

THE REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
(COMMERCIAL DIVISION)
MISCELLANEOUS APPLICATION NO. 425 OF 2020
(Arising from Civil Suit No. 376 of 2020)

LINYI HUATAI BATTERY MANUFACTURING CO. LTD ::::::::::: APPLICANT
VERSUS

MUSE AF ENTERPRISES CO. LTD ::::::::::: RESPONDENT

BEFORE: HON. MR. JUSTICE BONIFACE WAMALA

RULING

Introduction

This application was brought by Notice of Motion under *Sections 33 and 38 (1) of the Judicature Act, Sections 22 and 98 of the CPA and Order 52 Rules 1, 2 and 3 of the Civil Procedure Rules for Anton Piller Orders* that:

1. The Respondent does permit the Applicant to enter upon its business premises, stores, warehouses or such other parts thereof as may be deemed necessary for the purpose of:
 - a) Inspecting all goods and items to wit, sold and branded under the trademark of “PANE SUPER” and or “PANASUPER”, documents, materials or articles relating to the infringement of the Applicant’s trademark over the said “PANASUPER” battery products; and
 - b) Removing into the custody of this Court all unauthorized products, documents or materials or articles relating to the manufacturing, unauthorized production, reproduction, distribution and or sale of the Applicant’s goods under its trade name, style and marks.
2. Provision be made for the costs of the application.

The grounds upon which the application is based are summarised in the Notice of Motion and contained in an affidavit of **Temesgen Teame**, the Operations Manager in the Applicant's Agent Company. Briefly, the grounds are that:

- a) The Applicant is the registered owner of trademark of all "PANASUPER" products to wit; PANASUPER batteries under trademark in class 9 under No. 53073 as of June, 29th, 2015.
- b) The Applicant has at all material times after the said registration been marketing and selling batteries through its duly authorized agent M/S Bilen General Trading Ltd under the name and mark PANASUPER packed in black, green and red highlights get up in Uganda.
- c) The Applicant has filed a suit against the Respondent in this Court seeking various orders including the seizure (Anton Piller) order which has an extremely strong prima facie case against the Respondent with high chances of success.
- d) The damage, potential and actual, is very serious that the Respondent's activities and or omission shall occasion the Applicant.
- e) There is clear evidence that the Respondent has in its possession or control and custody incriminating documents or things and there is real possibility that they may destroy or dispose of such material before any application interpartes can be made.
- f) It is essential that the Applicant should have the inspection so that justice can be done between the parties.
- g) There is a grave danger that vital evidence will be destroyed, that papers will be burnt or lost or hidden, or taken beyond the jurisdiction by the Respondent so as to ensure that the ends of justice are defeated.
- h) The intended inspection would do no real harm to the Respondent's case.
- i) The dictates of natural and substantive justice would be best served by allowing the application.

- j) There is need for the Respondent to be compelled to permit the Applicant's legal representatives to enter its premises, search for and seize documents and other things relevant to the main suit.
- k) It is imperative that the Respondent be compelled from concealing, destroying or disposing of documents or articles in question.
- l) There is proportionality between the perceived threat to the Applicant's rights and the remedy being sought in this application.
- m) The Applicant's efforts to explore cheaper ways of obtaining the information and documents have been rendered in vain by the Respondent.
- n) Sufficient cause has been shown to warrant the grant of this application by this honourable Court.
- o) It is in the interest of justice that this application is allowed.

The application was brought and argued exparte based on the provisions of the law and decided cases cited by Counsel for the Applicant and for reasons that appear in the affidavit in support of the application and in the submissions of the Applicant's Counsel.

Background to the Application

The Applicant on 30th June, 2020 filed Civil Suit No. 376 of 2020 claiming, inter alia, a permanent injunction restraining the Respondent, its agents, representatives, nominees or assignees from using the "PANE SUPER" and or "PANASUPER" trademark in such a manner as to deceive purchasers into the belief that they are purchasing goods manufactured and or supplied by the Applicant; and an order for the inspection, seizure and removal of all unauthorized or infringing goods or materials in the Respondent's custody, possession, power and control. The Applicant is the registered proprietor of the trademark and name of "PANASUPER" batteries, with exclusive rights to control the manufacture, production, distribution and sale of its trademark

goods and has not permitted and or consented to the Respondent's use of its trademark and name.

The Applicant alleged in the suit that since a date unknown to the Applicant, the Respondent has unlawfully manufactured, packaged, branded, sold, offered for sale and supplied similar batteries with and by reference to a mark and name "PANE SUPER" at half the price. Upon conducting a search and investigation, the Applicant established that it was the Respondent which was at various stores selling the unauthorized "PANA SUPER" batteries. The Applicant further alleges that by reason of the said unauthorized and infringing activity of the Respondent, the Applicant has lost market share, reputation and revenue. The public has also been cheated as it is sold inferior products which also injures the Applicant's otherwise good name.

The Applicant therefore brought the suit and this application seeking for an immediate interlocutory relief by way of an Anton Piller order.

The Position of the Law

Counsel for the Applicant invoked the inherent power of the High Court under *Section 98 of the CPA Cap 71* and *Section 33 of the Judicature Act Cap 13*. Counsel also relied on *Section 39 (2) of the Judicature Act* which provides that "where in any case no procedure is laid down for the High Court by any written law or by practice, the Court may, in its discretion, adopt a procedure justifiable by the circumstances of the case". Counsel further relied on *Section 79 (1) of the Trademarks Act No. 17 of 2010* which provides that "a person whose rights under this Act are in imminent danger of being infringed may institute civil proceedings in the court for an injunction to prevent the infringement or to prohibit the continuation of the infringement". *Section 79 (2)* thereof provides that "upon an ex parte application by a right owner, the court may make an order for the inspection of or removal from the infringing person's

premises or control, of the right infringing materials, which constitute evidence of infringement by that person”.

Counsel for the Applicant submitted that relying on the above legal provisions and on decided cases, the Court has the power to consider and grant an Anton Piller order *ex parte*. Counsel submitted that for such an order to be granted, the Applicant must satisfy the Court that:

1. The applicant has an extremely strong *prima facie* case;
2. The damage, potential or actual, that the alleged infringement will cause is very serious to the Applicant; and
3. There is clear evidence that the Respondent has in its possession incriminating ‘things’ or documents and there is a real possibility that they may destroy such material before any application *interparty* can be made and determined.

Counsel relied on the decisions in ***Anton Piller KG V Manufacturing Processes Ltd & Ors [1976] 1 All ER 779***; ***Uganda Performing Rights Society Ltd V Fred Mukubira HC Misc. Application No. 818 of 2003***; ***Linyi Hua Tai Battery Co. Ltd V Panyahululu Co. Ltd Civil Suit No. 238 of 2008***; among others.

In ***Anton Piller KG V Manufacturing Processes Ltd & Ors (supra)***, Lord Denning MR stated as follows:

“... It seems to me that such an order can be made by a Judge ex parte, but should only be made where it essential that the Plaintiff should have inspection so that justice can be done between the parties; and when, if the Defendant forewarned, there is grave danger that vital evidence will be destroyed, that papers will be burnt or lost or hidden, or taken beyond the jurisdiction, and so

the ends of justice be defeated and when the inspection would do no real harm to the Defendant's case".

Lord Denning MR goes further to provide the justification and rationale behind the grant of such an order ex-parte when he states:

"Let me say at once that no court in this land has any power to issue a search warrant to enter a man's house so as to see if there are papers or documents there which are of an incriminating nature, whether libels or infringements of copyright or anything else of the kind. No constable or bailiff can knock at the door and demand entry so as to inspect papers or documents. The householder can shut the door in his face and say 'Get out'. That was established in the leading case of Entick v Carrington (1765) 2 Wils.K.B.275. None of us would wish to whittle down that principle in the slightest. But the order sought in this case is not a search warrant. It does not authorize the plaintiff's solicitors or anyone else to enter the defendants' premises against their will. It does not authorize the breaking down of any doors, nor the slipping in by a back door, nor getting in by an open door or window. The plaintiffs must get the defendants' permission. But it does do this: It brings pressure on the defendants to give permission. It does more. It actually orders them to give permission – with, I suppose, the result that if they do not give permission, they are guilty of contempt of court." [emphasis added]

In Uganda, the Courts have considered grant of such orders and have cited with approval the decision in **Anton Piller KG (supra)**. In **Uganda Performing Rights Society Ltd V Fred Mukubira (supra)**, **Kiryabwire J. (as he then was)** held that "with regard to the Anton Piller order, the authorities reviewed seem to suggest that this order may be granted following a unique application

made ex parte”. The Learned Judge went on to hold, however, that although considered and granted ex parte, an interpartes application should be made and considered before trial of the main suit.

The rationale for the above condition is clear. It is not permissible under our law or even expected that an order passed ex-parte should subsist till the determination of the main suit.

In the main therefore, the law is that where the three above listed conditions are established to the court’s satisfaction, an Anton Piller order may be considered and granted by the Court ex-parte; only subject to a further condition that an application for inter-party hearing has to be made to the Court after the grave danger has been catered for by the Anton Piller order. The rationale is that the law does not permit an ex-parte order to subsist until the determination of the main suit.

Issues for determination by the Court

Three issues are up for determination by the Court, namely:

1. Whether the Applicant has an extremely strong prima facie case.
2. Whether the damage, potential or actual, that the alleged infringement will cause to the Applicant is very serious.
3. Whether there is clear evidence that the Respondent has in its possession incriminating ‘things’ or documents and there is a real possibility that they may destroy such material before any application interparty can be made.

Submissions by Counsel

Counsel for the Applicant made and filed written submissions. I have considered the submissions and I will review them in the course of resolution of the issues.

Resolution of the Issues by the Court

Issue 1: Whether the Applicant has an extremely strong prima facie case.

It was submitted by Counsel for the Applicant that under the law, to establish a prima facie case, the Applicant has to show that he has a serious issue to be tried or a serious question to be investigated with a reasonable chance of succeeding in the main suit. Counsel referred to the case of ***Daniel Mukwaya vs Administrator General Civil Suit No. 630 of 1993 [1993] IV KALR 1.***

Counsel submitted that as the registered owner of the trademark, the Applicant deserves the protection of the law against an infringer of his trademark. Counsel submitted that the evidence on record clearly demonstrates that the Respondent is passing off its products as those of the Applicant and, as a result, the Applicant is losing market share as well as profits due to the said infringement. Counsel submitted that the Applicant has a high chance of succeeding in the main suit and unless the Court intervenes, there is a real danger that the Respondent will dispose of the evidence before trial and render the main suit nugatory.

As shown herein above, the arguments by the Applicant's Counsel are backed by averments of the Operations Manager of the Applicant as contained in the affidavit in support of the application. I find that the Applicant has established to the Court that they have an extremely strong prima facie case over their allegations against the Respondent of trademark infringement and passing off. The first issue is therefore answered in the affirmative.

Issue 2: Whether the damage, potential or actual, that the alleged infringement will cause to the Applicant is very serious.

Counsel for the Applicant submitted that the Applicant had averred in the main suit that due to the Respondent's infringement of its mark, the Applicant had lost market share and thus revenue. Counsel submitted that in ***Uganda Performing Rights Society Ltd V Fred Mukubira (supra)***, the Learned Judge held that "lost revenue can cause serious damage to the Applicant". Counsel submitted that the Applicant had shown by affidavit that by the Respondent passing off and selling their products as those of the Applicant, the public was also cheated by being sold inferior products which in turn injured the Applicant's otherwise good name and eventual loss of revenue. Counsel prayed to the Court to find this loss as capable of causing serious damage to the Applicant.

I agree with the Applicant's Counsel. The Applicant has shown that the alleged infringement of the Applicant's trademark and passing off of the Respondent's goods as those of the Applicant is capable of causing serious damage to the Applicant. The second issue is also answered in the affirmative.

Issue 3: Whether there is clear evidence that the Respondent has in its possession incriminating 'things' or documents and there is a real possibility that they may destroy such material before any application interparty can be made.

Counsel for the Applicant submitted that the Applicant has shown in paragraph 7 of the affidavit in support that the Respondent had in their possession incriminating 'things' or documents and there is a real possibility that they may destroy such material before any application inter-party can be made. Counsel submitted that in paragraphs 7, 8 and 9 of the plaint, the Applicant had shown that the Respondent has unlawfully manufactured,

imported, packaged, branded, sold, offered for sale, and supplied batteries similar and with reference to the mark and name "PANE SUPER".

Counsel for the Applicant further submitted that the Applicant has been able to establish that the Respondent was the source of the large volumes of unauthorized or infringing or passing off goods that were sold on the market. Counsel submitted that based on the material on record, there was strong evidence that there was a real danger that the Respondent will dispose of evidence of the said infringement or passing off before trial unless the Court grants the Applicant an Anton Piller order that will enable them, accompanied by their advocates to enter the premises where the offending materials and articles are kept and remove them so that they can be produced at the trial. Counsel further submitted that the inspection and orders sought herein will do no real harm to the Respondent or their case; while on the other hand, if the order is not granted, the Respondent will dispose the infringing materials thereby defeating the cause of justice and rendering any decree in the main suit nugatory.

I find that the Applicant has shown to the court's satisfaction that the Respondent has materials and articles that are the object of alleged infringement of the Applicant's trademark and passing off of the Respondent's products as those of the Applicant. I am satisfied that such materials or articles can be categorized as incriminating 'things' for purpose of consideration and grant of an Anton Piller order. The Applicant has further shown that if an order for inspection and seizure of any such materials is not made by the Court, the Respondent is likely to dispose of or destroy any such materials before any further process of the Court which will not only defeat the interests of justice but will also render the main suit nugatory. I am further satisfied that the ordered inspection and seizure of any offending materials will

do no real harm to the Respondent or their case when defending the main suit. The third issue is also answered in the affirmative.

In all therefore, I find that the Applicant has made out a case for grant of an Anton Piller order in the circumstances. I allow the application and grant an Anton Piller order in the following terms:

1. The Respondent does permit the Applicant and their advocates to enter upon the Respondent's business premises, stores or warehouses for purpose of inspecting all goods or items sold and or branded under the trademark or name of "PANE SUPER" and or "PANASUPER" plus any documents, materials or articles relating to the infringement of the Applicant's trademark over the said "PANASUPER" battery products.
2. The Applicant and their advocates are permitted to remove into the custody of this Court all unauthorized products, documents or materials or articles relating to the unauthorized manufacturing, production, reproduction, distribution and or sale of products under the Applicant's trade name, style and marks.
3. An application for hearing interpartes be filed by the Applicant within fifteen (15) days from the date of this Ruling.
4. The costs of this application shall be in the cause.

It is so ordered.



Boniface Wamala

JUDGE

13/07/2020