

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

AT DAR ES SALAAM

**MISCELLANEOUS COMMERCIAL APPLICATION NO. 37 OF
2021**

(Originating from Commercial Case No. 132 of 2018)

KENAFRIC INDUSTRIES LIMITED.....APPLICANT

VERSUS

LAKAIRO INDUSTRIES GROUP CO.LTD.....1STRESPONDENT

LAKAIRO INVESTMENT CO. LTD.....2NDRESPONDENT

Date of Last Order: 10/08/2021

Date of Ruling: 16/08/2021

RULING

MKEHA, J.

In the present application, the applicant is moving the court to obtain leave so as to amend the plaint in respect of Commercial Case No. 132 of 2018. If successful, the sought amendment would be confined to joining the Registrar of Trademarks from the Business Registration and Licensing Agency (BRELA), as well as one Mr. Lameck Okambo Airo as necessary parties to the aforementioned suit, in order to determine the real questions of controversy between the parties. The application is made under Order VI Rule 17 of the Civil Procedure Code, RE 2019. The same is supported with an affidavit sworn by Ms. Ernestilla John Bahati who also appeared in court to argue the application as a counsel for the applicant.

In contesting the application, the respondents filed a joint counter affidavit sworn by one Jovin Marco Ndungi. When the application was called for hearing, Mr. Shineni learned advocate appeared for the respondents.

Ms. Bahati learned advocate commenced her submissions by adopting contents of the affidavit that supports the application. She then went on submitting that, when the parties appeared in court on 15/08/2019 for Final Pre Trial Conference, a total number of five issues were framed. One of the said issues was whether the defendants infringed on the plaintiff`s trade mark rights. She submitted further that, upon re-reading the Written Statement of Defence filed by the defendants, the plaintiff came across a trade mark certificate for sweets in the name of *pipikifua* that was issued on 28th December, 2018 in the name of Lameck Okambo Airo. The said certificate came as an annexure to the defendants` defence. That according to the learned advocate, was a surprise as the plaintiff has been in possession of a trade mark certificate for the same goods, *pipikifua*, issued to her by the same authority on 05/01/1996 with the latest renewal expiring in January, 2026.

It was also submitted for the applicant that, similar scenario was in existence in respect of other goods i.e. bubble gums whose registered trade mark is *special veve*. According to the learned advocate, whereas the defendants allege to have been issued with a trademark certificate in October 2018, the plaintiff has a similar certificate that has been valid since October 2017 issued to her by the African Regional Intellectual Property Organization (ARIPO).

It was the learned advocate`s firm stand that, in order to determine the issue regarding infringement on the plaintiff`s trademark rights, it is

necessary that the said Lameck Okambo Airo as well as the authority responsible for issuing Trademarks in Tanzania be made parties to Commercial Case No. 132 of 2018. The learned advocate insisted that, in terms of Order VI Rule 17 of the Civil Procedure Code, the court has discretion to allow parties to amend pleadings at any stage as may be necessary to determine the questions of controversy between the parties. The learned advocate referred the court to page 700 of Mulla Code of Civil Procedure, 13th edition whereby the learned author insists that, it does not matter that the original omission arose from negligence or carelessness. That, however negligent or careless may have been, the first omission, and however late the proposed amendment, the amendment should be allowed if it can be made without injustice to the other side. And, there is no injustice if the other side can be compensated by costs.

The learned advocate held a view that, the sought amendment would not cause any injustice to the opposite party. Reference was made to the decisions in **Motohov vs. Auto Garage Limited & Another (1971) HCD 81** as well as **Maiko John Saidi vs. David Zhorzholadze, Civil Case No. 200 of 2017 (HC) at DSM**. In terms of the two decisions, the court may at any stage of the proceedings allow either party to alter or amend his pleadings in such manner and on such terms as may be just , and all such amendments should be made as may be necessary for purposes of determining real questions in controversy between the parties. The learned advocate finalized by submitting that, allowing the amendment to include the Registrar of Trademarks and Mr. Airo as defendants, would in fact enable the court to answer all the issues.

Mr. Shineni learned advocate opened his reply submissions by urging the court not to consider the prayer for amendment of plaint. He then

proceeded with adopting contents of the counter affidavit filed in opposition of the application. The learned advocate submitted that, the narration posed by the learned advocate for the applicant had its origin from the Written Statement of Defence and counter affidavit of the respondents and not the plaintiff`s own pleadings.

The learned advocate went on to submit that, the plaintiff/applicant had been granted leave to effect the 1st amendment on 28th November, 2018 hence, granting leave for the applicant to amend the plaint for the 2nd time would unnecessarily delay the matter. The learned advocate added that, the cause of action in the plaint is infringement of trade mark and passing off which would change to be that of registration of the trade mark in the event the amendment sought is allowed. According to the learned advocate, the applicant`s affidavit has nothing showing that the 1st defendant is legally not allowed to own the trade mark. The learned advocate reminded the court that, the respondents were denied of their costs when the plaintiff was allowed to amend her plaint in 2018. In view of the learned advocate the sought amendment ought to be refused in terms of Rule 24 of the Commercial Court Rules.

When Ms. Bahati learned advocate rose to rejoin, she started with a concession that it was true that prayer for amendment stemmed from the defendants` written statement of defence. In her considered view, the court would not escape looking at the written statement of defence in resolving the dispute.

The learned advocate further conceded that, it was also true that the plaintiff was moving the court for second amendment of plaint since when the same was instituted in court. However, the learned advocate quickly

reminded the court and the learned counsel for the defendants that, what matters is not how many times an amendment is sought and granted but whether the sought amendment is necessary. The learned advocate insisted that, the Written Statement of Defence to the Amended Plaintiff is what gave the plaintiff information that the first defendant and one other person are in possession of trade mark certificates similar to that of the plaintiff.

The learned advocate went on to rejoin that, whereas it had been submitted in reply that the sought amendment would change the cause of action, in her considered view, no way could the court determine whether there is infringement or not without determining the legality of certificates of registration owned by the plaintiff, the 1st defendant and the said Lameck Okambo Airo. In view of the learned advocate, that is what makes the Registrar of Trademarks a necessary party. The learned advocate rested her rejoinder submissions by insisting that Rule 24 of the Commercial Court Rules which had been cited by her adversary cements the position that, amendment that can assist in resolving the real questions in controversy between the parties, ought to be allowed.

From the rival arguments of the learned counsel for the parties, the following issues have to be determined:

- (i) *Whether information emanating from the defendant`s pleadings cannot be relied upon by the plaintiff to seek amendment of his plaint;*
- (ii) *Whether there is a rule of law or practice compelling the court to refuse an amendment of pleadings whenever it is sought for the second time;*

- (iii) Whether the sought amendment would change the original cause of action and*
- (iv) Whether the Registrar of Trademarks and the said Lameck Okambo Airo are necessary parties in Commercial Case No. 132 of 2018.*

Mr. Shineni learned advocate for the respondents complained that, the sought amendment traces its origin from the defendants' written statement of defence and counter affidavit and not from the plaintiff's own pleadings. The court registered a concession on part of the learned advocate for the applicant to the effect that, indeed, the prayer for amendment of plaint stemmed from the defendants' written statement of defence to the amended plaint. The learned advocate for the applicant explained that, it was through re-reading the written statement of defence to the amended plaint, the plaintiff/applicant learnt that, the 1st defendant and one other person were in possession of trade mark certificates similar to her's (the plaintiff's).

A quick question that arises is whether the plaintiff has offended any procedural rule in pegging his prayer for amendment to information emanating from the defendants' pleadings. The plaintiff commits no wrong when he moves the court for amendment of his plaint relying on information obtained from the defendant's written statement of defence, provided the sought amendment is necessary in resolving real questions in controversy between the parties and provided also that the amendment does not cause injustice to the other party. As a matter of fact, the following can be relied upon as sources of information to move the court for amendment of pleadings:

- (i) Replies to interrogatories served on the opponent;
- (ii) Discoveries and inspection;
- (iii) Discovery of documents whose existence could not be previously known by exercise of due diligence and
- (iv) *Own pleas of a party`s adversary.*

All these factors may lead to a prayer for amendment of pleadings. In the present application, the prayer for amendment is pegged on factor number (iv) hereinabove. **See: Mogha`s Law of Pleadings in India, Eighteenth Edition at page 147.** From the foregoing, Mr. Shineni`s argument that the amendment sought be refused for having its origin in the defendants` pleadings is dismissed for being unmeritorious.

The learned advocate for the defendants/respondents submitted that this is not the first time the plaintiff/applicant is moving the court for amendment of plaint and that, in the previous instance, whereas prayer for amendment was granted, prayer for costs to the defendants was denied. The learned advocate for the defendants/respondents condemned the plaintiff/applicant of delaying the matter for no apparent reasons. As to the learned advocate for the plaintiff/applicant, the test ought to be whether the amendment is necessary and not how many times amendments have been asked and granted.

While I agree with Mr. Shineni learned advocate that amendment of pleadings should not be permitted merely on asking as a matter of course, I do not agree with him further, that, it should be refused because it is being asked for the second time or so or that, because in the previous instances the party contesting the amendment was denied costs. According to S. N.

Dhingra and G. C. Mogha on pleadings, the following are the general principles for grant or refusal to grant leave to amend pleadings:

- (i) Whether the amendment sought is imperative for proper and effective adjudication of the case.
- (ii) Whether the application for amendment is bonafide or malafide.
- (iii) The amendment should not cause such prejudice to the other side which cannot be compensated adequately in terms of money.
- (iv) Refusing amendment would in fact lead to injustice or lead to multiple litigation.
- (v) Whether the proposed amendment fundamentally changes the nature and character of the case.
- (vi) As a general rule, the court should decline amendment if a fresh suit would be barred by limitation on the date of application.

See again: Mogha`s Law of Pleadings in India, Eighteenth Edition at page 150.

Bearing in mind that the principles hereinabove are listed by the learned authors in their commentary to Order VI Rule 17 of the Indian Civil Procedure Code which is in parimateria with Order VI Rule 17 of our Civil Procedure Code, in determining the present application, I will be guided by the said principles, without ignoring the principle that, it does not matter that the original omission arose from negligence or carelessness.

The learned advocate for the defendants is on record to have submitted that addition of the Registrar of Trademarks and the said Lameck Okambo Airo as defendants would change the cause of action from that of infringement on a trade mark and passing off of goods to that of

registration of the disputed trade mark. He did not clarify on how the said amendment would occasion the said change of cause of action. Ms. Bahati learned advocate was of the contrary view. According to her, the court cannot determine whether there is infringement or not without determining the legality of certificates of registration of trade mark owned by the plaintiff, defendants and the said Lameck Okambo Airo, in which case, the Registrar of Trademarks becomes a necessary party. I choose to follow Ms. Bahati`s path.

Mr. Shineni learned advocate cannot dispute the fact that a good and valid trade mark should satisfy the requirements of registration. It should not belong to the class of marks prohibited for registration. It is the Registrar of Trademarks who is placed in a better position to tell the court that, as between the plaintiff and any other person who is currently in possession of certificate of registration of the disputed trade mark, who is the real owner. This is because, the Registrar of Trademarks is the custodian of a Register of Trademarks in which particulars like registered trademarks, applications for registration, names of proprietors of trademarks and the names of registered users are kept. The Registrar of Trademarks is therefore a necessary party in a case whereby different persons allege to be registered owners of identical trademarks. Again, impleading the said Lameck Okambo Airo would not change the original cause of action, rather , would have a positive impact of extending the original cause of action to include other holders of certificates of registration of the disputed trade mark without necessarily having multiple suits. For reasons which I pledge to offer hereunder, I hold the Registrar of Trademarks and the said Lameck Okambo Airo to be necessary parties in Commercial Case No. 132 of 2018.

In the case of **ABDULLATIF MOHAMED HAMIS vs. MEHBOOB YUSUF OSMAN & ANOTHER, CIVIL REVISION No. 6 of 2017** the Court of Appeal of Tanzania held that a necessary party is one whose presence is indispensable to the constitution of a suit in whose absence no effective decree or order can be passed. The determination as to who is necessary party to a suit would vary from a case to case depending upon the facts and circumstances of each particular case. Among the relevant factors for such determination, include the particulars of the non joined party, the nature of relief claimed as well as whether or not , in the absence of the party, an executable decree may be passed. The Court went on to hold that, in the absence of necessary parties the court may fail to deal with the suit as it shall, eventually, not be able to pass an effective decree. And it would be idle to pass a decree which would be of no practical utility to the plaintiff.

Looking at the reliefs claimed in the original case, the plaintiff would be pleased to get an order of perpetual injunction restraining the defendants from infringing on her trade mark rights. But, the said order would be meaningless, if the same cannot as well be executed against all persons who are in possession of certificates of registration of the disputed trade mark, Mr. Lameck Okambo Airo inclusive. Unless the said person is joined as one of the defendants, execution proceedings cannot afterwards proceed against him. Equally, the court would have no justification of ordering the Registrar of Trademarks to do anything regarding the disputed trademarks without her prior impleadment.

There was no allegation on part of the learned advocate for the respondents that the amendment sought cannot be compensated by award of costs which is not resisted by the plaintiff. I have endeavoured

to explain how the sought amendment would not change the original cause of action but, how it would actually lead to effective adjudication of the case. The same aims at avoiding multiple suits which would be inevitable in case leave to amend is refused. As a matter of fact, I hold the application to be bonafide and not malafide as Mr. Shineni learned advocate would seem to suggest when he invited the court to refuse the application relying on Rule 24 of the Commercial Court Rules. I proceed to grant leave for the applicant to amend the plaint to join the Registrar of Trademarks from the Business Registration and Licensing Agency (BRELA) as well as one Lameck Okambo Airo as necessary parties in order to determine the real questions of controversy between the parties. Amended Plaint be filed within fourteen (14) days from the date of delivery of the present ruling. Costs to be in the main case.

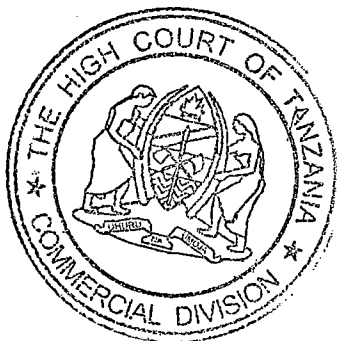
Dated at DAR ES SALAAM this 16th day of AUGUST, 2021.


C. P. MKEHA

JUDGE

16/08/2021

Court: Ruling is delivered in the presence of the parties advocates this 16th day of August, 2021.




C. P. MKEHA

JUDGE

16/08/2021