the Banjul Protocol, 2004. However the Defendant's case is that the marks are internationally registered. The protection under sections 44 and 45 do not require international registration. In the premises the case of Anglo Fabric (supra) relied on by the Plaintiff's Counsel is distinguishable from the facts before the court. The Defendant's case is that the trademarks in issue are registered in China and not internationally registered. International registration is not one of the issues.

Whether the Defendant is a bona fide user of the manufacturer's trademarks on the imported goods?

On this issue the Defendants Counsel submitted that the Defendant is a bona fide user of the manufacturer's marks on the imported goods. The marks are registered in China and traders all over the world procured products and resell them without altering the manufacturer's trademarks. Whereas the Plaintiff purports to have registered the Chinese to English translated the marks, in selling its products in Uganda, it does not sell goods with the English translation of the manufacturers marks but rather in the original factory Mark. Thirdly the Plaintiff is an infringer and its registration of the trademarks already registered in the country of origin cannot be recognised. Lastly both the Defendant and the Plaintiff procured the goods from the International open market and therefore the Plaintiff cannot reach Ugandan territory and fraudulently register trademarks on those products and claim ownership.

In the case **Guangzhou Tiger Group Company versus Uganda Revenue Authority and Incargo Freighters Agencies HCCS 333 of 2012** honourable Mr Justice Masalu Musene found that the first Defendant was a bona fide purchaser of the consignment of Tiger head batteries in an international open market.

Issue three: Whether the registration of the disputed marks in Uganda conferred exclusive rights upon the Plaintiff?

The registration was not proper and the trademarks ought to be removed from the register of trademarks. In those circumstances there is no exclusive rights derived from unlawful registration. If the court should decline to hold so, it can hold that the Defendant is a bona fide purchaser and cannot be prevented from importing the products bearing those trademarks which are manufactured outside Uganda.

In rejoinder the Plaintiff commenced with submission on the issue of whether the registration of the disputed trademarks in Uganda conferred exclusive rights on the Plaintiff.

The Plaintiff's Counsel submitted that trademark registration is territorial in nature. The principle of territoriality is laid out in the Paris Convention for the Protection of Industrial Property to

which both Uganda and China are signatories and other international instruments. The international instruments include the Banjul Protocol on marks.

The general rule is found under article 6 (3) of the Paris Convention which provides that a mark duly registered in the country of the Union shall be regarded as independent of marks registered in other countries of the union. The position is very clear whether or not the trademarks were registered in China is of no consequence in the Ugandan territory.

Secondly the territorial nature of the trademark recognition is further emphasised by article 6 (1) of the Paris Convention which provides that the conditions for filing and registration of trademarks shall be determined in the country of the Union by the domestic legislation of the country.

Thirdly the convention takes cognizance of the fact that domestic legislation or the domestic laws within an individual member state have precedence over the convention. Fourthly the Plaintiff applied to the Registrar of Trademarks to have the registered marks registered within the Ugandan territory as local marks and not international markets. The application was approved and the Plaintiff was granted certificates of registration for the various marks within the Ugandan territory. By virtue of the registrations, the Plaintiff has exclusive rights in respect of the marks insofar as Uganda is concerned.

Fifthly the registration of the marks was not contested or challenged in the Ugandan territory by an application in accordance with section 44 of the Trademarks Act of Uganda. As such they still stand as local trademarks belonging to the Plaintiff in Uganda. Additionally the territorial nature of trademarks is recognised under the provisions of the Banjul Protocol on Marks as amended in 2004. Section 2 of the Banjul protocol provides that all applications for registration shall be filed either directly or with the ARIPO office or the International property office of a contracting state. Section 3 thereof provides that the application shall indicate the goods or services in respect of which protection of the marks claimed and designate the contracting states in which registration is sought. In the case of **Anglo Fabrics Bolton and another versus African Queen Ltd HCCS 0632 of 2006**, Honourable Justice Yorokamu Bamwine discussed what amounted to international trademarks. He held that international trademarks and trademarks are registered under international protocols like the Banjul Protocol for registration under the African Intellectual

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Property Organisation (ARIPO) to which Uganda is a member state. Uganda will have to be a designated country for purposes of registration of the trademark. In the absence of registration under the Banjul protocol the trademark could not qualify as an international mark.

The Plaintiff's Counsel contended that the Defendant has not adduced any evidence to prove that an application was filed to have its trademarks registered as international marks and offered protection within the Ugandan territory.

The submission that section 44 of the Trademarks Act 2010 of Uganda affords protection to marks registered in the country of origin, section 44 of the Ugandan Trademarks Act emanates from article 6 quinquies of the Paris Convention. It provides that every trademark duly registered in the country of origin should be accepted for filing and protected in other countries of the Union subject to the reservations indicated in the article. The reservations include that they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed. No protection against them can be afforded to the trademark registrations from China because doing so would amount to infringement of the Plaintiff's rights as the registered proprietor of the mark. Until the Plaintiff's trademarks are expunged from the register, it still has a valid claim and priority in the Ugandan territory over and above any other registrations in foreign jurisdictions including those in the country of origin.

Additionally section 44 (1) of the Trademarks Act 2010 is subject to subsection 3 which sets out a host of conditions that must be met before such protection is accorded. There must be a notice of objection. Secondly there has to be bona fide use of the trademarks by the manufacturers in the Ugandan territory prior to the application. There has to be proof of prior registration in the country of origin. There must be proof of registration within three months from the date of opposition. There must be reciprocal arrangement of protection between the two countries. The Defendant in this suit does not meet any of the conditions afforded protected under the above section. It is only the owners of the goods in the country of origin who have locus to proceed under section 44.

The Plaintiff's Counsel further submitted that only the manufacturers or their authorised legal representatives have a legal right to proceed and seek legal remedies under the provisions of the law.

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With regard to the authorities cited by the Defendants Counsel, the Plaintiff's Counsel distinguished the case of **Tecno Telecommunications Limited versus Kigalo Investments Ltd** (supra). As far as locus standi is concerned, the Applicant was the donee and authorised agent of the registered proprietor in China but in the instant case there is no nexus between the Defendant and the presumed registered proprietors China. The Defendant cannot base his defence on registration China because it lacks the locus standi to seek legal remedies in favour of Chinese manufacturers.

The submission to expunge the Plaintiff's trademarks from the Registrar is not only a departure from the pleadings but also an erroneous procedure under section 45 and 46 of the Trademarks Act 2010. The provisions require such remedies to be served by way of a formal application. In the particular case, the Plaintiff moved the court by a formal application and also had the legal capacity to bring the motion before the court.

In so far as the decisions cited by the Defendant's Counsel are from countries who are parties to the Paris Convention is concerned, the principle of the territoriality, locus standi and precedence of domestic legislation are of universal application in all contracting states. The Paris Convention provides that countries can establish their own trademark rules regarding the scope of rights, applicable legal norms, conditions and enforcement of rights (see article 6 of the Paris Convention).

Concerning unfair competition, the Plaintiff's are registered proprietors in the Ugandan territory whose rights are exclusively derived and have legal backing of the Trademarks Act 2010. The Plaintiff does not exclusively create a monopoly because the Trademarks Act allows the Plaintiff to assign or licences third parties to deal in products with the same registered trademark. The issue of unfair condition is being smuggled and is a departure from the Defendant's pleadings.

In light of the submissions, the Plaintiff's Counsel prayed that the court finds for the Plaintiff.

Partial judgment

I have carefully considered the Plaintiff's pleadings as well as the Defendant's pleadings and the facts and circumstances of this suit.

The Plaintiff relies on the registration of trademarks bearing Chinese symbols and words in Uganda and registered under Part A of the Trademarks Act. The Plaintiff alleges that it was at all material times trading in the relevant goods by way of selling and distributing assorted goods bearing its registered trademark. While conducting a field survey, the Plaintiff established that the Defendant had been trading by selling, supply and distribution of assorted goods bearing the registered trademarks of the Plaintiff. Consequently it is alleged in the plaint that the Defendant has been infringing and continues to infringe the registered trademark of the Plaintiff and is wrongfully selling and distributing goods bearing various registered trademarks of the Plaintiff.

The Defendant denies the allegation and avers in his written statement of defence that it was not in any way infringing the Plaintiff's trademark but rather the Plaintiff is in disguise seeking monopoly over goods in respect of which both the Defendant and Plaintiff deal. The Defendant asserts that the Plaintiff and the Defendant both procured the same goods from the same companies who are registered proprietors of the trademark under which they manufacture and export goods to Uganda and other parts of the world. The Defendant further asserted that it was selling goods bearing the manufacturers marks and it is not in any way infringing the Plaintiff's trademark which is materially different from those purportedly registered by the Plaintiff. The Defendant asserts that the Plaintiff is afraid of fair competition in an open market.

The Plaintiff applied for a temporary injunction pending disposal of the main suit in Miscellaneous Application No. 136 of 2015 to restrain the Defendant from trading in those goods. It was during a discussion of the way forward with Counsel that I wondered whether the matter raised was not a matter of law. This is because the Defendant does not dispute the question of fact that the Plaintiff is a registered proprietor of the suit trademarks attached to the plaint. Secondly the Defendant did not dispute the fact that it purchased goods from China whose trademarks could be examined where necessary. Thirdly the Defendant is not responsible for the trade marks on the goods it deals with and asserts that it purchased the goods from an open market in China as an importer into the Ugandan market. With some discussions as to whether the facts were controversial Counsels agreed finally to file submissions on the basis of agreed facts on points of law. This was because the law for arguing a prima facie case on behalf of the Applicant/Plaintiff for the grant of a temporary injunction was the same as that for arguing the main suit. What remained was whether the trademarks on the goods sought for which the

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Plaintiff seeks a permanent injunction were also registered in China by the producers of the products.

The facts are that the Plaintiff is the registered owner of various trademarks bearing Chinese words and symbols that formed the subject matter of the suit. The Plaintiff is registered in Uganda under the Uganda Trademarks Act 2010. Secondly the Plaintiff applied to have those trademarks registered under Part A of the trademark register. The Defendant has been dealing in the goods from China which the Plaintiff alleged bore the Plaintiff's registered trademark without authority from the Plaintiff.

On the other hand as far as the Defendant is concerned, the Defendant is a trader in various consumer-products which it imports from China into Uganda. These goods are bought in the open market in China and bear original manufacturers marks and the Defendant resells them without any alteration. The manufacturers whose goods are sold by the Defendant are registered trademark owners in China prior to the Plaintiff's registration in Uganda. The Defendant alleges that the Plaintiff also purchases its products from the same sources and unlawfully purported to register closely related trademarks to the Chinese manufacturer's marks in Uganda with the intention of outcompeting the Defendant and other traders.

As far as the points of law are concerned both Counsels agreed that the controversy can be substantially resolved on a point of law. It was agreed that the Plaintiff is the registered proprietor of the trademarks which formed the subject matter of the suit in Uganda. Secondly the Chinese manufacturers of the goods in question are not a party to this suit. It is not agreed that the manufacturers in China are the proprietors of the disputed trademarks registered in China prior to the Plaintiff's registration in Uganda. Secondly it is not agreed the registration of the Plaintiffs Trademarks in Uganda was bona fide. It is further not agreed that trademarks of the Plaintiff in Uganda belong to Chinese manufacturers based in China.

I agree with the Defendant's Counsel that the actual issue which is not based on any controversial facts is whether the registration of the disputed trademarks in Uganda confers exclusive rights on the Plaintiff as far as the registered trademarks are concerned. This is because it is an agreed fact that the Defendants imported goods from China from certain Chinese manufacturers and in the open market. The Plaintiff does not dispute the fact that the goods are

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imported from China. What remained to be established was whether the trademarks were registered in China. The Plaintiff avoided this issue in its main submissions though the Defendants Counsel had opted to supply the information upon carrying out a search from China on whether the trademarks in issue were also registered in the country of origin. The Defendant's Counsel went ahead and filed the search results on the court record and served the same on the Plaintiff's Counsel. The Plaintiff has not subsequently objected to the inclusion of these additional facts that the Chinese manufacturers had actually registered their trademark in China. This fact was incorporated in the submissions of Counsel and I have treated it with the necessary caution because none of the parties adduced evidence.

To my mind the question is whether this dispute can be resolved on the basis of points of law without regard or a lot of reference to factual matters. A point of law cannot be decided on the basis of factual controversies except in determining whether a plaint discloses a cause of action where the pleadings are assumed to be true. Ultimately the Plaintiff's Counsel submitted irrespective of whether the Chinese manufacturers were actually registered in China or not and contended that this fact will not prejudice its case.

There are two basic issues incorporated in the major issue which is whether the registration of the trademarks in dispute gives the Plaintiff exclusive rights in the territory of Uganda. These issues are subsumed in the two issues argued namely:

1. Whether the Defendant has and continues to infringe on the Plaintiffs registered Mark?
2. Whether the Defendant is a bona fide user of Chinese manufactured marks?

The suit as framed raises a matter of public importance because the Defendant is an ordinary importer of goods whose country of origin is China. The Defendant is not the registered proprietor of the trade marks in those goods. The Defendant did not inquire as to the trademark in those goods and upon selling the goods in Uganda it has now been challenged on the basis of a Ugandan registered trademark.

The Plaintiff's primary contention relies on the territorial principle. The Plaintiff relies on the Paris Convention for the Protection of Industrial Property, 1883 as amended over the years. The gist of the Plaintiff's submission is that a trademark duly registered in the country of the Union

of states who are parties to the Paris Convention for the Protection of Industrial Property shall be regarded as independent of trademarks registered in other countries of the Union including the country of origin. This is under article 6 (3) of the Paris Convention.

It is an agreed fact that the Plaintiff was registered in Uganda under the Trademarks Act 2010. It is further agreed that Uganda and China are parties to the Paris Convention for the Protection of Industrial Property, 1883 as amended.

I have duly considered the Paris Convention and particularly the focus on the territorial principle in Article 6 of the Paris Convention. Article 6 deals with the conditions of registration and the independence of protection of the same mark in different countries. It explicitly provides that the conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation (see article 6 (1)). Article 6 (1) deals with the conditions for filing and registration of trademarks. Secondly article 6 (2) provides that an application for registration of a trademark filed by a national of the country of the Union in any country of the Union may not be refused or a registration be invalidated on the ground that the filing, registration for renewal has not been done in the country of origin. The provision only deals with refusal or invalidation of any application for registration of a trademark on the ground that it was not registered in its country of origin.

Thirdly article 6 (3) of the Paris Convention for the Protection of Industrial Property provides as follows:

"A mark duly registered in the country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin."

A trademark is a duly registered trademark in any country of the Union which shall be regarded as independent of a similar or same trademark registered in other countries of the Union. The main defence of the Defendant is that the Plaintiff is not a duly registered trademark owner in Uganda. The submission amounts to a contention that the Plaintiff's registered trademark should not be considered or should not enjoy protection by forbidding importers of goods bearing a similar or same trademark from a foreign country from selling the goods in Uganda without a licence to do so by the Plaintiff.

Obviously the question is whether the court can in the circumstances open up the issue of whether the Plaintiff was duly registered in Uganda in this suit. Secondly the question is what due registration is? The Plaintiff's Counsel relied on article 6 (1) for the submission that the conditions for the filing and registration of trademarks is to be determined in each country of the Union by its domestic legislation. The Defendant's arguments on the other hand are that the Plaintiff's trademark ought not to have been registered because they were already registered in the country of origin which is China. Secondly he argued that the Plaintiff's interest is in creating a monopoly. It is not a manufacturer and buys the goods from the same market as the Defendants. Alternatively the Defendant argued that the trademarks in issue are well known trademarks protected by article 6 of the Paris Convention.

The question of whether the trademark in dispute is a well-known trademark cannot be considered without adducing evidence. It can only be considered as an assumption as to whether if the disputed trade Mark was a well-known trademark, it would enjoy protection.

The Plaintiff's Counsel raised the question of locus standi of the Defendants to challenge the registration of the Plaintiff.

I have duly considered the Paris Convention and have been guided by a book on the subject by Paul Goldstein in **Copyright, Patent, Trademark and Related State Doctrines: Revised Fourth Edition, University Casebook series, New York, New York, Foundation Press 1999**. In that textbook and an article by **A. Bogoch, the First Hundred Years of the Paris Convention for the Protection of Industrial Property** at page 1037, the author considers trademarks registered in the country of origin. As far as the Paris Convention is concerned, it provides for special treatment for trademarks for which production is sought in the country which is a party to the Paris Convention where the trademark is registered in the country of origin. The special treatment consists of the fact that irrespective of what is provided in the national law of the country in which the application for registration is presented; such a trademark must be registered. The doctrine is consistent with article 6 (2) of the Paris Convention. It only gives protection for registration in a foreign country where the trademark has been registered in another country of the Union also referred to as the country of origin of the goods bearing the trademark.

In this particular case, there is no application by the said manufacturers or producers of China for registration of the trademark in Uganda. I agree with the Plaintiff's submission to the limited extent for the moment, relating to whether this issue can be raised as a defence by the Defendant. As a matter of pleadings, it is not the Defendant's defence that the Plaintiff's trademarks do not enjoy protection by registration in Uganda of the Chinese registered trademark. In any case the Defendant is not seeking to have the trademarks in issue registered. The Defendant does not even claim to be an agent of the manufacturers who are registered in China. The question remains as to whether as a matter of law on locus standi, the Defendant can in the circumstances challenge the Plaintiff's registration? The Defendant only alleged that the Defendant procures goods from the same companies in China who are the registered proprietors of the trademark in issue. Secondly the Defendant pleaded fraud of the Plaintiff in the registration. The Defendant contends that the registration is fraudulent and illegal and ought to be moved from the register of trademarks. The particulars of fraud alleged are that the Plaintiff who registered the marks in Uganda well knowing that they were registered with the manufacturers thereof in China which is the country of origin. Secondly the Plaintiff purports to exclude other traders from using the mark well knowing that they have no sole distributorship licence.

Bogsch (supra) further considered the independence of trademarks and registered in different countries under article 6 of the Convention. I again agree with the author's analysis of the Paris Convention to the effect that the clear principle is that the domestic law of each country applies only in the country's own territory. The principle is that a trademark which is registered in the country that is a party to the Paris Convention shall be regarded as independent of trademarks registered in other countries who are also parties to the Paris Convention. Registration of a foreign registered trademark cannot however be refused on the ground that the trademark was not registered in the country of origin.

In this case the Plaintiff is the registered proprietor of the trademark. The registration of the trademark by other persons in China is not on the face of it relevant to the Defendant's defence. It can only be relevant in a challenge to the registration of the Plaintiff in the Ugandan Territory.

Finally I have considered the submission on the premises that the trademarks in issue are well known trademarks protected under the Paris Convention. That question is easily answered by

asserting that the Defendant cannot raise it as a defence because it was not pleaded in the written statement of Defendant. As to whether it is an illegality to register a trade mark already registered in another country can be considered when resolving the sub issue of whether the registration of the Plaintiff in the circumstances of this case is an illegality.

I have duly considered the provisions of the Trademarks Act 2010 which governs the registration of the Plaintiff in the Ugandan territory. As far as the admission of the Defendant is concerned, the admission relates to the fact that the Plaintiff is the registered owner of certain trademarks in Uganda.

The Defendant in the defence attached several annexure showing that on 23rd of August 2011 the Plaintiff was registered in Part "A" for the trademark "KANG SHI FU" in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard, vinegar, sauces, (condiments); spices; ice. The registration was for seven years and is renewable. This fact should be taken as proved under section 57 of the Evidence Act.

The defence also attaches trademark registration in respect of trademark "LAO GAN MA" on 23 August 2011 in respect of "meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables; jellies, Jams, compotes, eggs, milk and milk products; edible oils and fats". The Plaintiff also registered on 20 August 2012 trademark "WU JIANG" in respect of meat, fish, poultry and game; meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, edible oils and fats". The third registered trademark was made on 20 August 2012 in respect of the trademark "TAI TAI LE". It is in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry, and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard; vinegar, sauces (condiments); spices; ice. The trademark "HONG XING" was registered on 23 August 2011 in respect of alcoholic beverages (except beers).

The Plaintiff on the other hand attached the Gazette notices in respect of the application is for registration of trademarks. The trademarks also have Chinese characters and symbols. The Plaintiff further attached the trademarks relied on.

All the trademarks admitted in the Defendant's written statement of defence are also the trademarks, among others relied upon by the Plaintiff with certain differences that can be discerned and which I will refer to.

I have compared the trademark of the Plaintiff with that produced by the Defendant which amount to admissions of matters of fact. The Defendants Counsel had the trademarks certified by the Makerere College of Humanities and Social Sciences Centre for Language and Communication Services

The Plaintiff registered the trade mark WANGZHIHE with Chinese characters on top of the Latin characters on the 20th of August 2012 in respect of "meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables; jellies, Jams, compotes, eggs, milk and milk products; edible oils and fats". The translated version produced by the Defendant only had Chinese characters as the trade mark image in common with the Plaintiff's trademark. The Applicant of the Chinese trademark therein is Beijing Wangzhihe Food Group.

The Plaintiff registered the ZHU JIANG BRIDGE BRAND with Chinese characters below in a box on the 20th of August 2012 in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard, vinegar, sauces, (condiments); spices; ice." The Defendant has not produced its equivalent in the translated version of the documents in question.

On the 23rd of August 2011 the Plaintiff was registered in Part "A" as owner of the trademark "KANG SHI FU" in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard, vinegar, sauces, (condiments); spices; ice. The registration was for seven years and is renewable.

On the 23rd of August 2011 the Plaintiff was registered as owner of trademark "LAO GAN MA" with Chinese characters on top of the said words in respect of "meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables; jellies, Jams, compotes, eggs, milk and milk products; edible oils and fats". The translated version of the Defendant's

Chinese version comprises similar or same Chinese characters without the Latin character words “LAO GAN MA”. The Applicant is GUIYANG NANMING LOAGANMA SPECIAL FLAVOUR FOODSTAFFS CO. LTD. The Chinese characters are referred to as a trademark Image.

The Plaintiff also registered on 20 August 2012 trademark “WU JIANG” in respect of meat, fish, poultry and game; meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, edible oils and fats”. The English translation produced by the Defendant of the Chinese registered trademark has Chinese characters similar to that of the Plaintiff but without the Latin characters. The Applicant for the trademark in china is Chongqing Fuling Zhacai Group Co. Ltd.

The Plaintiff registered 20 August 2012 the trademark “TAI TAI LE”. It is in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry, and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard; vinegar, sauces (condiments); spices; ice. The translated version of the Plaintiff is the Chinese characters without the Latin character words “TAI TAI LE” In China the name of the Applicant for the trademark is SOCIETE DES PRODUITS NESTLE S.A of Switzerland.

The trademark “HONG XING” was registered in Uganda on 23 August 2011 in respect of alcoholic beverages (except beers). The translated trademark registered in China and produced by the Defendant has Chinese characters only as the trade mark image. The trademark image is comparable to that of the Plaintiff but does not have the words HONG XING. Furthermore the name of the Chinese Applicant is Beijing Red Star Co. Ltd. The address of the Applicant is Hongxing Road Huairou County, Beijing.

The Plaintiffs trademark HAI TIAN has Chinese characters on top of it. It was registered on the 23rd of August 2011 in respect of coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry, and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard; vinegar, sauces (condiments); spices; ice. The trademark produced by the Defendant only has a trade mark image comprising of Chinese characters. In the china trademark the Applicant is Foshan Haitian Flavouring and Food Company Ltd.

The Defendant is not the owner of the trademarks or an agent of the owner but is a trader who imports goods from the open market in China. The goods come with the trademarks in dispute printed on them.

Before considering the rights conferred by registration of goods in part "A" of the Ugandan Trademarks Act 2010, the Defendant challenges the registration of the Plaintiff and has submitted that the Plaintiff ought not to have been registered. Both parties addressed the court on the provisions of section 45 Trademarks Act 2010. The said provision permits the court on application in writing within seven years from registration in Uganda of the trademark relating to goods by a person aggrieved by the registration, to remove the trademark from the Registrar if it is proved to the satisfaction of the court that the trademark is identical with or nearly resemble the trademark which was prior to registration in Uganda a trademark registered in respect of the same goods, the same description of goods; or services of the description of services which are associated with those goods or goods of that description in the country or place from which the goods originate.

Section 45 (3) of the Trademarks Act further provides that the trademark shall not be removed from the register in cases where the owner of the trademark consented to the registration in Uganda of the trademark referred to; the owner of the trademark registered in Uganda proves that he or she or his or her predecessors in business have continuously used the trademark in Uganda in connection with the goods or services from the date before the date of the registration of the other trademark in the country or place of origin; the Applicant does not prove that within five years preceding the making of the application there has been bona fide use in connection with the goods and services in the event of the trademark registered in the country or place of origin; special circumstances of the trade or affecting the provision of the goods and services account for none use of the trademark in Uganda within the same period; or that the trademark registered in the country or place of origin was first registered there within the period of five years. The Applicant is required to give an undertaking to the satisfaction of the Registrar that he or she will within three months from making an application under this section apply for registration in Uganda of the trademarks or registered in the country or place of origin and make all necessary steps to complete the registration.

The Defendant has not undertaken to apply for registration in Uganda of the trademarks and the Plaintiff has challenged its locus standi to seek a remedy of removal of its trademark from the Ugandan trademark register. Is the Defendant an aggrieved party within the meaning of section 45 of the Trademarks Act? I will further on consider this issue.

Section 44 of the Trademarks Act 2010 provides that the Registrar of Trademarks may refuse to register a trademark relating to goods or in respect of goods or description of goods if it is proved to his or her satisfaction by the person opposing the application for registration that the mark is identical with or nearly resemble the trademark which is already registered in respect of the same goods; the same description of goods; or services or a description of services. Secondly the Registrar may refuse to register any trademark relating to services in respect of any services or description of services on the same grounds.

The Registrar of Trademarks is not a party to this suit. There is no pending application for registration of the trademarks since it is proven that the trademarks which have been described above have already been registered in Uganda. Section 44 of the Trademarks Act 2010 gives the Registrar discretionary powers whether to register a trademark in respect of the same goods, same description of goods or services or description of services associated with those goods or goods of same description even if it has already been registered in the place of origin of the goods with the trademark. Therefore the question is whether the exercise of discretionary powers by the Registrar can be challenged in this suit?

Under section 36 of the Trademarks Act 2010, subject to certain exceptions found in sections 41 and 24, the registered owner of a trademark has a right of exclusive use of the trademark in relation to those goods for which it is registered.

Section 24 of the Trademarks Act makes a saving in respect of the use of name, address or description of goods or services and provides the registration of a trademark shall not affect the bona fide use by a person of his or her own name or the name of his or her place of business or of the name of the place of business. Secondly the bona fide use by a person of any description of the character or quality of his or her goods and services. Thirdly it saves bona fide use of the description of the character or quality of his or her services. Section 41 on the other hand the saves vested rights.

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A person may not Institute proceedings to prevent or to recover damages for an unregistered trademark under section 34 of the Trademarks Act 2010.

Before reaching a conclusion on the provisions of the domestic law in relation to applications and enforcement of the Trademarks Law in Uganda, I have considered the provisions relating to applications for registration.

It is the Plaintiff's contention that it is registered under part "A" of the Trademarks Act 2010. A person who claims to be the owner of the trademark used or proposed to be used by him or her and is desirous of registering it shall apply under section 7 (1) of the Trademarks Act to the Registrar in the prescribed form for registration in part "A" or "B" of the Trademarks Act. I will further answer the question of who is an owner making an application for registration as written under section 7 (1) of the Trademarks Act 2010? The word "owner" under the section means someone who has property rights to the trademark such as ownership conferred by registration of the Applicant. The second category is a person who seeks to be registered as an owner of a trademark, the subject matter of the application. The distinction between the two categories of Applicants is important for purposes of establishing which provision of law to consider so as conferring entitlement to registration. If the person claims to be the owner, either the Mark is associated with him or her or he or she is already registered in respect of the Mark in another country. However if the Applicant just intends to own the Mark, he or she is making a fresh application for registration as an owner.

There are several matters to be considered by a Registrar of Trademarks before registering a trademark. These include distinctiveness of the mark sought to be registered, the association of the mark with a class of goods, and whether it is capable of registration in Uganda among other things. In this respect a Registrar exercises discretionary judicial powers to register a person if that person's application has not been challenged or objected to upon the publication of the intention to register the mark nationally.

The application has to be published (see section 11 of the Trademarks Act 2010). Thirdly under section 12 of the Trademarks Act, the law gives any person the right to give notice to the Registrar of objection to the registration of a mark sought to be registered and published for the public to have an opportunity to object to. The objection shall be decided by the Registrar before

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the refusal or granting of the application to register the trademark. Any person aggrieved by a decision of the Registrar has a right of appeal to the court. Under section 16 where the application for registration of the trademark in part "A" or part "B" of the register has been accepted and the application has not been objected to the Registrar shall unless the application has been accepted in error register the trademark accordingly.

At this stage of the proceedings the question remains whether the Defendant can challenge the registration? As far as the question as to whether the Defendant is an aggrieved party is concerned, the issue is whether its claim to be a trader in the goods is sufficient for purposes of giving it locus standi. Secondly the court has to consider the fact that the proprietors ascertained by the Defendant are not parties to this suit. The Defendant is not an agent of the alleged proprietors of the trademarks registered in China.

I have accordingly considered the authorities submitted in the arguments. The closest authority is that of my sister Hon. Lady Justice Hellen Obura in **TECNO Telecom Ltd vs. Kigalo Investments Ltd HMC No. 0017 of 2011**. In that case an application was brought under section 45 and 46 of the Trademarks Act 2010 to have the mark TECNO which had been registered in Uganda removed from the register on the ground of proof of the registration of that mark in a country of origin. The Applicant was an attorney of TECNO Telecom Ltd and dealt in phones. The Applicant was an appointed agent in Uganda of the firm registered in Hong Kong. They dealt in a phone called TECNO and registered the name as a trademark. On the question of locus standi the Hon Judge held that the Applicant was an aggrieved party who can bring an action under sections 45 and 46 of the Trademarks Act 2010 because the Applicant demonstrated that it is the registered owner of the trademark TECNO and it manufactures and deals in TECNO phones in Hong Kong, China.

On the above point on locus standi, the above authority can be distinguished from that of the Plaintiff's case. In this case the Defendant is not an agent of the Chinese Trade mark proprietors and does not purport to be the owner. The Defendant is just an importer. Secondly it is a fact that is not controversial that the alleged owners in China are not parties to this action or represented in this suit. The Defendant is an importer of the questioned goods and has nothing to do with the trademark on the goods.

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In the case of **Guangzhou Tiger head Battery Group Co. Ltd vs. Uganda Revenue Authority and In Cargo Freighters Agents Ltd HCCS No. 0333 of 2012**, the Plaintiff as the registered owner of the “Tiger Head” battery brand in Uganda registered under Part A of the register. The Plaintiff’s case inter alia was that In Cargo Freighters Agents imported tiger head batteries not of the Plaintiffs manufacture as if they were of the Plaintiffs manufacture. It was a case of passing off and they sought among other order an order of destruction of the goods and a permanent injunction. Hon Justice W.W Musene held inter alia that it was the minister who had licensed In Cargo Freighters Agents to trade in the goods and it was the Attorney General to be sued. He held that counterfeiting of the Plaintiff’s product by the Defendants had not been proved on the balance of probabilities. The Plaintiff did not discharge the burden of proof. He further held that the good will in the “Tiger Head” battery was owned by another company Guangzhou Light Holding Co. Ltd and no misrepresentation of the goods to the public had occurred yet for the Plaintiff to claim damages since the goods were in custody of Uganda Revenue Authority. The judge declined to grant a permanent injunction on the basis of a licence granted by the minister for the In Cargo Freighters Agents to import “Tiger Head” batteries. The above authority does not address an application for removal of a registered trademark under sections 45 and 46 of the Trademarks Act and is not relevant.

I have thirdly considered the question of whether the registration of the Plaintiff in the Trade mark register for the trademark in dispute is an illegality that has been brought to the attention of court which may override questions of pleadings as stated in **Makula International vs. Cardinal Nsubuga (1980)** (supra).

I have already referred to provisions of the Trademark Act 2010 on registration. The Ugandan domestic law does not expressly forbid the registration of a trademark on the ground that it could be registered elsewhere. The law accords a right to register by an owner registered in the country of origin.

Ordinarily to consider the owners right, the owner has to either to apply for such registration or apply to deregister a person who has registered a similar trademark i.e. under section 45 of the Trademarks Act 2010. Last but not least Trademarks Act 2010 gives an owner the right to be

registered as such even if he or she is not originally registered in the country of origin of the goods.

Under section 18 (1) of the Trademarks Act, registration in part "A" of the register of the trademark is after the expiration of seven years from the date of the registration to be taken to be valid in all respects except where the registration was obtained by fraud.

In paragraph 6 of the written statement of defence, the Defendant avers that the Plaintiff's trademarks were registered illegally and fraudulently and ought to be removed from the register.

The only defence to the assertion is that the Defendants have no locus standi. On the other hand the Defendant asserts that it is an illegality brought to the attention of the court and cited the case of **Makula International Ltd versus His Eminence Cardinal Nsubuga** (supra). In support of the Defendants assertion is the Canadian article in the **Trademark Reporter Vol. 93 May – June, 2003 No. 3 at pages 541 and 542. The article writes that:**

“Canadian courts have on many occasions prevented licensees and distributors from registering trademarks associated with the goods produced by foreign manufacturers, even in cases where the foreign manufacturer is not directly carrying on business in Canada or is not otherwise directly involved in any transaction that takes place in Canada.”

No details of the Canadian court cases have been produced and the principles for their refusal have not been stated. Reading the above passage relied upon literally, it advances the principles for registration of marks. It does not deal with the grounds for removal of a mark. It does not discuss the question of who should bring the action for deregistration of the Plaintiff. Though one can consider the principle as salutary and supportive of freedom of trade, in Uganda there is a specific provision that enables a registered owner to sue for removal of a trademark under section 45 of the Trademark Act 2010 which has been considered above.

In the premises the Defendants does not have sufficient interest in law to have the Plaintiff removed from the register. This is because the Defendant is a resident of Uganda and never objected to the registration of the Plaintiff for the disputed trademarks. The Plaintiff had the intention to apply gazetted as prescribed and the Registrar of Trademarks who is the expert in

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trademark matters registered the Plaintiff for the trademarks consisting of Chinese characters and Latin characters in part “A” for trademark branding of consumer products such as foods and beverages listed above. The question of good will protection of any other registered proprietor in the country of origin can only be considered when they or their agents come to court to challenge the Plaintiff. That is when the courts will have an opportunity to consider the marks on merits. In the meantime the Defendant has no locus standi to challenge the Plaintiff’s registration. The Plaintiff enjoys protection of its mark by virtue of statutory protection upon first registration in Uganda and under section 37 (1) of the Trademarks Act 2010.

Furthermore in conclusion of the submissions on section 44 of the Trademarks Act 2010 The registration of the Plaintiff has already been done. For the Plaintiff to be deregistered the matter has to be resolved in a suit for deregistration by a person having locus standi. The court is mindful of the fact that there could be a matter to be tried as to whether the Plaintiff is properly registered as a distributor or as a producer of the marks in question. The Registrar did exercise discretionary powers to register the Plaintiff’s trademark and ought to be made a party to explain the basis of the registration on the application of an owner or agent of the owner of a registered trademark that is similar to that registration in a country of Origin of the goods. That question is not properly before this court and cannot be tried.

Last but not least there is a question of whether the Defendant is a bona fide user of the trademark having innocently imported products from China bearing trademarks that the Plaintiff seeks to bar on the ground that they require the Plaintiffs licence.

It is true that the Defendants are traders but they cannot claim innocence by virtue of advertisement for the trademarks advertised by the Plaintiff. If the trademarks are similar or the same the Plaintiff would be entitled to an injunction and the remedies claimed in this suit.

When the issue of law was framed, it was on the assumption that the trademarks in dispute are the same or similar and that they would among other things confuse the consumers of the products. It is only after examining the marks did I reach different understanding of the issues for determination.

As I have already demonstrated above that the Plaintiff's trademarks have Latin characters in addition to the Chinese characters. It is only the Chinese characters which are common between the trademark of goods issued in China and those in Uganda. The matter cannot be concluded on a point of law and the parties will be heard on the specific question of whether the goods in question imported by the Defendants are similar to or do infringe the Plaintiff's trademark. My examination of the trademarks in dispute led to the conclusion that this matter cannot be concluded on a point of law only.

For the Plaintiff to enjoy protection it has to prove that the goods the subject matter of the suit infringes on a matter of fact the Plaintiffs trade mark. This is not only a matter of law only and evidence shall be adduced before this suit is concluded on the issue.

The court will also be further addressed on the other remedies sought before final judgment is issued.

In the premises an interim injunction issues restraining the Defendant, its agents or workmen from selling, offering for sale, dealing in the goods bearing the registered trademark of the Plaintiff, pending disposal of the remainder of the issues in this suit or until such further orders of the court.

It is now trite law that the Defendant can be compensated in damages if it turns out after the trial of the matter on the merits that the marks in dispute for do not infringe the Plaintiff's registered trademark.

Costs of the preliminary or partial judgment on a point of law are costs in the cause.

The suit shall be fixed for hearing of the remainder of issues arising from the pleadings.

Partial Judgment delivered in chambers on the 31st of July 2015

Christopher Madrama Izama

Judge

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Ruling delivered in the presence of:

Anne Karungi Counsel for the Plaintiff

Kigenyi Emmanuel Counsel for the Defendant

Ye Bao Chun Director of Plaintiff

Cheryl director of plaintiff

Sengendo John Mbazira Director of Defendant

Charles Okuni: Court Clerk

Christopher Madrama Izama

Judge

31 JULY 2015