

**THE REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
(COMMERCIAL DIVISION)
CIVIL SUIT NO. 303 OF 2013**

5 **VISION IMPEX LIMITED PLAINTIFF**

VS

1) SANSA AMBROSE

2) GOLDMAN LOGISTICE IMPORT AND EXPORT DEFENDANTS

BEFORE LADY JUSTICE FLAVIA SENOGA ANGLIN

JUDGMENT

10 The Plaintiff a Limited Liability Company brought this suit against the Defendants for infringement and passing off the Plaintiff's Trade Mark No. 25799 in class 5 and 16 of the Third Schedule to the Trademarks Rules.

15 The Plaintiff is the registered owner of ABC "**Feathers**" Sanitary Pads under the said Trade Mark. The Trade Mark was renewed on 27.06.10 for another period of 14 years.

20 Being the exclusive distributor of the said sanitary pads, the Plaintiff widely advertised the color and design of the pads through all known media in Uganda for trade purposes.

25 The Trade Mark is therefore known in trade and the general public as signifying the Plaintiff's products. And the Plaintiff has acquired substantial reputation in and by use of that name and Trade Mark.

30 It is the Plaintiff's contention that on or about 29.05.13, the Defendants imported a consignment of "**featlhers**" sanitary pads through Malaba, which was being cleared at Spedag Interfrieght (U) Limited, to be sold and distributed throughout Uganda, The goods, the Plaintiff asserts

were meant to mislead the public as goods of the Plaintiff. And the Plaintiff is likely to suffer loss and damage as a result of the Defendants acts.

5 On 07.06.13, the Defendant's consignment was seized by Uganda Revenue Authority (URA) and Uganda National Bureau of Standards (UNBS) on the suspicion of the goods being counterfeit and for unauthorized use of the UNBS Standard Mark.

10 On 12.06.13, the Plaintiff filed this suit against the Defendants seeking the following remedies:-

15 a) A permanent injunction against the Defendants preventing them from infringing the Trade Mark No. 25799, selling or offering for sale the products bearing "**feath**ers".

b) An order for the immediate impounding and destruction of the aforementioned goods and destroy or destruction upon sale all "**feath**ers" products of the Defendants.

20 c) A permanent injunction restraining the Defendants from passing off their goods as goods of the Plaintiff.

d) An inquiry as to damages.

25 e) An account of the profits made by the defendants.

f) Costs of the suit and

30 g) Any other relief court deems appropriate.

Interlocutory judgment was entered against the Defendants for non-appearance after various adjournments. The matter proceeded for formal proof on 06.07.15.

35 The Plaintiff called one witness Pareku Arut a Director of the Plaintiff Company.

He confirmed that the Company deals in sanitary pads – marketing and promoting the product ABC **"feathers"** sanitary pads. A sample of the said pads was exhibited as Exhibit P.₁.

5 The witness described the features that differentiate their products as ABC **"feathers"** Ultra Compact sanitary pads with wings. They are light blue in colour with words **"special care for special times"** with 10 pieces regular. Where there is red and pink colour the size of the pads is 240mm.

10

Further that the product was approved by UNBS and there is the Company Logo on it.


15

The product was registered in June 2003, under No. 25799 when the certificate expired in 2010; it was renewed on 27.06.10 for another 14 years. – The renewal certificate was admitted as Exhibit P.₂.

20

The Plaintiff got to know of the Defendant's importation of similar pads when they were informed by UNBS staff that similar sanitary pads had been imported on the Spedag Interfreight (U) Ltd.

25

 The consignee was Sansa Ambrose the First Defendant. The goods are sanitary napkins 2049 cartons. – Bill of Lading "C2". There is also a commercial invoice "C3" dated 11.04.13 and a packing list "C4". The documents were admitted as Exhibits P.₄₁ – P.₄₄.

30

Upon checking with Spedag Interfreight (U) Ltd and checking the off loaded consignment, it was noted that the pads are similar to those marketed by the Plaintiff Company. The name is similar "Feathers", the color is the same, and the style of the font is the same like that on the products of the Plaintiff Company.

35

Upon opening the box, there was no address on the pads. But the design, UNBS Logo was also similar to that of the Plaintiff Company. **"For day and night use"**, **"special care all the time"**. The size was also the same.

The photographs taken of the goods were exhibited as P.₅_A – P.₅_D.

Although the witness pointed out that while the consignment of the 2049 cartons imported by the Defendants was the only one, they had known about, there could have been others before or thereafter. Because, he asserted the sales of the Plaintiff Company had fallen leading to a loss of Shs. 47,000,000/-.

The public, the witness added cannot differentiate the products of the Plaintiff Company from those of the defendants. And the poor quality of the Defendant's products is affecting the brand of the Plaintiff.

The customers cannot tell the difference between the spellings of the names of the products.

While the UNBS Logo appears on the Defendant's products, the Defendants do not have a certificate.

The customers can reject the Plaintiff's product thinking it is that of the Defendants. And this has affected the sales of the Plaintiff Company.

It was then prayed that judgment be entered for the Plaintiff and all the remedies sought granted with costs.

The Plaintiff's Counsel filed written submissions.

The following are the issues that were set down for determination:-

1) Whether the Plaintiff has a right to exclusive use of Trade Mark No. 25799 class 5 and Trade Mark No. 30455 in respect of ABC "Feathers" Sanitary Pads.

2) Whether the Defendant's importation and sale of "Feathers" Sanitary Pads was an infringement of the Plaintiff's Trade Mark.

3) What remedies are available to the parties.

The issues are dealt with in the same order.


Right to exclusive use of the Trade Marks by the Plaintiff:

5 In her submissions, Counsel for the Plaintiff referred to the Plaintiff's evidence, emphasizing that Plaintiff was the registered proprietor of Trade Mark 25799, Class 5 as evidenced by Exhibit P₁ and Trade Mark No. 30455, Class 16- Exhibit P₂. The trademark ABC Feathers Sanitary Pads had been used by the Plaintiff since 2003, was renewed for another 14 years and to date the Plaintiff continues to deal in, sell and
10 distribute the ABC Feathers Sanitary pads.

Counsel submitted that registration of a trade mark gives or is taken to have given that person exclusive right to the use of the trademark in relation to those goods – S.36 Trade Marks Act.

15 And that since the registration of the Plaintiff Trade Mark was and is still subsisting; the Plaintiff has exclusive use of the trade mark. Court was urged to answer the issue in the affirmative.

20 A "trade mark" is *"a sign or mark or combination of signs or marks capable of being represented graphically and capable of distinguishing goods or services of one undertaking from those of another undertaking"* – S.1 (1) Trade Marks Act.

 25 In the present case, it is the uncontroverted evidence of the Plaintiff that Trade Marks Numbers 25799 and 30455 were registered by the Plaintiff in class 5 and 16 respectively of the Third Schedule to the Trade Mark Rules. The Trade Marks are still subsisting as evidenced by Exhibit P3. And the Plaintiff has used the ABC Feathers Sanitary Pads Trade Mark
30 since 2013.

This court finds that the Plaintiff being the undisputed **"proprietor"** of the disputed Trade Marks has the exclusive right or title to the use of the same. See **Victoria Secrets Inc. vs. Edgens Stores Ltd [1994] (3) SA 739 (A)**.

35 Refer also to S. 36 (1) of the Trade Marks Act which provides that *"subject to sections 41 and 24, the Registration before or after*

5 *the commencement of this Act, of a person in part A of the Register as owner of a trade mark other than a certification mark in respect of any goods shall, if valid, give or be taken to have given that person the exclusive right to the use of the trade mark in relation to those good."*

The first issue is answered in the affirmative for those reasons.

10 The Defendants importing and selling "**Featlhers**" Sanitary Pads **whether it was an infringement of the Plaintiff's trade mark.**

15 As submitted by Counsel for the Plaintiff, it is not disputed that the Defendants imported a consignment of 2049 cartons "**Featlhers**" Sanitary Pads, which was being cleared by Spedag Interfreight (U) Ltd for sale in Uganda.

20 Evidence of Customs Declaration Form, a Bill of Landing, a Commercial Invoice and Packing List were Exhibits as P2₍₁₎ – P4₍₄₎ to confirm the importation.

25 It is also on record that the Plaintiff was alerted to the importation in June, 2013, and the consignment was seized by Uganda Revenue Authority and Uganda National Bureau of Standards on suspicion that the goods were counterfeit. – See Exhibits P5_(A) – P5_(D).

30 The goods were similar to those of the Plaintiff in design, packaging, placement of UNBS Logo, name on the product, the colour, the size, the day and night pictures, and the phrase "**sanitary pads with wings**". The only difference was in the spelling of the name by the Defendants who spelt it as "**featlhers**" as opposed to the Plaintiff spelling "**Feathers**". Another difference was in the catch phrase "**special care for special times**" - By the Plaintiff, whereas the Defendants was "**special care all the time**".

35 Under S.36 (2) of the Trade Marks Act, without prejudice to the general effect of sub section (1), - "**the right conferred by that sub section shall be taken to be infringed by a person who, not being the owner of the trade mark or a registered user of the trade mark**

uses by way of permitted use, a mark identical with or so nearly resembles it, as to be likely to deceive or cause confusion in the course of trade in relation to any goods of the same description where the use would result in a likelihood of confusion....."

5

Decided cases have established that *"the test of infringement is likelihood of confusion which is the probability that a reasonable customer in the relevant market will be confused or deceived, and will believe the infringer's goods or services to come from or sponsored or endorsed by the complainant or that the two are affiliated"*. Refer to **Angelo Fabrics (Bolton) Ltd and Another vs. Africa Queen Ltd and Another HCCS 632 /2006** - Justice Bamwine.

10

15

See also the case of **Standard Signs (U) Ltd vs. Standard Signs Ltd & Another HCCS 540/2006** where Lady Justice Obura emphasized the same principle when she stated that *"the test is whether an average customer acting with reasonable care would be likely to be confused by the article complained of;....."*

20

In the present case, the marks on the goods complained of are very similar to those on the Plaintiff goods that *"the possibility of confusion would not depend on the class, sophistication or economic worth of the client"*.

25

As pointed out by Counsel for the Plaintiffs and rightly so, the mark on the Plaintiff's pads **"Feathers"**, the logo **"special care all the time"** and that of the Defendants **"Featlhers"** **"Special care for special time"** are so similar. Despite the minor differences, the goods are the same visually (in color) conceptually (by design) phonetically (sound) and they belong to the same class of good (sanitary pads). The style of the font of the Defendant's goods is like that of the Plaintiffs.

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The goods are so deceptively similar and therefore likely to cause confusion to reasonable users of the sanitary pads.

The Defendants who never defended the suit against them are for all those reasons guilty of infringement of the Plaintiff's registered Trade Mark.

5 The Defendants Sansa Ambrose and Goldman Logistics Import and Export as named are consignees in the Bill of Landing, Packing List Commercial Invoice and Declaration forms of the Customs Department, all documents relating to the importation of the 2049 cartons of the Sanitary Pads of "Featlhers". Under the established principle of
10 decided cases ***"the person(s) named as consignee in a bill of landing is deemed to be the owner of the goods listed therein"***.
– See **Ross T. Smith & C. Ltd vs. T.D Bailey Sons & Co. [1940] 3 AU ER 60.**

15 It can therefore be rightly concluded that the Defendants in the present case are the importers and owners of the 2049 cartons of featlhers sanitary pads.

20 ***"It is an infringement for any person, without the consent of the registered owner of the trade mark, to use in commerce any reproduction, counterfeit, copy or colorable limitation of a registered trade mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with, which such use is likely to cause confusion, or to cause mistake, or to deceive..."***
25

The Plaintiff established in its evidence that there was a risk that the public might believe that the Defendants goods came from the Plaintiff or an economically linked undertaking. This is because ***"a trade mark is a badge of origin or source. The function of a trade mark is to distinguish goods having the business source from goods having a different business source. It must be "distinctive" that is to say, it must be recognizable by a buyer of goods to which it has been affixed as indicating that they are of the same origin as other goods which bear the mark and whose quality has engendered good will"***. – Refer to **Scandecar Developments AB vs. Scandecar Marketing AB [2001] UK HL 2L.**
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35

The goods imported by the Defendants were so similar to those of the Plaintiff that there was a great likelihood of confusion by those wishing to buy the Plaintiff's goods. A customer seeing the name "**feathers**" or "**featlhers**" at a quick glance would probably assume that the product represented by "**featlhers**" is associated with the product identified by the mark "**feathers**".

In the present case, the likelihood of confusion is more probable, and not merely a possibility, taken together with all the other similarities in the products already referred to in this judgment.

I reiterate therefore that, the importation and selling of "**featlhers**" sanitary pads by the Defendants was an infringement of the Plaintiff's Trade Mark "**feathers**".

What is left for court to determine is the **remedies available to the parties.**

Permanent Injunction:

The Plaintiff sought a permanent injunction to restrain the Defendants whether acting by their Director, Officers, and agents or otherwise howsoever from infringing the Plaintiff's registered trademark.

In support of this prayer, Counsel relied upon S.79 (1) of the Trade Marks Act and the case of **Britania Allied Industries Ltd vs. Aya Biscuits HCCS No. 24/2009** - Justice Kiryabwire stated that the remedy was available *"to avoid the possibility of the defendant re-introducing the products complained of in a manner that will cause confusion and allow for deception"*.

See also the case of **Anglo Fabrics (Bolton) Ltd vs. Africa Queen Ltd and Another HCCS No. 632/2006**, inter alia.

Under S.79 (1) of the Trade Marks Act- *"a person whose rights under this Act are in imminent danger of being infringed or are being infringed may institute civil proceedings in the court for*


an injunction to prevent the infringement or prohibit the continuation of the infringement".

5 Having already found in this judgment that the Plaintiff has a right to exclusive use of the trade marks in respect of the ABD "**Feathers**" Sanitary pads and that the Defendants have infringed the Plaintiff's trade mark, it is only just and proper that the permanent injunction issues to prevent the Defendants from continued infringement of the Plaintiff's Trade Marks and or offering for sale the products bearing the
10 marks "**featlhers**". And also passing off their goods as those of the Plaintiff.

Impounding and destruction of the goods:

15 The Plaintiff also prayed that the Defendants be directed to deliver up for destruction all the offending goods.

The goods in the present case were impounded by URA in conjunction with UNBS. But there could have been some of the goods already in
20 possession of the Defendants or already put out on the market.

 It is therefore directed that all such goods be impounded, and together with the goods already in possession of the Defendant if any, URA and UNBS be delivered to the Plaintiffs for destruction under the supervision
25 of UNBS. - Refer to **Anglo Fabrics (Bolton) Ltd vs. Africa Queen Ltd & Another (Supra)**.

Damages:

30 In this respect, Counsel for the Plaintiff relied upon S.79 (3) and (4) of the Trade Marks Act, which is to the effect that the grant of an injunction under subsection (1) does not affect the owner's claim for damages in respect of loss sustained as a result of the infringement of rights under the Act.

35

(4) – A person who sustains any damage because of the infringement of their rights under this Act may claim damages against the person

responsible for the infringement whether or not that person has been successfully prosecuted.

5 It was then asserted that the evidence of the Plaintiff shows that their sales were affected and the market share reduced. They lost profits and suffered injury to their good will and reputation.

10 Counsel then submitted that general damages are discretionary based on the inconvenience and loss suffered, but regard should be had to precedents set by court. For example in the case of **Standard Signs (U) Ltd vs. Standard Signs Ltd (Supra)** Shs. 30,000,000/- was awarded.

15 It is trite law that the principle behind the award of general damages is that of compensation. In a trade mark action, an award of general damages to a successful Plaintiff is calculated to put the Plaintiff in the position it would have occupied had the infringement not occurred.

20 The Trade mark owner's damages are therefore the difference between its actual position at the date of the trial and the position it would have occupied had its trade mark not been infringed. Since damages remedy the loss to Plaintiff caused by the trade mark infringement, the Defendants profits have very little relevance in an assessment of damages.

25 The general rule is that, the measure of damages is to be as far as possible, that amount of money which will put the injured party in the same position it would have been had the wrong not been sustained.

30 In the case of **Livingston vs. Rawyands Coale Co. (1880) 5 App. Cas 25, 39** *"damages are measured by the Plaintiff's loss, not the Defendant's gain"*. However, the common law has long recognized that there are many common place situations where a strict application of this principle would not do justice between the parties.
35 *"Then compensation for the wrong done to the Plaintiff is measured by a different yard stick"*.

In awarding damages in this case, the court would look at the direct loss of sales and consequent lost profits. But this was not dealt with by the Plaintiff.

5 The second consideration is the depreciation of good will, measured by the indirect loss of sales of the Plaintiff's products. In this respect it was stated for the Plaintiff that the Defendant's acts have caused and continue to cause substantial loss and damage to the Plaintiff's trade, reputation and market share.

10

No evidence was adduced by the Plaintiff to show that the Defendant's counterfeit goods were circulating all over Uganda. The evidence available indicates that the goods were in custody of Spedag Interfreight (U) Ltd when they were impounded by URA and UNBS.

15

But this court has already found that the Plaintiff's trade mark was infringed and that as registered owner, the Plaintiff is entitled to protection against the infringement, damages will be awarded for the damage to their reputation and for infringement.

20

No amount of damages was proposed by Counsel for the Plaintiff. Court will therefore exercise its discretion and award a sum of Shs. 50,000,000/- against the Defendants jointly and severally.

25

Account of Profits:

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It was submitted for the Plaintiff that the remedy of account of profits be granted to the Plaintiff from the date of the infringement. Counsel asserted that "***an account of profits is an equitable remedy granted at the court's discretion.***" – The case of **Anglo Fabrics (Bolton) Ltd vs. Africa Queen Ltd and Another (Supra), Nanoomal/Saardas Motiwalla (U) Ltd vs. Sophy Nantogo and Standard Signs (U) Ltd vs. Standard Signs Ltd (Supra)** were relied upon.

35

Under S.81 (1) of the Trade Marks Act "***in addition to any punishment imposed by the court in respect of an offence under this Act, in an action for infringement, a relief by way of***

damages, injunctions, accounts of profits or otherwise, shall be available to the Plaintiff as in any other corresponding proceedings in respect of infringements of other proprietary rights and in that action, the court may give such orders as necessary....".

Further decided cases have established that *"in trade mark and patent cases, the plaintiff is entitled, if he/she succeeded in getting an injunction, to take either of the two forms of relief:- he might claim from the Defendant either the damage sustained from the defendant's wrongful act or profit made by the defendant from the defendant's wrongful act"*. – Refer to *Lever vs. Goodwin (1887) 36 CH D. 1, 7, Cotton L.J.*

The Trade Marks Act is silent on how to account for profits. But court can be guided by decided cases on the appropriate means of compiling a defendant's profits. It has been stated that *"an accounting of one's income, which is calculated by deducting the expenses that are properly attributable to the sale of the infringing goods from the sales revenues of the infringing products"*.

"The Plaintiff bears the burden to proving the Defendant's sale revenues. The Defendant bears the burden to demonstrate its expenses, which may be logically divided into variable and fixed costs. In calculating damages, the court will permit the infringer to deduct from its revenue the variable costs of those sales and any increase in fixed costs caused by the infringing sales. The infringer cannot deduct any portion of the remainder of its fixed costs, namely, those costs not related to the infringing sales". – See *Dubirer vs. Cheerio Toys and Games Ltd [1966] EXC2 801*, and *Teledyne Industries Inc. vs. Lido Industrial Products Inc (1982) 68 CPR (2d) 204 (F.C.T.D.)*.

The Plaintiff in the present case contended that the selling price per carton of the infringed goods was Shs. 23,000/-. The Defendants imported 2049 cartons, which the Plaintiff claims are distributed all over Uganda at the same price. Thereby leading to a loss of Shs. 47,000,000/-.

5 However, the consignment confiscated by UNBS was the only consignment the Plaintiff knows about. Without any evidence of goods that may have earlier been imported and distributed by the defendants, and therefore without any evidence of what the Defendant made as any profits from the sale, if any, of the infringing goods, it would not be logical to issue an order of account of profits.

10 It has been stated that **"account of profits is an alternative remedy to damages, and being an equitable remedy, it is discretionary. It is essentially an accountancy exercise and deprives the Defendant of profits made as a result of the infringing activity. When a Plaintiff elects in favor of an account of profits, he/she in a normal case, will get an account of what the Defendant expended upon manufacturing the goods, the price received for their sale and obtain an order for the difference"**. – See **Spring Gardens vs. Point Blank Limited [1983] IR 88** (court notes that the above case concerned copyright and not trademark, but the principle is equally applicable here).

20 Without any evidence that any of the infringing goods were sold and how much the Defendants earned as against the costs of manufacturing, the remedy of account of profit is not available to the Plaintiff.

25 The evidence available is to the effect that the goods were impounded. The available relief which has already been granted by this court is general damages for the infringement.

Costs:

30 The Plaintiff prayed to be granted costs of the suit. S.27 of the C.P.A was cited in support.

35 Under S.27 (1) CPA, the award of costs in a suit is at the discretion of the trial Judge and can only be denied for good reason. And the established principle is that **"A successful party is entitled to costs unless there are good reasons to deny such party costs"**. – Refer

to Jennifer Behinge and 2 Others vs. School Outfitters (U) Ltd
CACA 53/1999.

5 The Plaintiff being the successful party in this case, there is no reason to deny it costs of the suit. They are accordingly granted.


Other Remedies:

10 This court has discretionary powers to award any other remedy it deems appropriate.

Under S.81 (4) of the Trade Marks Act, ***"court may order that all counterfeits, limitations and all other materials involved in the infringement be forfeited and disposed of as court may direct"***.

15

In the present case the infringing goods were impounded by UNBS and URA. The impounded goods should therefore be destroyed under the supervision of URA and UNBS or distributed to girls' schools under their supervision where they can be made good use of. This should be at the
20 Defendants costs.

 In the result, judgment is entered for the Plaintiff for all those reasons, against the Defendants jointly and severally in the following terms:-

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1) A permanent injunction is hereby issued against the Defendants, their agents, assignees, representatives, servants or otherwise restraining them from further infringement of the Plaintiff's Trade Mark and from importing, distribution, selling or offering for sale **"feathers"** sanitary pads.

30

2) An order for the immediate destruction of the impounded goods and the impounding of and destruction of any other of the infringing goods that may have been put on the market by the Defendants without the Plaintiff's knowledge.

35

In the alternative but without prejudice to the above, the impounded goods and any other to be impounded, can instead of being destroyed be donated to girls schools where they are highly

needed. This should be done under the supervision of UNBS, URA and the Plaintiff.

5 3) A permanent injunction does also issue restraining the Defendant from passing off their goods as those of the Plaintiff.

 4) The Plaintiff is awarded general damages of Shs. 50,000,000/-.

10 5) Costs of the suit are also awarded to the Plaintiff.

15 
Flavia Senoga Anglin
JUDGE
06.06.17