

**IN THE FAIR COMPETITION TRIBUNAL**

**AT DAR ES SALAAM**



**TRIBUNAL APPEAL NO. 15 OF 2019**

**ABBAS LYAQUAT DHANKER t/a TRONIC**

**LIGHT CENTRE.....APPELLANT**

**VERSUS**

**CHIEF INSPECTOR OF MERCHANDISE**

**MARKS ACT.....RESPONDENT**

**JUDGMENT**

The appellant, Abbas Lyaquat Dhanker t/a Tronic Light Centre aggrieved by the decision of the respondent hereinabove dated 1<sup>st</sup> October, 2019 preferred this appeal against the whole decision on the following grounds, namely:-

1. That the Commission erred in law to hold that the brand CTORCH was not registered with Brela based on ignorance of law.
2. That the Commission erred in law to uphold the respondent seizure notices which was based on complaints from non-registered owner of the intellectual property right who had no locus stand.

3. That the Commission erred in law to uphold the respondent seizure notices without satisfying itself the registered owner of the brand TORCH in Tanzania.
4. That the Commission erred in law for failure to exercise its discretionary power to afford the appellant's right to bring further evidence.
5. That the Commission erred in facts for failure to give weight to appellant's evidence.

On the totality of the above grounds, the appellant prayed that this Tribunal be pleased to order the following:-

- (a) An order for additional evidence to be taken for registration of CTORCH brand in Tanzania.
- (b) An order that the decision of the Commission be reversed and seized goods be released to the appellant by the respondent.
- (c) Orders that the appellant's seized items are not counterfeit.
- (d) Costs of the appeal.

Upon being served with the memorandum of appeal, the respondent, guided by Rule 19(1) of the Fair Competition Tribunal Rules, 2012 filed a reply to the memorandum of appeal disputing all grounds of appeal and subsequently prayed for the following, namely:-

- (i) That this Honourable Tribunal affirm the decision of the Hearing Committee and dismiss this appeal in its entirety;
- (ii) Costs of this appeal be awarded to the respondent;
- (iii) And any other relief as the Tribunal may deem fit and just to grant.

The brief facts of this appeal are that on 29<sup>th</sup> August, 2019 the respondent seized the goods of the appellant for allegedly being counterfeit by bearing a trade mark of CTORCH instead of TORCH contrary to section 3(1)(c) of the Merchandise Marks Act, 1963 as amended from time to time, as contained in the two seizure notice with Nos. 0171 and 0172. Following the seizure, the appellant filed a statement of claim as per Regulation 34A of the Merchandise Marks (Amendment) Regulation, 2010 claiming to be the owner of the brand CTORCH and asked for restoration of the goods. In the circumstances, the Chief Inspector of Merchandise and Marks Act established a hearing committee for hearing of the claim. The hearing committee after hearing the parties on merits delivered its ruling on 1<sup>st</sup> October, 2019 by upholding the seizure notice of the respondent by finding that the disputed goods were counterfeit goods to TORCH which goods are imported by NANA FOCUS COMPANY LIMITED who has exclusive rights to import, sale and distribute the brand of TORCH. Dissatisfied with the hearing committee findings, the appellant appealed to this Tribunal, hence this judgement in appeal.

The appellant has been at all material time enjoying the legal services of Mr. Burhan Mussa, learned advocate both before the hearing committee and this Tribunal. On the other hand, the respondent has been enjoying the legal services of Ms. Hadija Ngasongwa and Ms. Magdalena Utouh, learned advocates.

In compliance with the Rules of this Tribunal both learned advocates for parties filed written skeleton arguments and list of authorities to support their respective stances in this appeal. And the learned counsel for parties appeared to argue this appeal orally in support of their respective positions.

Mr. Mussa for appellant started arguing the appeal by telling this Tribunal that he filed five grounds of appeal but he prayed to abandon ground number 5 and proceed to argue the rest as they appear in the record.

Starting with first ground of appeal, same was couched that the Commission erred in law to hold that the brand CTORCH was not registered with Brela based on ignorance of the law. In support of this grounds, Mr. Mussa argued both in written skeleton arguments and his oral submissions that by time seizure notices were issued on 29<sup>th</sup> August, 2019, there was a pending application to register CTORCH brand which was made on 28<sup>th</sup> February, 2019 by PLUG IN LIMITED and that a certificate of registration of trade/service mark of the brand mark CTORCH was issued on 30<sup>th</sup> September, 2019 a day before the issuing of the ruling. In view of section 20 of the Trade and Services Marks Act, 1986, the trade mark is said to be registered from the date

of application. To buttress his point, the learned counsel cited the case of **Tanzania Cigarette Co. Limited V. Mastermind Tobacco (T) [2006] TLR 142** in which it was held among others that under section 20 of the Act that registration is valid from the date of application for such registration. The learned counsel for appellant therefore urged this Tribunal to find merits on this limb of ground of appeal.

On the other hand, the learned advocates for respondent argued to the contrary that under section 14(1) of the Trade and Service Marks Act, 1986 the exclusive right to use the trade mark as defined under section 32 of the Trade & Service Marks Act, 1986 that be acquired by registration according to the law; and that once registered it gives or be deemed to have given the registered proprietor the exclusive right to the use of the trade or service mark in relation to any goods. According to the learned advocate for respondent, thus, all evidence presented before hearing committee confirmed that the goods seized were counterfeit as the trade mark TORCH is the only registered mark. The application of the appellant which resembles the already registered proprietor constitutes counterfeiting offence. The learned counsel for the respondent cited section 3(1)(c) of the Trade & Service Marks Act, 1986 which creates an offence for the intervention of the Chief Inspector of the Merchandise Marks Act, 1963 (as amended) and Regulation 2 of the Merchandize Marks, Regulations 2008 which defined counterfeit and section 4 of the Merchandise Marks Act which provide how a mark or counterfeit goods may be forged. In the totality of the above,

the learned counsel for the respondent was of the strong view that the mark CTORCH resembles the mark TORCH and by mere adding the letter C was confusing in its nature and use. To buttress their point the learned counsel cited the case of **Delhi Lkme Ltd V. Subhash Trading (1996) Ptc (16) 567** in which it was held that the words '**Lakme**' and '**LikeMe**' for the same class of products resembles between the two products and are potentially similar and the possibility of deception and confusion in the mind of the prospective buyer are likely and will happen. On that note, the learned counsel urged this Tribunal to uphold the findings of the hearing committee that the words 'CTORCH' and 'TORCH' when used on similar products are deceptive marks and definitely cause confusion to the buyers.

This Tribunal having considered both written and oral submissions of the respective learned counsel for parties and the evidence on record, it is of considered opinion that this ground is without merits and has to fail. The reasons the Tribunal take this stance are not far to fetch. **One.** after going through the proceedings before the hearing committee, no evidence was tendered to show that in fact CTORCH have been attempting to register their trade mark. This is supported by the proceedings of the hearing committee at page 7 when Abbas Lyaquat was asked when they submitted their application at paragraphs 23-27 in particular when did they submit their application? Mr. Abbas had no answer to this question. Therefore, the argument of Mr. Mussa that they submitted their application in February 2019 is not supported by evidence on record and is a mere

submission from the bar with no evidential value. **Two**, even if it can be said that there was an application still pending then any registration or purported registration was going to be invalid because the brand or trade mark TORCH was registered in 2015, hence registration of another product of the same nature could be against the provisions of section 14(1) of the Trade and Services Marks Act, 1986 and there is ample evidence on record that CTORCH came in Tanzania in 2018. For ease of reference the said provision provides as follows:-

***"Section 14(1) The exclusive right to the use of a trade mark or service mark as defined in section 32 shall be acquired by registration in accordance with the provisions of this Act."***

Therefore, there is evidence on record that TORCH was registered by 2015 has been enjoying exclusive right that cannot be surpassed by the application in 2018. Even in the case of **Tanzania Cigarette Company Limited V. Mastermind Tabacco Tanzania Limited** (supra) at pages 165 the High Court found and held that by virtue of section 20(1) and 28(1) of Trade and Service Marks Act, 1986 prohibits registration of identical or resembling trade or service marks and even where wrongly registered same was declared invalid. **Three**, quite as correctly argued by the learned counsel for respondent together with the authority cited the appellant no way but counterfeited the goods of the TORCH and the arguments of the learned counsel for appellant are far from convincing this Tribunal to hold otherwise.

In the upshot and for the reasons stated above, the first ground of appeal is hereby found wanting of merits and is dismissed in its entirety.

This takes us to the second ground of appeal which was couched that the Commission erred in law to uphold the respondent seizure notices which was based on complaints from non-registered owner of the intellectual property right who had no *locus standi*.

In support this grounds, Mr. Mussa argued that the person who had locus to complain was the registered owner of the mark TORCH and not M&M Law Chambers Advocates whose letter claiming to be acting for Zang Benzuu who is the registered owner of the brand TORCH in Tanzania. According to Mr. Mussa, the respondent has attached a copy of the registration of the brand TORCH which shows that the registered owner is XU BENZHOU and in his view, it was only XU BENZHOU who had locus to make complaint to the respondent. It was, therefore, strong submissions the complainant M&M Law Chambers Advocates illegally moved without power of attorney from the registered owner and this according to him vitiated the proceedings before the hearing committee.

On the hand, the learned advocates for respondent brief to the point argued that the issue who is the complainant was not raised before hearing committee but now at this stage of appeal. However, it was further argument of the learned advocates for respondent that the respondent is justified to received any



complaint from **'any person'** where there is a commission of the offence within the Act and they cited section 3 of the Merchandise Marks Act, as amended in 2012 to buttress their point in issue. According to the learned advocates for respondent, the argument of Mr. Mussa is misplaced and misleading for M&M Law Attorneys were acting under the instructions of the XU BENZHOU. In the event, they urged this Tribunal to find no merit in this ground.

Having considered the rival arguments on this point, it is the considered opinion of this Tribunal that indeed this point was not raised before the hearing committee and to entertain it now will be tantamount to opening hearing of the original complaint. With due respect to Mr. Mussa, learned advocate for appellant we do not have those powers. Even if we take it as a point of law, that can be raised at any time even before this appeal, still guided by section 3 of the Merchandise Marks Act, as amended in 2012 and as correctly submitted by the learned counsel for respondent, the respondent still can entertain any complaint from any person and for this matter the complaint received from M&M Law Advocates was justified in the circumstances. Therefore, this ground on the above reasons has to fail as well for want of any useful merits in this appeal.

The next ground was number three. This ground was couched that the Commission erred in law to uphold seizure notices without satisfying itself the registered owner of the brand TORCH in Tanzania. It was the argument of Mr. Mussa that in its ruling declared NANA FOCUS COMPANY LIMITED who was not the

complainant and not registered owner of the brand TORCH as the exclusive rights holder of importing, selling, distributing TORCH brand in Tanzania. According to Mr. Mussa, the registered owner was XU BENZHOU but how NANA FOCUS CO. LTD was declared out of nowhere and invited this Tribunal to intervene and put the record clear.

On the other hand, learned advocates for the respondent argued to the contrary that this issue was not an issue between parties and the affidavit attached showed the relationship between NANA FOCUS CO. LIMITED and owner of the mark.

Having considered the rival submissions of the learned counsel for parties and having gone through the proceedings and the documents tendered before the hearing committee, the committee at paragraph 150 of the proceedings said that after hearing both parties and documents presented before the hearing committee, are now due to compose a ruling on the matter. The learned advocates for respondent submitted that one of the documents submitted is the memarts of NANA FOCUS CO. LTD, certificate of registration of the trade or service mark and the affidavit in lieu of counterfeit. Going by the memarts of NANA FOCUS CO. LTD, shareholders are XU BENZHOU which showed the connection to the satisfaction of the respondent declaring NANA FOCUS CO. LTD as the one with exclusive rights to import, sale and distribute the brand of TORCH. The arguments by Mr. Mussa that NANA FOCUS CO. LTD was declared without establishing the ownership of the mark is rejected as it is not supported by the evidence on record. This

Tribunal equally considered the fact that the appellant is on record that he used to have a yearly contract and that by 2018 had no contract with the registered owner, we find this ground with no merits at all. The third ground, therefore, is without any useful merits in this appeal and same stand to fail.

The last ground of appeal was that the Commission erred in law for failure to exercise its discretionary power to afford the appellant's right to bring further evidence. In support of this ground, Mr. Mussa pointed out that the appellant prayed for further submission of evidence and prayed for adjournment and was told that he will be notified but nothing happened. The evidence in dispute to be presented was the registration of the brand CTORCH in Tanzania and this could have assisted the Commission to reach fair decision. Failure by the Commission to afford the appellant the opportunity, the learned advocate for appellant, urged this Tribunal to invoke Rule 35(1)(b) of the Fair Competition Tribunal Rules G.N 219 of 2012 by taking additional evidence or directing the Commission to take additional evidence of the registration of CTORCH in Tanzania and upon taking that evidence; reverse the decision of the hearing committee, release the seized goods to the appellant unconditionally, declare that the seized goods are not counterfeit, and order that the appellant be paid costs of this appeal.

On the other hand, the learned advocates for respondent submitted that all evidence was presented and no special circumstance has arise in this appeal to admit additional evidence. The learned counsel cited South African case on how

to take additional evidence to support their position. In the cases of **Ashondolf, Sean V. The State, Case No. Ss120 Of 2015**, the court held that for an additional evidence to be taken the following must be cumulatively considered; one further evidence which would presumably be accepted as true, is available; two, if accepted the evidence could reasonable acceptable explanation for failure to produce the evidence before the close of the trial.

On the above guidance, it was the strong submissions of the learned advocates for respondent that in this appeal no special circumstances were explained to allow taking further evidence because the appellant was proved to have acted with bad faith in bringing counterfeit goods in abrogation of the law. On this note, they strongly urged this Tribunal to dismiss this appeal with costs.

This Tribunal has given due weight to the rival submissions for parties on this point. Guided by the proceedings and the statement of claim at clause 4 required the appellant to list the documents or things to be produced before hearing committee. This Tribunal has noted that the evidence of registration of CTORCH was not among the documentary evidence to be produced before the committee. The statement of claim was present on 2<sup>nd</sup> September, 2019. The record further shows that what Mr. Mussa asked to bring was clarification after search and not certificate of registration which was not in existence during hearing as paragraphs 115-117 are very clear on this point. The

appellant at no point in time claimed before the hearing committee to have registered the brand CTORCH in Tanzania.

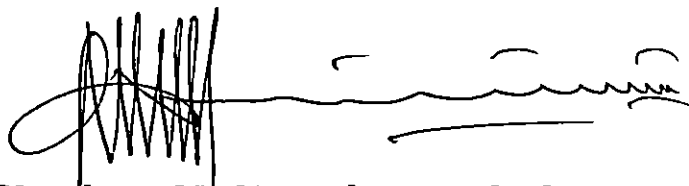
It should be noted that our holding in ground number one above clearly shows that by all strength of imaginations no way the brand that is identical and resembles a brand that was registered in 2015 can negate the provisions of the law. Section 14(1) of the Trade and Service Marks Act, 1986 is very loud and clear on this point. The case of **TCC LTD** (supra) cited by the learned counsel for appellant is distinguishable in the issue we have here and the holding of the High Court in this case at pages 165 of that judgment do not favour the position and line of argument taken by Mr. Mussa.

On that note and for the reasons discussed above, we find and hold that this ground is wanting of useful merits in the circumstances of this appeal. It is, thus, dismissed in its entirety,

That said and done the entire appeal is found to have no merits and is hereby dismissed with costs. The findings of the respondent are upheld.

It is so ordered.

Dated at Dar es Salaam this 30<sup>th</sup> day of April, 2020.



**Hon. Judge Stephen M. Magoiga – Chairman**



**Hon. Mustapher M. Siyani – Member**

**Hon. Dr. Theodora Mwenegoha – Member**

**30/04/2020**

Judgment delivered this 4<sup>th</sup> day of May, 2020 in the presence of Mr. Burhan Mussa, Advocate for the Appellant and Ms. Hadija Ngasongwa, Advocate for the Respondent.



**Hon. Judge Stephen M. Magoiga – Chairman**



**Hon. Dr. Theodora Mwenegoha – Member**

**30/04/2020**