

IN THE COURT OF APPEAL OF TANZANIA

AT DODOMA

(CORAM: KOROSSO, J.A., RUMANYIKA, J.A. And ISSA, J.A.)

CIVIL APPEAL NO. 593 of 2022

LAKAIRO INDUSTRIES GROUP CO. LIMITED 1ST APPELLANT

LAKAIRO INVESTMENT CO. LIMITED 2ND APPELLANT

LAMECK OKAMBO AIRO 3RD APPELLANT

VERSUS

KENAFRICA INDUSTRIES LIMITED 1ST RESPONDENT

REGISTRAR OF TRADE AND SERVICE MARKS 2ND RESPONDENT

THE ATTORNEY GENERAL 3RD RESPONDENT

**(Appeal from the Judgment and Decree of the High Court of Tanzania
(Commercial Division) at Dar es Salaam)**

(Mkeha, J.)

dated the 30th day of May, 2022

in

Commercial Case No. 132 of 2018

.....

JUDGMENT OF THE COURT

18th March & 26th September, 2025

RUMANYIKA, J.A.:

The 1st respondent was a Limited Liability Company incorporated in Kenya dealing with bubble gum and candy businesses. She sued the appellants, the 2nd and 3rd respondents at the High Court of Tanzania Commercial Division in Dar es Salaam seeking a declaratory order that

she is the rightful and sole owner of the trademarks "Pipi Kifua," "Special Veve," and "Orange Drops".

It was alleged in the respective amended plaint that in the year 2013, the 1st respondent agreed with the appellants for the distribution of bubble gums under their trademarks "Special Veve", "Pipi Kifua" and "Orange Drops" in Tanzania market. Their agreement apart, in the year 2018 it transpired to the 1st respondent that the appellants had infringed on the said trademarks. That, they sold bubble gums and sweets, subject of their business bondage with a similar packaging, by design, the labelling and they named the said products such as "Lakairo Super Veve". Therefore, the 1st respondent instituted Commercial Case No. 132 of 2018 challenging the infringement as highlighted above praying for the following reliefs: **one**, the appellants be restrained from infringing her trademarks; **two**, the infringing trademarks be expunged from the books of the Registrar of Trade and Service Marks; **three**, the appellants withdraw from the market and destroy all the infringing products, packages and branding materials known in the names of "Pipi Kifua", "Super Veve" and "Orange Drops"; **four**, payment of TZS. 3,971,392,942.00 being special damages for loss of business in the

confectionery market of Tanzania and **five**, general damages and costs of the suit.

The appellants, in their then written statement of defence denied all the claims levelled against them. Nevertheless, the 1st respondent won the battle. Dissatisfied, the appellants preferred the instant appeal with nine (9) grounds. However, we will not reproduce them as they revolve around two main issues which are capable to dispose of the appeal as follows: **one**, whether the appellants' trademarks infringed on those of the 1st respondent and **two**, if the first issue is answered in the affirmative, whether the 1st respondent suffered any damage.

Messrs. Jovin Marco Ndungi and Reginald Martin, learned counsel represented the appellants and the 1st respondent respectively, whereas the 2nd and 3rd respondents had the services of Mr. Mkama Busalama, learned State Attorney.

On the first issue, whether the appellants' trademarks infringed on those of the 1st respondent, Mr. Ndungi asserted that, each of the two contending proprietors owned their own trademarks, and that the allegation of infringement had no basis. Elaborating, he referred us to exhibits P1, P2, P3 and P4 to establish that Trademark No. 26501 K1 for "Pipi Kifua" was registered in 1999 in Kenya in favour of the 1st respondent

while the appellants' trademark TZ T12028/1616 for "Lakairo Pipi Kifua" which is distinct from the former was registered in Tanzania on 24/08/2018. He added that, in that regard there was no imitation of the use of the trademarks whatsoever, because each party had their different trademarks.

Further, Mr. Ndungi contended that, for Trademark A/P/M/2017/003153 relating to "Special Veve" product, the 1st respondent's trademark was registered in Harare Zimbabwe after the appellants registered their trademark TZ/T/2017/1407 in Tanzania on 27/07/2017.

For Trademark No. AP/M/2017/003161 K1 on "Orange Drops" allegedly registered by the 1st respondent with the African Regional Intellectual Property Organization (ARIPO) under the Banjul Protocol, Mr. Ndungi argued that, it had no protection under the domestic law because the said Protocol had not been ratified locally to have legal force in Tanzania. He highlighted that protection of trademarks from any infringement is only created by being registered in Tanzania for that matter. He relied on section 31 of the Trade Marks and Service Marks Act, Cap 326 (TMSA) and the persuasive decision of the High Court of Tanzania in **IPP Ltd v. Prince Bagenda and Three Others**, Commercial Case

No. 20 of 2009 (unreported) to cement his point. Similarly, Mr. Ndungi cited **Acktibolget Jonkeping Vulcan Industries Fabriksateboly v. East African Match Co.** [1964] EA 62 which we cited with approval in **Kiwi European Holdings B. V v. Sajadali Ltd** [2005] T.L.R. 434.

Moreover, the learned counsel remarked that, the 1st respondent did not prove that the appellants' trademarks were not registered in Tanzania so as to establish the alleged deceit or confusion in the markets. He also contended that, no resemblance whatsoever was established amongst the contending trademarks. However, Mr. Ndungi admitted that, the appellants used to purchase such products from the 1st respondent but later on they manufactured their own products.

About the appellants' complaint concerning the trial court's orders invalidating the registration of the appellants' trademarks, and by ordering their expungement from the Register, Mr. Ndungi contended that, it was such an extraneous relief which was neither pleaded nor framed for determination by the trial court. Therefore, he asserted that the resultant order for damages was baseless for want of proof of the alleged infringement.

In response to Mr. Ndungi's contentions, Mr. Martin saw nothing upon which to fault the learned trial Judge. He observed so, while

referring us to the evidence of PW1, DW1 and DW2 found on pages 882 – 887 of the record of appeal. He argued that, as such, the appellants' trademarks infringed on the 1st respondent's trademark. And that, the confusion caused on the customers was due to the nature of the general look, names of the respective goods and design in packaging as it was reliably testified by the said witnesses. Further, he argued that, the 1st respondent's trademarks took precedence over those of the appellants because the latter imitated the names thereby passing off the respective products as theirs. Therefore, Mr. Martin distinguished the cited case of **IPP Ltd v. Prince Bagenda and Three Others** (supra) for being irrelevant to the present case. He argued that, in the case at hand, the appellants clearly replicated the 1st respondent's products, names and packaging styles. On the contrary, Mr. Martin cited the decision of the Supreme Court of India in **Renaissance Hotel Holdings Inc. v. B. Vijaya Sai and Others**, Civil Appeal No. 404 of 2022 for the contention that, by itself, the similarity of the products was quite open and hence so clear to prove the claimed infringement.

Stressing on the infringement, Mr. Martin further contended that, there were vivid similarities between the products manufactured by the

appellants as demonstrated by DW1, in colours and packaging. Similarly, PW1, PW2 and PW3 testified as such.

Further, with regard to the alleged gratuitous reliefs ordered, Mr. Martin argued that, actually the reliefs granted by the trial court to the 1st respondent were pleaded in the amended plaint as appearing on page 284 of the record of appeal. He added that although no issue was framed in relation to the fate of the alleged infringing trademarks, the only remedy available to the 1st respondent was an order expunging them from the register as the trial court did. Mr. Martin therefore asserted that the issue of non-exhaustion of local remedies stipulated under sections 36 and 55 of the TMSA was uncalled for in the circumstances of the case. Moreover, he contended that, the relief being complained of was listed number (c) as appears on page 284 of the record of appeal. And that the trial court accordingly considered it because the said relief was the domain of the Registrar of the Trademarks. And that the trial court's order to expunge the trademarks from the register was consequential and inevitable in the circumstances.

On his part, Mr. Musalama contended that, the learned trial Judge cannot be faulted for the following reasons: **one**, the 1st respondent's Trademark TZ/T/2017/1407 for "Special Veve" product was registered on

27th July, 2017 away in Kenya and Zimbabwe, therefore taking precedent over that of the appellants, **two**, the amended plaint also took on board the relief sought for expunging the appellants' trademarks from the register and, therefore, the High Court Judge cannot be faulted for his order, and **three**, sections 36 and 56 of the TSMA come into play only where registration of a trademark is put under scrutiny much as from there, the respective decision of the Registrar is appealable to the High Court.

Having heard the learned counsel's contending submissions, the authorities cited and upon examining the record of appeal, we will begin with the first issue which is central on whether the appellants' trademarks were proven to infringe on the 1st respondent's trademarks.

First and foremost, it is glaring from the amended plaint filed on 27/08/2021 which is appearing on pages 276-285 of the record of appeal that, the 1st respondent registered her trademarks in respect of TZ/T/2017/1407 for "Special Veve product" in class 30 as the AP/M/2017/003153 KI, through ARIPO on 18th February, 2019 as appearing on page 293 of the record of appeal.

With regard to "Pipi Kifua" of class 30 Trademark No. 26501, it is evident from the respective certificate appearing on page 295 of the

record of appeal that, it was registered for the 1st respondent on 5th January, 1999 in Kenya. To the contrary, the corresponding appellants' trademark "Lakairo Pipi Kifua" of TZ/T/2018/1616 was registered in Tanzania about nine years later on 24th August, 2018. Therefore, with respect to the 1st respondent's trademarks, including the "Orange Drops", it is without question that, she registered them ahead of those of the appellant, outside Tanzania. We note that, based on the territorial registration principle, unless a trademark was registered in Tanzania, the mere use by the appellant of any closely similar trademarks and names of the products may not necessarily amount to infringement, in this case the 1st respondents' trademarks. It being in color, packaging or on the names of the products as appearing on page 510 of the record of appeal it is immaterial. Therefore, with respect, the issues of infringement and confusion of the trademarks being caused to common customers in the market as testified by PW1, PW2, and PW3 and supported by the 1st appellant (then DW1) cannot arise. As such, the 1st respondent did not have exclusive rights and monopoly over the appellant's trademarks.

It is noteworthy, generally, that section 20(1) of the TSMA forbids infringement on fellow's trademarks as follows:

"section 20(2)- "Subject to the provisions of subsection (2) trade or service mark cannot be

validly registered in respect of any goods or services if it is identical with a trade or service mark belonging to a different proprietor and already on the register in respect of the same goods or services or closely related goods or services or that so nearly resembles that a trade or service mark as to be likely to deceive or cause confusion.”

(Emphasis added)

With the excerpt above and the foregoing observations, the follow up question is no longer whether or not the appellants' trademarks were distinct from those of the 1st respondent. Actually, the contending trademarks may have some apparent similarities likely to confuse customers adversely affecting the 1st respondent's business. However, in the instant appeal, the issue of territoriality of the registration of the alleged infringed trademarks is most significant as hinted earlier on. We shall explain.

To start with, we need not belabor the “Orange Drops” trademark and product which was registered in 2018 for the 1st respondent. Therefore, the appellants' trademarks could not have infringed on those of the 1st respondent registered about one year later on 18/02/2019

overseas. As such, that claim was both improper and prematurely presented contravening section 14(1) of the TSMA. That provision reads that:

"The exclusive right to the 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."

(Emphasis added)

As such, it is well established legal principle in our jurisdiction that, a party's exclusive right to trademark accrues from its registration ahead of the others. See- **JP Decaux Tanzania Ltd v. JCDECAUX SA and Another** (Civil Appeal No. 254 of 2021) 2024 TZCA 838 (30 August 2024; TanzLII). In that case, the Court, among other things, tested the provision of the law cited above. It underlined thus;

"....it is clear that the exclusive right to the use of a trade or service mark belongs to the first person to file an application for registration and ultimately registration of that trademark. Acquisition of the right to exclusive use of a trade or service mark in Tanzania is by registration of the trade and service mark".

With regard to the effect of the mandatory registration of a trademark forming the basis of claims of infringement, we had the

relevant section 32(1) (a) of the TSMA tested in **JP Decaux Tanzania Ltd** (supra) where we held that:

"...it occurs when there is interference with another person's already registered trademark which is likely to confuse the ordinary customers as to the source of the goods or services..."

At least the principle above also applies in Uganda. For instance See-
Nairobi Java House Ltd. v. Mandela Auto Spares Ltd. Civil Appeal No. 13 of 2015) 2016 UGCommC 12 (9 February 2016).

Likewise, the Kenyan courts have taken the same stance such as in **Krystalline Salt Ltd. v. STD Group of Companies** 2024 UGRSB 11 (18 April 2024) where it was observed as follows:

*"...The territorial principle is clearly set out in article 6 (3) of the Paris Convention for the Protection of Industrial Property, which states that; "**A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin**".*

(Emphasis added)

Under section 2 of the TSMA the words "trade or service mark" are defined as visible signs used or proposed to be used in relation to goods or services for the purposes of distinguishing them from those of others.

With respect, we are unable to accept Mr. Ndungi's contention that, a business product is only identified by its logo. We find that definition somewhat narrow to say the least. As such, his proposition is inconsistent with our proposition in **JP Decaux Tanzania Ltd** (supra). In that case, the Court, among other things observed that, the use of similar company names may easily confuse common people in the markets the same way as similar trademarks do under section 32 (1) (a) of the TMSA.

However, the issues of similarity of the contending trademarks and or products constituting infringement apart, the crucial aspect of it concerns the principle of territoriality in their registration. It is a settled law that a claim of infringement on a non-locally registered trademark is untenable. It is undisputed, in the instant case that, the appellants' trademarks were registered herein in Tanzania whereas those of the 1st respondent were registered in Kenya and Zimbabwe under ARIPO as alluded to earlier on. Guided by our proposition in **JP Decaux Tanzania Ltd** (supra), the appellants' trademarks could have not infringed on the 1st respondent's trademarks. It is so because it is common ground, in that regard, that Tanzania had not ratified the corresponding Banjul Protocol.

This is also despite the fact that, the appellants herein did not raise the issue of registration or non-registration of the alleged impugned

trademarks as a ground of appeal. Their advocate only raised it at a later stage in written and oral submissions. Nonetheless, the principle of "Who Is Your Neighbor in Law" where the parties' geographical borders do not apply, the present case is a different scenario all together. As such, territorial registration of any trademark is so fundamental. It applies strictly, as alluded to before. In simple terms, it is a rule of thumb that once a trademark is domestically registered, its infringement by unregistered foreigner shall be actionable *per se*, irrespective of the allowable existing cross-border and global trade liberalization.

Regarding the appellants' complaint that, the High Court's order that the Registrar expunge the infringing trademarks from the books and denial of a right to be heard, we agree with Mr. Martin that, the claim is also unfounded. As such, it is inconsistent with the pleadings on record. In fact, although the said relief was clearly sought in the amended plaint as appearing on pages 276-286 of the record of appeal as relief (c), it did not bother the appellants in any way. They did not canvass it in the relevant written statement of defence which appears on pages 404-413 of the record of appeal. Also worth noting in this regard is the cardinal principle that parties are bound by their pleadings just as the instant case

is not exceptional to the rule. Therefore, this complaint is an afterthought and it is dismissed.

In view of our discussion above, the first issue is answered in the negative. Based on the principle of territoriality, therefore, we are settled in our minds that, the appellants' trademarks did not infringe on the trademarks of the 1st respondent.

Without prejudice to the foregoing discussion, we would not belabour what are the reliefs that the 1st respondent deserved. First and foremost, we agree with the learned trial judge's finding that the TZS. 3,971,392,942.00 special damages claimed were not justified because it was not specifically pleaded nor was it strictly proved. As such, the trial court correctly dismissed it in the light of the Court's proposition in **Salma Mohamed Abdallah v. Joyce Hume** (Civil Appeal No.149 of 2015 [2019] TZCA 143 (21 March 2019; TanzLII). Therefore, we find the said complaint to be merited.

Similarly, the general damages of TZS. 200,000,000.00 awarded to the 1st respondent were misconceived. It is stressed that, on account that the alleged infringed trademarks were not registered in Tanzania to justify the 1st respondent's claim, the respective suit was entirely superfluous and hence untenable.

In the upshot, therefore, we are satisfied that our discussion above has covered all the nine grounds of appeal which we find to be merited. Consequently, the appeal is hereby allowed entirely with costs.

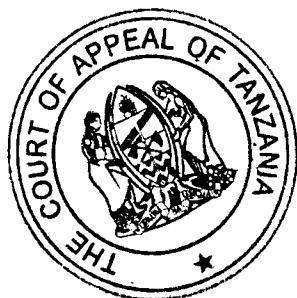
DATED at **DODOMA** this 18th day of September, 2025.

W. B. KOROSO
JUSTICE OF APPEAL

S. M. RUMANYIKA
JUSTICE OF APPEAL

A. A. ISSA
JUSTICE OF APPEAL

The Judgement delivered this 26th day of September, 2025 in the presence of Mr. Jovin Ndungi, learned counsel for the Appellant, Mr. Lazaro Luvanda, learned counsel for the 1st Respondent and Mr. Mkama Musalama, learned State Attorney for the 2nd and 3rd Respondent via virtual Court and Regina Komba, Court Clerk; is hereby certified as a true copy of the original.



R. W. CHAUNGU
DEPUTY REGISTRAR
COURT OF APPEAL