

**IN THE HIGH COURT OF TANZANIA  
(COMMERCIAL DIVISION)**

**AT ARUSHA**

**COMMERCIAL CASE NO. 8 OF 2018**

**DOUBLE DIAMOND HOLDINGS LIMITED.....PLAINTIFF**

**VERSUS**

**EAST AFRICAN SPIRITS (T) LIMITED.....1<sup>st</sup>DEFENDANT**

**GAKI INVESTMENT LIMITED.....2<sup>nd</sup>DEFENDANT**

Last Order: 04<sup>th</sup> Dec, 2019

Date of Judgment: 12<sup>th</sup> Mar, 2020

**JUDGMENT**

**FIKIRINI, J.**

The plaintiff, Double Diamond Holdings Limited a limited company registered under the laws of Tanzania with their registered office in Arusha, and the defendants East African Spirits (T) Limited and Gaki Investment Limited both limited liability companies registered under the laws of Tanzania with their office in Dar es Salaam and Shinyanga respectively, are registered dealers in spirits/gin. While the plaintiff's registered trademark is with certificate No. TZ/T/2016/2209 consisting of recognizable expression "CHASE THE ACE THE ACE OF DIAMONDS" which identifies their product spirits/gin, the defendants' registered trademark is with certificate No. TZ/T/2017/2209 which is made of words "WHITE DIAMOND" and its associate registered trademark with certificate No. TZ/T/2017/2210 which is made of words "DIAMOND ROCK" which identifies their product spirits/gin with pineapple and coffee flavours.

The plaintiff alleges that the presence of word “Diamond” on the defendants’ trademarks amounted to infringement and passing off. Discontent with the state of the affairs she opted to sue the defendants jointly and severally seeking for the following orders:

1. Declaration that registration of the trademark “White Diamond: in the name of the 2<sup>nd</sup> defendant and its subsequent assignment to the 1<sup>st</sup> defendant is null and void;
2. Declaration that registration of the trademark “Diamond Rock” in the name of the 1<sup>st</sup> defendant as an associate mark of the trademark “white Diamond” is null and void.
3. Rectification of the Trade and Service Marks Register by expunging from the Trade and Service Marks Register the trademarks “White Diamond” and “Diamond Rock” registered under Nos. TZ/T/2017/2209 and TZ/T/2017/2210 respectively;
4. Declaration that the 1<sup>st</sup> defendant has infringed the plaintiff’s trademark and passed – off her goods;
5. An order for perpetual injunction restraining the defendants, their officers, servants or agents from displaying, marketing and/or offering for sale goods in a get-up that is similar to the plaintiff’s get-up and registered trademark number TZ/T/2016/2773;

6. An order for payment of Tzs. 235,388,558/= as compensation for loss of business caused by the diversion of the plaintiff's customers to the 1<sup>st</sup> defendant as the result of the 1<sup>st</sup> defendant's misrepresentation;
7. An order for interest and general damages; and
8. Costs of the suit.

Mr. Salim Mushi assisted by Mr. Roger Mlacha appeared as counsels for the plaintiff, whereas counsels Mr. August Nemes Mrema appeared for the 1<sup>st</sup> defendant and Mr. Yoyo Asubuhi for the 2<sup>nd</sup> defendant. The plaintiff's case featured 2 witnesses PW1 – Pardeep Singh Sidhu and PW2-Aaron Simon Ngereza while the defendants fielded 3 witnesses DW1-Nicholas Cyril Kimario; DW2-Antony Joseph Mengi and DW3-Emmanuel Joseph Assenga. Various documents were also tendered and admitted into evidence as exhibits, on part of the plaintiff were: P<sub>1</sub> –Trade and Service Mark Certificate; P<sub>2</sub>- Two bottles of “The Ace of Diamond Gin Original”; P<sub>3</sub>- Two copies of the application for Registration Mark in the Register made under section 21; P<sub>4</sub> – Letter dated 10<sup>th</sup> November, 2017 and Trade and Service Mark Certificate “White Diamond”; P<sub>5</sub>- Two bottles one with “Diamond Rock” with pineapple flavour and another with coffee flavour and receipts; P<sub>6</sub>-a photocopy of a letter from BRELA to East African Spirits (T) Ltd; P<sub>7</sub>-Letter from Elite Attorneys to East African Spirits(T)Ltd and receipts from Tanzania Postal Corporation; P<sub>8</sub>-Business Plan for Double Diamond Holdings; P<sub>9</sub>-

Assignment Agreement between Gaki Investment Limited and East African Spirits (T) Limited (assignee). The defence case had only one exhibit: D<sub>1</sub>-Two bottles, one with Diamond Rock-Pineapple flavour and the other with coffee flavour plus receipts.

After the close of case by the parties, counsels prayed to be allowed to file final written submissions, the prayer which was granted. I highly appreciate industrious effort exhibited by the counsels in their final submissions addressing the framed issues which were:

- (i) Whether the defendants' trademarks are similar to the plaintiff's Trademark;
- (ii) Whether registration of defendants' trademarks was valid?
- (iii) Whether the 1<sup>st</sup> defendant is infringing the plaintiff's trademark and passing off her goods; and
- (iv) What relief(s) are the parties entitled.

I will however not reproduce the testimonies and submissions, but they will certainly be taken into consideration, when analyzing the case. However, before I proceed to determine the framed issues, an outline of some of the basic principles pertaining to registration of trade and service marks, including what it involves during the registration process, as governed by The Trade and Service Marks Act, Cap. 326 R.E. 2002 (the Act), is necessary.

The term trademark has been defined under section 2 of the Act to mean:

*“Any visible sign used or proposed to be used upon, in connection with or in relation to goods or services for the purpose of distinguishing in the course of trade or business the goods or services of a person from those of another”*

Whereas the term “visible sign” has been in the Act, illustrated to imply the following:

*“Any sign which is capable of graphic reproduction, including a word, name, brand, devise, heading, label, ticket, signature letter number, relief, stamp, vignette, emblem or any combination thereof”*

Once there has been a valid registration the proprietor is regarded as to have exclusive right over the trade and service mark. Section 31 of the Act has expressed that when it stated:

*“Subject to the provision of this Act and limitations or conditions entered in the register, **the registration of a trade or service mark shall, if valid, give or be deemed to have given to the registered proprietor the exclusive right to use of a trade or service mark in relation to any goods including***

*sale, importation and offer for sale or importation”*

[Emphasis Mine]

In anticipation of infringement, the law went ahead and provide for that under section 32 (1) (a) of the Act, which states as follows:

*(1)“The exclusive right referred to in section 31 shall be deemed to be infringed by any person who, not being the proprietor of the trademark or its registered user using by way of the permitted use, uses as sign either-*

*(a) Identical with or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade or business, in relation to any goods in respect of which it is registered or in relation to any closely related goods and in such manner as to render the use of the sign likely to be either.....”*

The above referred rights can only be acquired upon registration of the trade mark and service as provided by section 14 (1) of the Act, which provides:

*“The exclusive right to use of a trade or service mark as defined in section 32 shall be acquired by registration in accordance with the provisions of this Act”*

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Pursuant to section 14 (2) of the Act, the registration becomes valid only upon fulfillment of the conditions for registration. Those conditions are provided for under section 16 of the Act, which generally include distinctiveness. The process of registration is governed by section 26 (1) – (5) of the Act, which has illustrated on steps and procedures to be observed before the registration takes effect. Under section 26 (5) the Registrar has a duty of informing the applicant of the refusal and this has been provided as follows:

*“In the case of refusal of the application or conditional acceptance to which the applicant objects the Registrar shall, if required advise the applicant in writing of the grounds of his decision and the materials used by him in arriving at it”*

If the application has fulfilled all the requirements, the Registrar is obligated to advertise the application as provided by regulation 32 of the Trade and Service Marks Regulations, GN. No. 40 of 2000 (the Regulations) which states as follows:

*“When the Registrar has accepted an application for the registration of a mark or of a series of marks absolutely or has accepted it subject to conditions or limitations to which the applicant does not object, he shall promptly, advertise it in the Trade and Service Marks Journal”* [Emphasis mine]

As per regulation 34 of the Regulations, opposition that the application for the registration of the trademark does not meet the requirements under Part IV, has within sixty (60) days to be filed from the day of advertisement. For ease of reference the provision is supplied below:

*“Any person may within sixty days from the date of any advertisement in the Trade and Service Marks Journal of an application for registration of a mark give notice on Form TM/SM 5 to the Registrar of opposition to the registration”*

After setting out the procedure involved in registration of a trade and service mark, I will now embark on answering the issues framed, starting with the 1<sup>st</sup> issues:

**“Whether the defendants’ trademarks are similar to the plaintiff’s trademark”**

In determining this issue, it is pertinent to first understand that both parties have their trademarks, which they use as an identification of their products (spirits/gin) in the market, been registered with the Registrar of Trade and Marks Services. The plaintiff had her trademark “CHASE THE ACE THE ACE OF DIAMONDS”, registered in 2016 as No. TZ/T/2016/2209 whereas the 1<sup>st</sup> defendant had her trademark “WHITE DIAMOND” with pineapple taste registered as No. TZ/T/2017/2209, and that of its associate “DIAMOND ROCK” with coffee taste



registered as No. TZ/T/2017/2210. The defendants' trademarks came into being in the market in 2017.

As evidenced in exhibits P<sub>1</sub> and P<sub>4</sub>, the plaintiff's registration preceded that of the defendants which took place in 2017 to that of the plaintiff which was executed in 2016, otherwise all trademarks had been registered. The dispute is therefore on the similarity of the word "Diamond" featuring in the three registered trademarks.

According to Mr. Mushi, after the registration of the word "Diamond" as exhibited in P<sub>1</sub>, the trademark became protected. Elaborating on that through PW1's testimony, he submitted that the word "Diamond" was not generic to gin. And that he chose the word "Diamond" based on value and quality of the mineral which is considered the strongest mineral in the earth. He also submitted that Diamond signified strength, leadership, purity, uniqueness, love, commitment, beauty, status and wealth. In short what Mr. Mushi was saying is that, upon registration, all constituents of a trademark that are not generic to the goods in respect of which the trademark is registered are protected, citing the case of **Sabuni Detergents Limited v Murzah Oil Mills Limited, Commercial Case No. 256 of 2001.**

The defendants while not opposing that the word "Diamond" featured in the three trademarks, but disputed the plaintiff's assertion that the trademark was protected since it was not generic to gin. It was the defendants' submission that there was no similarity between the plaintiff's trademark and that of the defendants because

there were various differences as pointed out by DW1, DW2 and DW3 in their testimonies, and also as revealed in the exhibits P<sub>1</sub>, P<sub>2</sub>, P<sub>4</sub> and P<sub>5</sub>, inviting the Court to follow on the rules or tests used in comparing composite trademarks. The defendants went on and defined a composite trademark as being made up of more than one element, and in that regard urged the Court when comparing those trademarks, to evaluate their elements in its entirety rather than dissecting them. It was further told that this rule has been applied in several cases worldwide, including Tanzania. The defendants' made reference to the case of **M/S South India Beverages Pvt Ltd v General Mills Marketing Inc. and Another (No. 961/2013 in CS (OS) 110/2013) p.5**, where the rule was applied.

It was also their submission that the burden of proof lies with the one who alleges as provided under sections 110 -113 of the Tanzania Evidence Act, Cap 6 R.E. 2002 (the Evidence Act), the burden which the plaintiff has failed to discharge.

Guided by the decision in the case of **M/S South India Beverages case** (supra) which applied the "Rule of Anti-Dissection" this Court as well relying on the rule concludes that there was no similarity against the suggestion of the plaintiff. Based on the stated rule in **M/S South India Beverages case** (supra), there are a number of striking differences between the plaintiff and the defendants' trademarks. As pointed out earlier, the plaintiff's trademark with the word "Diamond" had other words, signs and symbols, which are different from the defendants' trademark

which has only two words either “Diamond Rock” or “White Diamond” as exhibited by P<sub>1</sub>, P<sub>3</sub> and P<sub>4</sub>. This aside, examination of exhibit P<sub>5</sub>, which is the packaging materials of the parties, they do not look similar. Of course the bottles are of the same size, but the “White Diamond” and “Diamond Rock” bottles have the diamond sign which the plaintiff’s bottle have no such sign. The “Diamond Rock” colours were black, brown and fade yellow of off white sort of colour, which is completely different from that of the plaintiff which has predominantly yellow colour with red borders and inside greenish and red lining and the words written in black. At the bottom there is a rectangle with white background and black borders, with words inscription in greenish, black and red colour. These do not feature in the defendants’ trademarks. In short there are no depicted similarities as have been averred by the plaintiff.

To therefore proceed and rely on dissecting the trademarks into different segments and only pick the word “Diamond” to determine similarity would not be proper. This conclusion is as well supported by a Tanzanian case of **Compania Licorera De Centroamerica, SA v Mohan’s Oysterbay & Another, Commercial Application No. 29 of 2011, p.17,18 and 19**. In Mohan’s case, the disputed trademarks were of word “Flor” and “Flor de Cana”, both falling under class 33, which the Court concluded were nor similar.

Even leaving aside the “Rule of Anti-Dissection” and resorting to the “First Syllable Rule” the plaintiff’s trademark as reflected in exhibit P<sub>1</sub> as well as exhibit P<sub>5</sub>, one will find they do not resemble to the extent of one declaring glaring similarities. The plaintiff’s trademark “Diamonds” is preceded by the word “The Ace of” while the defendants’ trademark is simply “Diamond Rock” or “White Diamond” The **Sabuni** case (supra) though relevant but does not fit the scenario.

The first issue of whether the defendants’ trademarks are similar to the plaintiff’s trademark is thus answered in negative.

On “**Whether registration of the defendants’ trademark was valid**” framed as the 2<sup>nd</sup> issue, it was Mr. Mushi’s submission, that the defendants have not been able to establish that they were the proprietors of the trademark “White Diamond” and “Diamond Rock”, or that the 1<sup>st</sup> defendant was the registered proprietor of the two trademarks. The situation which was different from what occurred in the case of **IPP Limited v Prince Bagenda & 3 Others, Commercial Case No. 20 of 2009**, where IPP’s logo was not registered as its trademark, but the owner had been in use without interference for quite long and hence was declared owner at common law of the IPP logo.

He elaborated his point by submitting that as per exhibits P<sub>3</sub> and P<sub>4</sub>, that the 2<sup>nd</sup> defendant was the one who applied for the registration of the trademarks “White Diamond” and “Diamond Rock”, and trademark “White Diamond” was the one

registered, while there was no evidence whatsoever indicating the trademark “Diamond Rock” was registered. However, based on exhibit P<sub>9</sub> dated 24<sup>th</sup> August, 2018, the 2<sup>nd</sup> defendant ostensibly assigned the two trademarks to the 1<sup>st</sup> defendant, submitted Mr. Mushi.

Dissecting on whether the trademark “White Diamond” was validly registered, it was his submission that the trademark was never registered as it failed to meet the requirement under section 16 of the Act. Moreover, he argued that following the registration of the plaintiff’s trademark as shown in exhibit P<sub>1</sub>, there was no distinctiveness on the trademark “White Diamond”, when the defendant went for registration of her trademark. According to Mr. Mushi the trademark could not and cannot distinguish the 2<sup>nd</sup> defendant’s purported spirits from the plaintiff’s gin which was already registered. He concluded by remarking that gin and spirits cannot be distinguished since both goods fall in class 33 of the Trademark Classification in Tanzania.

Mr. Mushi further submitted that under section 50 (2) read together with section 55 of the Act, the plaintiff was within the prescribed time of seven (7) years which the registered trademark can be challenged in Court, for failure to observe the requirement under section 16 of the Act. In addition, the plaintiff’s trademark was already registered and thus the 2<sup>nd</sup> defendant’s trademark fell short of the requirement.

On the contrary, the defendants' submission was that their trademark was validly registered and were issued with trademark certificate No. TZ/T/2017/2209 in relation to "White Diamond" as exhibited by P<sub>4</sub>. This was a confirmation that the trademark "White Diamond" validly registered and since under section 50 (1) of the Act, the certificate is a *prima facie* evidence of the validity of the original registration, the defendants were with valid registered trademark.

From the submissions both parties agree that in registration of a trademark or marks there must be compliance to section 16 (1) of the Act, on the distinctiveness of the trade about to or already registered. From the records of proceedings and exhibits P<sub>1</sub> and P<sub>4</sub>, there is proof of registration of trademarks "The Ace of Diamonds" exhibit P<sub>1</sub> and "White Diamond" Exhibit P<sub>4</sub> was tendered through PW1. The registration and certificate is as illustrated under section 50 (1) of the Act, considered a *prima facie* evidence that a person is registered as proprietor of the trade or service mark. Therefore, the way the plaintiff's trademark registration is valid then, the same way should the 2<sup>nd</sup> defendant's be considered.

Furthermore, while in agreement that, parties are bound by their pleadings, but in evaluating the evidence the Court has to do so in its totality and in segments where need arise. The defendants in my view had been able to lead evidence that the trademark "White Diamond" was the proprietors' registered trademark with the certificate with No. TZ/T/2017/2209. It is true the information did not come in

through the defence, but it cannot be said there was no such evidence. There was evidence but led by the plaintiff. This however, did not stop the Court from relying on the evidence including documents. The case of **IPP Ltd** (supra) referred contesting validity of the defendants' trademarks, would have been relevant had there been use of trademark which was not registered but similar to the one registered or long term use of a trademark without interference such that everybody was associating the unregistered trademark as that of the user, while it had not been registered. In the present case there is proof of registration of the trademarks involved.

I am not disputing that the plaintiff's registration was before the trademark "White Diamond" but that in itself could not stop the registration of the latter unless there was similarity and/or the plaintiff had acted. The plaintiff should have opposed the registration by taking action as provided under regulation 34 of the Regulations. Since the defendants' registration was not contested at the time of registration, it therefore remains as a proved fact that the proper procedure, as argued earlier, was followed and the trademark was registered as distinctive.

The plaintiff has as well another option, that of filing a suit pursuant to section 50 (2) challenging the validity of the registration of the trademark read together with section 55 of the Act when an option of either referring the concern to Court or to

the Registrar of trademarks who can as well opt to refer it to Court. The plaintiff opted for this option and hence this suit.

This Court even though properly moved, but essential evidence is missing. This evidence could have been either by joining the Registrar to the case since the registration was done by the said office or for the plaintiff to call any of its officers who could have confirmed or denounced the registration of the trademark “White Diamond” and could have said what the status of the trademark “Diamond Rock” was.

Failure to acquire this evidence especially from the plaintiff leaves this Court with not much to say except conclude that the 2<sup>nd</sup> issue has been answered in affirmative mainly on the registered trademark “White Diamond”

The 3<sup>rd</sup> issue on whether the 1<sup>st</sup> defendant infringed the plaintiff’s trademark and is passing off goods.

Submitting on this point it was Mr. Mushi’s position that plaintiff has been able to establish as required under section 32 (1) (a) of the Act, to prove that the defendants infringed the plaintiff’s trademark: (a) through the use by defendant of the trademark in course of the trade or business; (b) that the trademark used by the defendant is identical or so nearly resembling the plaintiff’s trademark; and (c ) that the defendant’s trademark is used in relation to goods closely related to plaintiff’s goods.



Proceeding to the second item as for the trademarks being *identical or so nearly resembling the plaintiff's as to be likely to deceive or cause confusion*, he contended that three elements have to be inexistence which are visual, aural or conceptual similarity, stressing visual and aural being relevant to the case at hand. Referring this Court to the **Article by Alex B. Makulilo, Likelihood of Confusion: What is the Yardstick? Trademark Jurisprudence in Tanzania, Journal of Intellectual Property Law & Practice, 2012 Vol. 7 No. 5, p. 353.** According to Mr. Mushi similarity of the trademarks was subject to it being able to deceive or cause confusion. Compared to the plaintiff's trademark, the 1<sup>st</sup> defendant's trademark was deceiving and confusing, he argued. Underscoring his submission on the likelihood of confusion, apart from referring the Court to the term "similar" as defined in the Cambridge Advanced Learner's Dictionary, 4<sup>th</sup> Ed, Mr. Mushi as well relied on the book by **Mellor J, Kerly's Law of Trade Marks and Trade Names, 15<sup>th</sup> Ed, Sweet & Maxwell, 2011 at p. 459**, where it was stressed:

*"It should be emphasized that the Court must determine whether there is a likelihood of confusion, it is not necessary for the claimant to prove actual confusion at all"*

Still on similarity aspect, he submitted that a litmus test of the similarity and thence deception or confusion between trademarks was the consumers of the goods or

services in relation to which the trademark was used. Referring this Court to the **Black's Law Dictionary, 10<sup>th</sup> Ed at p.1595** when the term similarity in relation to intellectual property law as discussed in **Harry D. Nims, The Law of Unfair Competition and Trade Marks, 836 (1929)**, where it was concluded that similarity was a question of overall impression rather than element by element comparison of the two marks, the focus being on the buyer who might be deceived by the similarity. Relating the readings to the word "Diamond" it was his submission that the word stands out against all the words in the plaintiff's registered trademark. Similarly, the same word stands out in the 1<sup>st</sup> defendant's trademark. Supporting his submission, he cited the case of **Agro-Processing & Allied Products Ltd v Said Salim Bhakresa & Co Ltd & Another, Commercial Case No. 31 of 2004, p.16**, where Court deliberated on the trademark "*catch word*" Maintaining and stressing his point on confusion created by similarity in trademarks to the "average consumer", he argued that it should be borne in mind that average consumer level was likely to vary according to the category of service or goods. Giving an example, referring to **Mellor's** book (supra) that average consumer of "watch" was different with that on the "spirit" and/or "gin". Comparing the argument in **Mellor's** book (supra) Mr. Mushi disputed the testimonies of DW1, DW2 and DW3, arguing that had their preference in the 1<sup>st</sup> defendant's drink, their testimonies on similarity will be of no assistance to the

Court as they are based on element by element comparison. Instead the Court should rely on PW2's testimony, the average consumer of the plaintiff's and the 1<sup>st</sup> defendant's products. PW2 testimony was that the products were confusing as he associated the two products to one.

He further submitted that despite spending much time on cross-examining PW2, still the defence failed to rule out the alleged deception and confusion on the two products. PW2, insisting on the fact that having established that "Diamond" was the "catching word" in the two trademarks, all other additional words and features would not discharge the 1<sup>st</sup> defendant from liability for trademark infringement. Fortifying his submission, he referred the Court to the case of **Saville Perfumery Co. Ltd v June Perfect Ltd and Another (1991) 58 R.P.C. 147, H.C.** which was cited with approval in **Agro-Processing** (supra). Along the same line the reference was made to **Mellor's** book once again, which provided that statutory protection was absolute in the sense that the user cannot escape liability.

Taking up the third element on the close relationship of the goods, of which his answer was yes, that the products were of the same nature, distributed by the same distributors, sold at by the same retailer and can be placed at the counter, therefore substitute to one another. Backing up his submission he referred the Court to the **Article by Makulilo** (supra). Having established that the infringing mark was similar and capable of deceiving and bringing confusion to the "average

customers” of the products including that of plaintiff’s and since it was undisputed that the 1<sup>st</sup> defendant also uses the mark in the course of its business, making it to be easily concluded that the 1<sup>st</sup> defendant was infringing the plaintiff’s registered trademark. The entitlement which was exclusive after the plaintiff has registered her trademark as per the legal requirement, the obligation which according to the plaintiff’s counsel, was not fulfilled by the 1<sup>st</sup> defendant, citing the case of **IPP Ltd** (supra) to strengthen his submission.

Submitting on “passing off” it was Mr. Mushi’s submission that as per the testimony of PW1, her product has acquired goodwill and reputation in the market the fact also collaborated by PW2 who seemed to be fan of “Diamonds” With the submission laid out, it was Mr. Mushi’s account that the 1<sup>st</sup> defendant has been taking unfair advantage of the established goodwill attached to the trademark “Diamonds” in misrepresenting to the public and led it to believe the products were the same and from the same trademark. This led to the falling in the plaintiff’s sales drastically after introduction of the 1<sup>st</sup> defendant’s product in the market. The plaintiff was no longer able to supply her products to various distributors as they had already stocked the 1<sup>st</sup> defendant products believing were those of the plaintiff. With the above established injured reputation, confusion and deception created by the 1<sup>st</sup> defendant in the market the 1<sup>st</sup> defendant was thus liable for passing off. To buttress his point, he referred this Court to the book **W. Cornish, D. Llewelyn &**

**T. Aplin, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, 8<sup>th</sup> Ed, Sweet & Maxwell, 2013 at p. 653.**

The defendants declined to have infringed the plaintiff's trademark arguing that their trademarks were not similar with that of the plaintiffs as theirs also have been validly and dully registered and assigned to the 1<sup>st</sup> defendant as per section 50(1) of the Act. And that their products had differcnt flavour namely coffee and pineapple, and their bottles were marked on this effect thence reducing the likelihood of causing confusion. And as for the 2<sup>nd</sup> defendant, it was Mr. Mrema's further submission that the 2<sup>nd</sup> defendant had a statutory defence, pursuant to section 32 (4) of the Act, against infringement claim for using her own registered trademark carrying the word "Diamond". Reinforcing his argument, he referred this Court to the book by **Professor Jeremy Phillips titled Trade Mark Law A Practical Anatomy, Oxford University Press, Oxford 2003, p. 228.**

Refuting the allegation of the plaintiff that the defendants have committed the tort of passing off, it was the argument of the Counsel that the plaintiff has failed to adduce evidence befitting the principles of passing off, which has developed out of the action of deceit and fraud under the Common law. He said in order for the commission of the tort of passing off, to be proved the following ingredients are mandatory to be proved: the goodwill, misrepresentation and damages (commonly known as "*Classical Trinity*") which he considers were most reliable compared to

the five (5) propounded in the “*Advocaat*” case, cited with approval in the case of **Tanzania Cigarette Company Ltd v Mastermind (T) Tobacco Ltd, Commercial Case. No. 11 of 2005 (unreported) – (the Masters Case).**

According to Mr. Mrema, the plaintiff has failed to prove his claim of passing off for failing to prove the mandatory ingredients.

He argued that PW1 apart from tendering exhibit P<sub>8</sub> - business plan, the plaintiff failed to adduce evidence showing any goodwill developed, how long and how was the goodwill developed. No any documentary evidence such as EFD receipts, invoices, proforma invoices, delivery orders, annual reports, audited accounts, any advertisement or promotional materials or contract or anything tangible, required to prove the existence of brand goodwill in Tanzania market . Fortifying his submission, Mr. Mrema cited the case of **Mohan’s** (supra).

Further in the submission, Mr. Mrema argued that the plaintiff as well failed to prove misrepresentation or damages. And that the basis of a passing off being misrepresentation by the defendant, the plaintiff was duty bound to prove in each case as a fact that the false representation was actually made. Once again the Court was referred to the **Master** case (supra). Likewise, the plaintiff failed to prove damages including how the figure of Tzs. 235,388,558/- was arrived at. The Counsel argued that PW1 in his testimony simply stated to have obtained the figures from the business plan exhibit P<sub>8</sub>, but without clarification. Being a claim

on special damages, the plaintiff was supposed to specifically prove the claim. The case of **Zuberi Augustino v Anicet Mugae (1992) T. L. R. 137** and **Masolele General Agencies v African Inland Church Tanzania (1994) T.L.R. 192**, where emphasis in both cases was special damages have to be specifically proved different from general damages, submitted the defence counsel. Mr. Mrema also referred the Court to the case of **Maneno Imail and Tuqianq t/a Litan Trading Co v Wang Yong Qianq, Commercial Case No. 21 of 2008 (unreported) (Maneno case) p.15**, which stressed on proving the claim since mere assertions afforded no proof of fact alleged.

The 3<sup>rd</sup> issue on “**Whether the 1<sup>st</sup> defendant is infringing the plaintiff’s trademark and passing off her goods**” has partly been answered when dealing with the 1<sup>st</sup> issue so at this stage what I will be doing was to add on what has already been deliberated. The plaintiff’s trademark and the defendants’ trademarks are in my view not similar as argued by Mr. Mushi. This is both in terms of side by side comparison which I had embarked on doing as reflected in the preceding paragraphs and also in the global appreciation approach whereby the Court takes into account all relevant factors. In the present case the trademarks involved a combination of words and graphics where visual comparison is relevant. Considering that the consumer ordinarily perceives a mark as a whole and does not proceed to analyze the details, bringing that to the case at hand, it is without any

doubt the word “Diamond” which feature in all three trademarks will be memorable. However, the presence of the word “Diamond” in the defendants’ trademarks are followed with two flavours from which a customer can choose. The choice will therefore not end with only mentioning of trademark “Diamond” but with which flavour of “Diamond” he or she would want, pineapple or coffee flavour. This is different when ordering the plaintiff’s drink. With the plaintiff’s trademark a mention of the word “Diamond” would have been sufficient, which is not the case with the defendants’ trademarks. The bottles are of the same height but colours on the bottles and inscriptions are totally different. In the plaintiff’s trademark the word is “Diamonds” while in the other two trademarks the word is “Diamond” The fonts used are different and even the design. So even with global appreciation test and appreciating that the customer usually does not indulge themselves in comparing and contrasting features of the trademarks if placed side by side, I still find there is no similarity.

I find there was no similarity despite the fact that the product involved in the trademarks related to alcohol. The plaintiff manufacturing “gin” and the defendants “spirit” Each one manufactured, distributed their drinks. There was no evidence of parties using the same wholesales house. The drinks manufactured and distributed by both the plaintiff and the defendants were being sold in shops, bars, hotels



presumably and over the counter year around. This is as per PW1, PW2, DW1, DW2 and DW3's evidence, each vouching for its case.

Assuming that the trademarks were similar, the assertion which is not correct, the next question would have been whether their envisioned similarities by the plaintiff could create confusion amongst the consumer. PW2 and DW3 were the only consumers who appeared and testified. PW2 in his testimony refuted recognizing the difference in the drinks carrying the plaintiff's trademark to that of the defendants, meaning there was confusion. DW3 on the other hand was of the testimony that he could tell the difference even without seeing the trademarks, as his choice is based on flavour. I am in agreement with DW3 on his account since the drink with either coffee flavour or pineapple flavor which in my opinion must certainly test differently from the plaintiff's trademark drink. Simply flavoured drink and none flavoured drinks will surely test differently. And the customer although they do not keep the comparison and perceive trademarks as a whole, but when ordering a drink based on the plaintiff's trademarks as stated above, only the mentioning of the name will get him/her the product requested which is different from the defendants' trademark, which will need the customer to be precise on what they are ordering, with coffee or pineapple flavour.

There is no dispute at all that once validly registered and issued with certificate of registration as it occurred to the plaintiff as well as the defendants, these parties are

essentially absolutely protected pursuant to section 31 of the Act. The scenario would have been different had the defendants' not been registered and with valid certificate as exhibited in P<sub>1</sub> and P<sub>4</sub>. The comments by **Mellor** in his book (supra) are only relevant once the user of the registered trademark is not registered. Similarly, the plaintiff's submission relying on **Saville Perfumery Co. Ltd** (supra), that:

*“If the essential features of a mark has been adopted additional words or devices do not enable the defendants to escape liability for infringement”*

Though sounds plausible but in the circumstances of the present case I find it not befitting. The main reason being the defendants also enjoyed absolute protection since their trade make is also registered with a certificate to that effect.

In my considered opinion no confusion could have ever arisen from the customers of the two trademarks, the confusion which would have led one product to be confused for the other.

The issue of infringement and pass off therefore does not arise, besides there being no similarities as pointed out above, the defendants had validly registered their trademark “White Diamond” as exhibited in P<sub>4</sub>. Therefore, the defendants have a statutory defence under section 34 (4) of the Act. The provision provides:

*“The use of registered trade mark, being one or more registered trade mark that are identical or nearly resemble each other in exercise of the right to the use of that trademark given by the registration under section 31 shall not be deemed to be an infringement of the right so given to use of any other of those trade marks”*

The submission by the defendants in this regard and reference to the book by **Professor Jeremy Philips**, which I subscribe to, have well illustrated my stance, when he stated:

*“The law cannot be expected simultaneously to blow hot and cold. If it grants a person a trade mark monopoly, following a formal process of application and examination, it would be absurd to say in the same breath that the holder of that trade mark both owned the monopoly rights in that mark and was actually infringing someone else’s mark. Where a later mark does indeed appear to overlap with an earlier one, the owner of the earlier mark may not assume that the use of the later mark is of necessity an infringement”*

In the present case the defendants applied for registration of the trademarks, the application was examined and upon satisfaction approved and their trademark in

particular “White Diamond” was registered. The certificate of registration with No. TZ/T/2017/2209 is a proof of valid registration of the defendants’ trademark. The plaintiff never opposed to the application, since before any registration the Registrar is duty bound to advertise in the official journal in case there was any opposition, the opportunity never seized by the plaintiff and no reasons were given. There was equally no pass off of goods as insinuated by the plaintiff as neither PW1 nor PW2 have been able to prove pass off goods claimed. PW1 apart from tendering exhibit P<sub>8</sub> - business plan, which by itself is not evidence of goodwill, has not given evidence evidencing how the traits of the brand goodwill such as brand recognition and a good customer relation has evolved. It could have made sense if the plaintiff had spoken about any advertisement or promotional materials carried out to promote the products or contracts entered or anything tangible which could have enlighten on the extent of the product marketability in Tanzania as evidence of proof of existence of goodwill in the Tanzania market, where the product was presumed widely used.

Likewise, the plaintiff also failed to indicate how long the product has been in the market and how wide and huge the market was, which also could have exhibited the development process of the brand recognition and the good customer relation which could have built the brand goodwill which the plaintiff wants the Court to believe it enjoyed before the defendants’ products came in the market. On the fact

that the trademark was registered in 2016, it alone, without documentary evidence such as annual EFD sales receipts and/or invoices or sales annual reports, sales volume as per audited accounts to back up the sales volumes of the product, showing the trend of how the business was flourishing in terms of the turnover realized from the moment the trade mark was introduced in 2016, compared to the trend after the introduction of the defendants' products in the market in 2017. All this is said because all the trademarks are validly and dully registered by the Registrar of trademarks.

Since the defendants' trademarks were legally registered, the issue of misrepresentation in my view cannot arise. When the defendants were selling their products they were just exercising their exclusive right and protection acquired after being registered and issued with certificate.

The 3<sup>rd</sup> issue is answered in negative.

The last issue on "**What relief (s) are the parties entitled to**", since the plaintiff has not been able to prove her case, no reliefs can be granted. The plaintiff has failed to prove that the defendants' trademarks were similar to that of the plaintiff and that the 1<sup>st</sup> defendant was infringing the plaintiff's trademark and was passing off her goods. The plaintiff never led any evidence to prove that she suffered damages due to the pass off of her goods. The figure Tzs. 235,388,558/= claimed:

as special damages, was not proved at all apart from just giving out the figures, which PW1 could not substantiate how they were arrived at.

With special damages the legal position is they must be specifically pleaded and proved. The plaintiff has pleaded the special damages she feels she is entitled to but failed to prove any of them. There is a plethora of decision on that. **See: Lalata v Gibson Mwasota [1980] T.L.R. 390, Zuberi Augustino v Anicet Mugabe [1992] T.L.R. 137 and Bamprass Star Service Station v Fatuma Mwale [2000] T. L. R 390** to mention a few.

From the above it is undeniably that the plaintiff has failed to prove her case on the balance of probabilities the standard required in law. The suit is thus dismissed with costs. It is so order.



**P. S. FIKIRINI**

**JUDGE**

**12<sup>th</sup> MARCH, 2020**