



**JUDICIARY**

**IN THE HIGH COURT OF MALAWI  
PRINCIPAL REGISTRY  
CIVIL CAUSE NUMBER 1897 OF 2008**

**BETWEEN:**

**CAMY SOAP AND MANUFACTURING  
CO. LTD ..... PLAINTIFF**

**-AND -**

**NIRMA CHEMICAL WORKS LIMITED ..... DEFENDANT**

**CORAM: THE HONOURABLE MR JUSTICE J. S. MANYUNGWA**  
Mr Msowoya, of Counsel for the plaintiff  
Miss Purshotam, of Counsel for the defendant  
Mr Chuma – Official Interpreter

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**RULING**

**Manyungwa, J**

**INTRODUCTION:**

This is the plaintiff company's summons under Order 29 Rules of the Supreme Court to continue an order of interlocutory injunction that was granted by the court to the plaintiff company namely, Camy Soap and Oil Manufacturing on 29<sup>th</sup> July, 2008. The said order of injunction restrained the defendant company, Nirma Chemical Works Limited, in aid of proceedings under the Trade Marks Act, Cap 49:01 from demanding that the plaintiff ceases and desists from using the mark 'NIRMA' in association with the marketing, sale, distribution or identification of its products or services and from demanding that the plaintiff withdraws all its products

bearing the mark 'NIRMA' from the market, pending determination by the Registrar of Trade Marks of an application to expunge Trade Marks numbers 274/99 and 275/99, 'NIRMA' and 'NIMA', in the name of the defendant company from the Register of Trade Marks for lack of *bona fide* use of the same by the defendant company. The order was valid for 14 days subject to an inter – parties hearing, hence these summons. The plaintiff's summons are supported by an affidavit sworn by Mr Ilyas Gaffar, which I propose to deal with shortly. The defendant, an Indian Company, opposes the plaintiff company's summons for the continuation of the injunction, and on 1<sup>st</sup> September, 2008 before the inter – parties hearing on 11<sup>th</sup> September, 2008 took out a notice under Order 8 r 3 and Order 29 r 1 of the Rules of the Supreme Court, that at the said hearing the defendant was going to apply for an interlocutory order of injunction to restrain the plaintiff whether acting by its directors, officers, servants, agents or otherwise howsoever from infringing the defendant's registered trade mark until the final determination of the matter. I shall deal with this aspect as well.

#### **THE PLAINTIFF'S AFFIDAVITS:**

In support of his summons for the continuation of the injunction, Mr Ilyas Gaffar, the Managing Director of the plaintiff Company deposed as follows in his affidavit. The plaintiff was before March, 23 2005 the registered proprietor in Malawi of Trade Mark No. 77/98, 'NIRMA', in class 3 in respect of all goods included in class 3, namely the schedule paragraphs 3, bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations; soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices etc as evidenced by exhibit "IG1", a copy of the Certificate of Registration, dated 11<sup>th</sup> August, 1998, in which it is shown that the Trade Mark 'NIRMA' had been registered in Part A of the Register in the name of the plaintiff company, Camy Soap and Oil Manufacturing Company Limited, of P.O. Box 30019 Chichiri, Blantyre 3 under Number 77/98. Mr Gaffar further deposes that he personally came up with the idea of 'NIRMA' as a Trade Mark on the basis of two premises viz that it sounded like a Chichewa word 'NIMA' which he had then just discovered meant the action of communal farming. The coinage of the word was complete when applying the sound of that Chichewa word coincided with the 'NIRMA' which is a Hindu girl's name in Hindi language. In Malawi the word "NIRMA" is also a feminine name and he exhibited exhibit 'IG2' which is a copy of the Daily Times of 5<sup>th</sup> August, 2004 which, in its classified Ads carried a photograph of a lady, a certain Mrs Nirma Khan, to whom were being sent birthday valedictories, on her birthday, that day.

Mr Gaffar further deposed that the plaintiff company started trading in Malawi in the supply to the market of soap under the name “NIRMA” since before the year 1996, and that the plaintiff had made substantial sales of ‘NIRMA’ soap in Malawi. The volumes sold have kept on increasing as shown in his affidavit that in 2003 more than 70,000 boxes, while in 2004 the volume went up to 120,000 boxes, and in 2005 the volume went up to 250,000 boxes. The deponent further avers that on March, 23, 2005 based on misinformation to the Registrar of Trade Marks by the defendant company and an apparent error of the law on the part of the Registrar of trade Marks, the said Registrar erroneously expunged from the Register of Trade Marks the plaintiff’s Trade Mark No. 77/98 without sufficient cause, and he exhibited the Registrar’s ruling exhibit ‘IG3’. On 6<sup>th</sup> June, 2005, the plaintiff being dissatisfied with the said ruling appealed against the same as is evident from exhibits ‘IG4’, ‘IG5’ and ‘IG6’ which are copies of Notice of Appeal, Statement of Grounds of Appeal, and Notice respectively to the Registrar of Trade Marks that an appeal had been lodged with the Patents Tribunal. It is stated by the deponent that the said appeal has not been processed to date because the said patent Tribunal has not been empanelled yet. Mr Gaffar therefore contends that in view of the very substantial volumes of sales which the plaintiff company has achieved in Malawi, the ‘NIRMA’ brand has firmly and surely become distinctive in Malawi of the plaintiff and of no other person or entity.

The deponent further states that on June 6, 2005 the Registrar erroneously accepted, NIRMA CHEMICAL WORKS LIMITED (the defendant company’s) applications under Trade Mark numbers 274/99 and 275/99 to register ‘NIRMA’ and ‘NIMA’ as its Trade Marks respectively.

The deponent contends that neither before the defendant company lodged its applications for ‘NIRMA’ and ‘NIMA’ nor after the Registrar had erroneously accepted the said applications on June, 6 2005 has the defendant company sold in Malawi goods in respect of which the Trade Marks are registered. The deponent further contends that “NIRMA” laundry soap in Malawi is sold to very low income segment of the Malawian population, and that it is due to its remarkable foaming and long lasting quality that it is very popular, and that this popularity of the ‘NIRMA’ brand is solely due to the marketing efforts of the plaintiff company, competitive pricing and quality of the Soap, and has nothing to do with the popularity, if all, of any soaps or detergents sold outside Malawi by the defendant company or indeed any other manufacturer.

The plaintiff company therefore contends that the continued existence on the register of registration numbers 274/99 and 275/99 in class 3 without *bona fide* use on the part of the defendant company is preventing the plaintiff from making *bona fide* use of its brand 'NIRMA' in Malawi and would allow the defendant company to take undue advantage of the goodwill built by the plaintiff in respect of the 'NIRMA' brand hence the plaintiff company has made an application for expungement. The plaintiff company has since filed an application with the Registrar of Trade Marks for expungement of the said Trademarks 274/99 and 275/99 for non *bona fide* use by the defendant company, as is evident from exhibits 'IG7', and 'IG8' which are copies of the application and statement of case. It is further stated by the deponent that on 18<sup>th</sup> July, 2008 the defendant company acting through its Legal Practitioners Messrs Savjan and Company wrote a letter to the plaintiff company demanding that the plaintiff company ceases and desist from using the mark 'NIRMA' in association with the marketing, sale, distribution or identification of its products or services and from demanding that the plaintiff withdrawals all its products bearing the mark 'NIRMA' from the market. Unless therefore restrained by this court, the defendant company will carry out its threat to the detriment of the plaintiff company even before the Registrar of Trade Marks determines the application for expungement of Trade Marks 274/99 and 275/99 from the Register of Trade Marks and the plaintiff would suffer irreparable damage.

The plaintiff therefore prayed for the continuation of the order of injunction.

**THE DEFENDANT'S AFFIDAVITS:**

In her affidavit in opposition on behalf of the defendant company dAME Reena Purshotam, of Counsel has deposed in her affidavit as follows: The defendant company is an Indian Company, and is registered proprietor of the Trademarks 'NIRMA', and 'NIMA' in respect of all goods included in class 3 namely broaching preparations, cleaning, polishing, scouring and abrasive preparations and other substance for laundry use as is evident from exhibits 'SC1', 'SC2', 'SC3' and 'SC4' respectively which are copies of Certificates of Registration and Certificates of renewal showing that Trademarks 'NIRMA' and 'NIMA' were registered in the name of the defendant company under number 274/99 and 275/99 in July 1999 and July 1999 respectively.

Dame Purshotam deponed that the Trade Mark 'NIRMA' is an invented word and has been used by the defendant continuously since the year 1969. The mark 'NIRMA' has been registered by the defendant in 99 countries across the globe whereas the mark 'NIMA' has been registered in 96 countries across the globe as is evident from exhibit 'SC5', which is a list of countries in which 'NIRMA' and 'NIMA' were registered as Trade Marks by the defendant company. It is therefore stated that the mark 'NIRMA' has attained the status of a superbrand, certified by superbrands Limited, an independent arbiter on branding which pays tribute to brands that it considers exceptional through its programs. The said organisation also publishes a series of brand – focused books and publications, and it has launched its programmes in many key global markets and has publications in over 80 countries, as is evidenced by exhibit 'SC6' a copy of a statement published by superbrands which can also be obtained from the Superbrands website –([www.superbrandsindia.com](http://www.superbrandsindia.com).)

The deponent further deposes that as is evident from exhibits 'SC6' Messrs AC Nielsen, one of the world's leading marketing information company has in fact ranked 'NIRMA' as India's seventh largest consumer brand and 'NIRMA' also merited a Harvard Business Review case study. Further, the company's two brands 'NIRMA' and 'NIMA' are distributed through more than 2 million retail outlets generating gross sales in excess of US\$77.8 million. Furthermore 'NIRMA' and 'NIMA' are also part of the corporate name NIRMA Limited, a company listed on India's National Stock Exchange as well as the Bombay Stock Exchange. There are a number of companies, trusts, and other entities with the name of 'NIRMA' and 'NIMA' as outlined in paragraph 7 of Dame Purshotam's affidavit. It is also averred that on top of various products manufactured under the Trade Marks 'NIRMA' the defendant company has also undertaken a host of activities in educational and social development such as Nirma Education and Research Foundation (NERF) established in 1996 and has now achieved university status and is now known as 'NIRMA' University. It is also stated that NIRMA recently acquired a company known as Searles Valley Minerals, a leading manufacturer of inorganic chemicals and one of the five natural soda ash manufacturers in the USA, and that following this acquisitions NIRMA was placed amongst the top seven producers of Soda Ash in the world, as is evident from exhibit 'SC7', a report on the acquisition by the Economic Times.

The deponent contends that the defendant and its group of companies have continuously used the mark 'NIRMA' and 'NIMA' both in Malawi and elsewhere, as is evidenced from exhibits 'SC8' and 'SC9' which are a Consumer Invoice and Bill of Lading dated 7<sup>th</sup> July, 2005 and 10<sup>th</sup> Novembers, 2005 respectively, showing that 'NIRMA' exported 860 bags of Soda Ash light to Fairy Industries of Biwi Triangle in Lilongwe. There is also exhibited 'SC10', a copy of the statement showing exports made by 'NIRMA' to many parts of the world including Malawi for the years 2005 and 2006. Further it is stated that in April 2008, 'NIRMA' entered into an agreement with ARK Corporation Limited, a company registered in the United Kingdom for the sale of 'NIRMA' soaps and detergents in the territory of Malawi, Zambia, Mozambique, Tanzania, Kenya and Uganda as is evident from exhibit 'SC11'. And in July 2008 'NIRMA' entered into an agreement with BINTEC of Blantyre for the exportation to Malawi of various types of soaps bearing the marks 'NIRMA' and 'NIMA' as can be seen from exhibit 'SC12'.

It is therefore averred on behalf of the defendant company, that the Managing director of the plaintiff company, Mr Gaffar is an Indian national who only left India in 1984 as such he and had full knowledge of the existence of the Trade Mark 'NIRMA' which is a household name in India as well as other countries and sought to take advantage of the goodwill painstakingly acquired over the years by fraudulently registering the mark 'NIRMA' in the name of the plaintiff company. This dishonesty, it is stated, was recognised by the Registrar of Trademarks and in expunging the mark registered by the plaintiff from the Register, the said Registrar specifically stated that the fact that 'NIRMA' has been a household name in India since 1969, and that Mr Gaffar is an Indian national who only left the country in 1984 should be taken into account. A copy of the ruling made by the Registrar of Trademarks dated 29 – 03 – 1998 was exhibited as exhibit 'SC13'.

Further it is contended on behalf of the defendant company, that the plaintiff company's claim that the plaintiff company's Managing Director had personally come up with the name 'NIRMA' as a Trademark and that 'NIRMA' is a feminine name in Malawi is ridiculous as one newspaper advert hardly suffices to show common use of the name in Malawi. The deponent contends that the lady referred to in the advert appears to be a woman of mixed race with some Asian roots, as her surname Khan is a common Indian and Pakistani name, as is evident from a Wikipedia article,

exhibit 'SC14' showing the origins of the name 'Khan'. Further, it is stated that in the three years that the marks 'NIRMA' and 'NIMA' have been registered in the name of the defendant company the plaintiff company never made any attempt to have the marks expunged from the Register, and the plaintiff company only decided to lodge an application to expunge the defendant's mark after the defendant sent a 'Cease and Desist Notice'. The plaintiff therefore has no right to use the defendant's mark and should be restrained from taking advantage of the goodwill and reputation of an internationally known brand by continuing to sell its products using the defendant company's registered mark. The deponent further deposes that as can be seen from exhibits referred to in paragraphs 12, 13 and 14 of Dame Purshotam's affidavit the defendant company is therefore using the marks in Malawi, and so the plaintiff company should not be allowed to pass off its inferior products as the defendant company's products. The deponent contends that, this therefore is a proper case in which the court ought to grant an order of interlocutory injunction restraining the plaintiff from selling or offering for sale soaps, and other products bearing the defendant's registered marks 'NIRMA' and 'NIMA', and unless so restrained, the plaintiff company will continue to get undue benefit from the defendant company's goodwill and reputation and it will be impossible to quantify this undue benefit in monetary terms.

The deponent further deposes that the defendant company actually undertakes to pay damages if it later turns out that the order sought was wrongly granted. The defendant company therefore prays that the court dismisses the plaintiff's company's summons for the continuation of the interlocutory injunctions with costs, and instead the court should order an interlocutory injunction restraining the plaintiff company from using the defendant company's marks until the final determination of this matter or until further order.

In reply to the defendant's affidavit, Mr Gaffar states that the defendant company only became registered proprietor of Trademarks of 'NIRMA' and 'NIMA' after the Registrar of Trademarks had erroneously expunged the plaintiff company's prior registration of the mark 'NIRMA'. It is contended by Mr Gaffar that the registration of the marks in favour of the defendant company in June, 2005 was erroneous in that it was accepted by the Registrar of Trademarks before the time for appealing against the above said ruling of the Registrar had expired. The said ruling was delivered on March, 23, 2005, and that the plaintiff company had up to 22<sup>nd</sup> June, 2005 to lodge

its appeal. It is stated that the plaintiff duly lodged its appeal with the Patents Tribunal on June, 6, 2005 and that astonishingly the Registrar of Trademarks appears to have accepted the defendant company's application on the same date of June, 2005, and has since not had the impetus to see the Patents Tribunal empanelled. The plaintiff company also avers that it can not be correct that the defendant company has used the word 'NIRMA' since 1969 because by the defendant company's own admission in paragraph 7 of the affidavit in opposition, the defendant was only incorporated on 31<sup>st</sup> October, 1994. Further, the plaintiff deponed that it was not correct to say that 'NIRMA' is an invented word, as there is ample evidence to show that 'NIRMA' is the name of a human being. The deponent further deposes that his search on the web has shown that the word 'NIRMA' is available as a name of a person, as is evident from 'IG9', 'IG10' and "IG11". Further, Mr Gaffar contends that the list of countries exhibited in 'SC5' showing countries where 'NIRMA' and 'NIMA' are allegedly registered is not helpful as it does not show when the registration was made and the classes in which these registrations have been accepted. As a matter of fact, the deponent states that most of the registrations have been done after 1997 as is evident from 'IG16'. Mr Gaffar further contends that the super brand status as deposed in paragraph 5 of the Dame Purshotam's affidavit, is only relevant in the Indian jurisdiction and that by the exhibits own confession such a status was only achieved in the year 2002/2003 well after the plaintiff company had already built its goodwill here in Malawi and had registered its 'NIRMA' Trademark in 1998. The further contends that 'NIRMA' and 'NIMA' products have never been distributed in Africa, and more importantly in Malawi. The deponent further contends that the use of the word 'NIRMA' and 'NIMA' as part of the business name does not give the defendant any exclusive right to the use of the word 'NIRMA' and 'NIMA' regarding consumer products, and that as shown above people would still use the word 'NIRMA' and 'NIMA' as names of their children. The deponent states and gives as an example that in India other people use the word 'NIRMA' as part of their business names i.e. there is a company in India registered and known as NIRMA MILK PRODUCTS(P) LIMITED. Further, still in India, persons other than the defendant company have registered the word 'NIRMA' in class 11 for stoves, burners etc and Messrs RAO and RAO have used the word "NIRMA" for their milk and milk products, including ghee, butter and cheese as is evident from 'IG17', which is a summary of the search notes at the Registrar of companies and Trademarks in India. Mr Gaffar further contends that the issues raised by Dame Purshotam in paragraph 8,9 and 10 are irrelevant as Soda Ash is not a



laundry soap, that Soda Ash is in class 1 while laundry soap is in class 3. the deponent further states that as regards paragraph 12 of Dame Purshotam's affidavit, exhibit "SC8" shows that what was allegedly exported to Malawi was Soda Ash Light, which is not a consumer product but a chemical raw material for the textile industry leather industry, petroleum industry, oil industry and soap industry. Clearly therefore, so Mr Gaffar contends, that this product has nothing to do with building goodwill for 'NIRMA' soap. The said raw material was moreover packed in 50kg bags, clearly showing that it not meant for consumers but for industrial purposes. The deponent further contends that even if it were to be accepted that the export was made, the same was not made by the defendant company but a company known as 'NIRMA' Limited. Further, the deponent contends that a look at exhibit 'SC10' raises some suspicion and it is exaggerated. As a matter of fact, out of more than 230 countries mentioned, it shows that the defendant company only exported to about 18 or 19 countries, and further that what was exported were not 'NIRMA' brand products except to KUWAIT and SOUTH AFRICA to which were exported 'NIRMA' GREEN POWDER otherwise the export was of salt, soda ash and in some instances toilet soap and glycerine. Moreover, the deponent states that what is alleged to have been exported to Malawi in September, 2005 is soda ash light and not 'NIRMA' brand product. The deponent further contends that as for exhibit 'SC10', it on the other hand proves that the defendant company have not made bona fide use of the marks 'NIRMA' and 'NIMA' in Malawi since June, 2005 and even more importantly the period before that, and that todate the defendant company has not used the marks in Malawi. Further, the deponent states that as regards paragraph 13 of Dame Purshotam's affidavit, the mere appointment of an agent to distribute the products is not proof of bona fide use of the marks, and further that to have an agent resident in London carrying on distribution work in Malawi, in itself speaks volumes. As regards paragraph 14 of the defendant company's affidavit seems to be saying in one breath that it has an exclusive distributor in Malawi since 25<sup>th</sup> April, 2008 whilst in another breath it alleges that it would supply directly to Malawi. Furthermore, a close look at the said exhibit "SC12" shows that the order confirmation and profoma invoice was by 'NIRMA' LIMITED, and not the defendant company. Moreover, the said exhibit shows that the quantities being exported are very small, which is proof that the defendant company does not have goodwill in Malawi of its 'NIRMA' and 'NIMA' products. Further it shows that the soap intended to be exported is toilet soap and not laundry soap. The deponent contends therefore that the defendant company has never had any goodwill in Malawi for its 'NIRMA'

and 'NIMA' products, as such products were never sold in Malawi before 1998, and have not been sold in Malawi after 1998 to date. There is therefore no goodwill that could have been taken advantage of by the plaintiff and that on the contrary, it is the defendant who seeks to take undue advantage of the goodwill of 'NIRMA' products that have been aggressively marketed by the plaintiff here in Malawi.

The deponent further states that he himself being of Indian origin, he knew about 'NIRMA' as a common girl's name and that he was reminded of the same here in Malawi when he heard about 'NIMA' referring to communal farming, and so the deponent states that he decided to call the plaintiff company's soap 'NIRMA' as it would make sense to himself as well as the Malawian community. The deponent states that he was never made aware of 'NIRMA' as being anybody's mark registered in India. Furthermore, that the deponent could not have been aware of 'NIRMA' as being the defendant company's registered marks, as the defendant was only registered in October, 1994. Further, the deponent, Mr Gaffar, states that the Registrar of Trademarks was wrong and that the decision is being appealed against. The deponent further states that as regards paragraph 17 of Dame Purshotam's affidavit, and by her own confession the word 'NIRMA' is a feminine name not only in Malawi but also in India and Pakistan. The deponent further contends that the defendant company had not produced any evidence of use of the marks 'NIRMA' and 'NIMA', and that the defendant company, not having sold any of its 'NIRMA' and 'NIMA' brands in Malawi, then passing – off is practically impossible as the Malawian consumer only knows 'NIRMA' by the plaintiff company and no other. The deponent further contends that the soap that the plaintiff manufactures is oil based tablet laundry soap while the defendant manufactures detergent based powder laundry soap.

The plaintiff company therefore contends that the defendant company has not established goodwill and it is not going to be disturbed in anyway by the continuation of the injunction. On the other hand, it is the plaintiff company that has goodwill and it is the plaintiff company that would be inconvenienced if an injunction were granted against them. Furthermore, the plaintiff company contends that the undertaking to pay damages by the defendant company is worthless and hence making the said undertaking with impunity because the defendant company is resident in India, and that whatever judgement the plaintiff company can therefore get will only be as good as the paper on which it is written.

In her supplementary affidavit, and affidavit in reply, Dame Purshotam contends that the defendant company is part of a Group of companies all bearing the same 'NIRMA', and that the marks 'NIRMA' and 'NIMA' have been used by the defendant company's group of companies since 1969, and the fact that the defendant itself was only incorporated in 1994 is irrelevant. It is further stated on behalf of the defendant company that the defendant company has therefore shown that it has used the mark and that it intends to continue to use the mark in future, as the defendant company has also exported and has agreed to export laundry soaps and detergents to Malawi, and that the defendant company would not have entered into such agreements if it did not intend to continue using the mark. As a matter of fact, the deponent stated that she has been informed that the first shipment of 'NIRMA' beauty soaps ordered by BINTEC has already left India for Malawi and should be arriving in Malawi in a few weeks time. Further, the deponent contends that whether or not the Registrar was right in registering the defendant company as the rightful proprietor of the marks 'NIRMA' and 'NIMA' is irrelevant, as the same can only be the subject of an appeal. It is further stated that the defendant company therefore is only seeking an interlocutory injunction, as it has shown that there is a serious issue to be tried, and that damages would not be an adequate remedy should the injunction sought by the defendant company not be granted, and that the balance of convenience lies in granting the defendant company the injunction prayed for.

**ISSUE(S) FOR DETERMINATION:**

The main issues for the determination of the court in the circumstances of this case are

- i. whether or not to continue the interlocutory order of injunction that was granted to the plaintiff ex – parte on the 29<sup>th</sup> of July, 2008 as prayed for by the plaintiff company and its legal practitioners or
- ii. whether or not to grant the prayer for an interlocutory injunction restraining the plaintiff from using the mark 'NIRMA' as is prayed for by the defendant company and its legal practitioners.

Before I venture into my analysis of the law on this subject, I wish to express the court's gratitude to both Counsel for their industry and research. The submissions made by Counsel were enlightening. However, due to

reasons of brevity I may not be able in the course of this ruling to recite all the said submissions in this ruling. This will not be out of disrespect to Counsel but suffice to say where necessary I shall have recourse to them.

### **THE LAW:**

The usual purpose of an interlocutory injunction is to preserve the *status quo* of the parties until the rights of the parties have been determined in the main action. As was stated by Tambala J, as he then was, in the case of *Mangulama and Four Others v Dematt*<sup>1</sup>

“Applications for an interlocutory injunction are not an occasion for demonstrating that the parties are clearly wrong or have no credible evidence...The usual purpose of an order of injunction is to preserve the *status quo* of the parties until their rights have been determined”.

In the case of *Honourable brown Mpinganjira and Six Others V The Speaker of the National Assembly and the Attorney General*<sup>2</sup>, the position and practice upon which interlocutory injunction are granted was put by Kapanda J as follows:

“In litigation, be it private or public, where (the plaintiff) an applicant seeks a permanent injunction against (the defendant) the respondent, this court has a discretion to grant (the plaintiff) the applicant an interlocutory injunction a temporary restriction pending the determination of the dispute at the substantive trial – which is designed to protect the position of the applicant (plaintiff) in the interim. In that event, the applicant will normally be required to give an undertaking to pay damages to the respondent should the latter succeed at the trial”.

It is now well settled that the principles governing the grant or refusal of an application for an order of interlocutory injunction are trite knowledge and are those enunciated by Lord Diplock in the celebrated case on interlocutory injunctions namely, *The American Cyanamide Company V Ethicon Limited*<sup>3</sup>. The first principle is that the plaintiff (applicant) must show that that he or she has a good arguable claim to the right that he or she seeks to protect. Secondly, the court must not at the interlocutory stage, attempt to

<sup>1</sup> *Mangulama and Four Others V Dematt* Civil Cause No. 893 of 1999 (unreported)

<sup>2</sup> *Honourable Brown Mpinganjira and Six Others V Speaker of the National Assembly and Attorney General* Miscellaneous Civil Cause 3140/2001 (unreported)

<sup>3</sup> *American Cyanamid Company V Ethicon Limited* [1975] AC 393; [1975] 1 AllER, 505, HL

decide disputed issues of facts on the affidavits before it, it is enough if the plaintiff shows that there is a serious issue to be tried. Thirdly, if the plaintiff satisfies these tests, the grant or refusal of an injunction is for the exercise of the court on a balance of convenience. In deciding where the balance of convenience lies, the court must consider whether damages are a sufficient remedy, if so an injunction ought not be granted.

In the case of *Candlex Limited V Phiri*<sup>1</sup>, the court stated as follows:

“It is accepted that the procedure relating to the grant or refusal of an interlocutory injunction and the tests to be applied are generally those laid down by Lord Diplock in *American Cyanamide Company V Ethicon Limited* (supra). It is important to recognise these principles as guidelines which are not cast in stone although variations from them are limited. Put simply, the guidelines require that initially the applicant must show that there is a serious question to be tried. If the answer is yes, then the grant or refusal of an injunction will be at the discretion of the court. In exercising its discretion, the court must consider whether damages would be an adequate remedy for a party injured by the court’s grant or refusal to grant an injunction. If damages are not an adequate remedy or the losing party would not be able to pay them, then the court must consider where the balance of convenience lies”.

And in *Ian Kanyuka suing on his own behalf and on behalf of all National Executive members of the National Democratic alliance (NDA) V Chiuma & Others*<sup>2</sup>, Tembo J, as he then was, said:

“Order 29 of the rules of the supreme court makes provision for general principles respecting the grant or refusal of an application for an interlocutory injunction. The usual purpose of an interlocutory injunction is to preserve the *status quo* until the rights of the parties have been determined in an action. The order is negative in form, thus, to restrain the defendant from doing some act. The principles to be applied in application for interlocutory injunctions have been authoritatively explained by Lord Diplock in *American Cyanamide company V Ethicon Limited* [supra]. The plaintiff must establish that he has a

<sup>1</sup> *Candlex Limited V Phiri* Civil Cause Number 713 of 2000 (unreported)

<sup>2</sup> *Ian Kanyuka suing on his own behalf and on behalf of all National Executive members of National Democratic Alliance (NDA) V Chiumia & Others* Civil Cause No. 58 of 2003

good arguable claim to the right he seeks to protect. The court must not to decide the claim on affidavits; it is enough if the plaintiff shows that there is a serious question to be tried. If the plaintiff satisfies these tests, the grant or refusal of an injunction is a matter for the exercise of the court's discretion on a balance of convenience. Thus, the court ought to consider whether damages would be a sufficient remedy. If so an injunction ought not be granted. Damages may not be a sufficient remedy if the wrong – doer is unlikely to be able to pay them. Besides damages may not be a sufficient if the wrong in question is irreparable or outside the scope of pecuniary compensation or if damages would be difficult to assess. It will be in general material for the court to consider whether more harm will be done by granting or by refusing an injunction. In particular it will usually be wiser to delay a new activity rather than risk damaging one that is established”.

In the *American Cyanamide case*[supra] the court held that there was no rule of rule of law that the court was precluded from considering whether on a balance of convenience an interlocutory injunction should be granted unless the plaintiff succeeds in establishing a *prima facie* case of probability that he or she would be successful at the trial of the action i.e. that there was a serious question to be tried. In the case of *Amina Dandi t/a Amis Enterprises V Sucoma*<sup>1</sup> the learned Mwaungulu J, enumerated the following principles which I equally hold to be good law viz;

1. A court will not grant an injunction unless there is a matter to go for trial.
2. Once there is a matter to go for trial the court has to consider whether damages are an adequate remedy.

The learned judge continued to say at page 4 of his judgement

“First, a court will not grant an injunction unless is a matter to go for trial. This obviously filters cases not deserving the equitable relief that by its nature prevents exercise of rights before a court finally determined the matter... Secondly, once there is matter to go for trial, the court has to consider whether damages are an adequate remedy. This consideration requires answers to two sequel questions. First from the perspective of the defendant, even if damages are an adequate remedy, the court will refuse to

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<sup>1</sup> *Amina Dandi t/a Amis Enterprises V Sucoma* Civil Cause Number 3191 of 2003 (unreported)

grant the injunction if the plaintiff cannot pay them... Secondly, from the perspective of the plaintiff, if damages are an adequate remedy, and the defendant can pay them, the court will not refuse the injunction. The court may therefore allow the injunction where damages are an adequate remedy and the defendant can pay them”.

Further, it must be appreciated that damages will be an inadequate remedy where the plaintiff or the defendant’s losses are difficult to compute. The Malawi Supreme Court of Appeal in the case of the **Registered Trustees of the Christian Service Committee V Mandala Building and Construction Company Limited**<sup>1</sup> has perhaps in a way restated the law on injunctions. This is what their Lordships said:

“[I]n determining whether to grant an interlocutory injunction, the question for the court to consider was not whether it was mandatory or prohibitory, but whether the injustice that would be caused to the defendant if the plaintiff was granted an injunction and later failed at the trial outweighed the injustice that would be caused to the plaintiff if the injunction was refused and he later succeeded at the trial”.

The question therefore as to whether the plaintiff company has demonstrated that it has a good arguable claim to the right that it seeks to protect, and therefore entitled to the continuation of the injunction, or whether indeed it is the defendant company who have established such a claim can only be answered upon examination of the issues before me.

It was submitted by Mr Msowoya for the plaintiff company that it is important to continue the interlocutory order of injunction which was granted to the plaintiff company ex – parte. In his submission to the court, counsel said that the said injunction is in aid of proceedings which are before the Registrar of Trademarks, and that the nature of those proceedings is that the plaintiff company is seeking expungement of the Trademark, ‘NIRMA’ and ‘NIMA’ in class 3 Registered in the name of the defendant company on the grounds that the defendant company caused those Trademarks to be registered in its name without any **bona fide** intention on its part to use them in relation to products and goods in class 3. Mr Msowoya contended that the history of the plaintiff’s interest in the mark ‘NIRMA’ is clear, as

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<sup>1</sup> **Registered Trustees of the Christina Service Committee V Mandala Building and Construction Company Limited** (MSCA) Civil Appeal Number 9 of 1999 (unreported)

plaintiff begun selling its laundry soap 'NIRMA' before 1996 and that in 1998, the plaintiff company was duly registered as proprietors of the mark here in Malawi. The plaintiff built goodwill, but that in error, the Registrar of Trademarks struck - out the mark on application by the defendant company. Consequently, in terms of the rules, the plaintiff company lodged an appeal to the Appeals Tribunal which to date has not sat, as it has to date not been empanelled. However, before the period of the appeal had lapsed, the defendant company caused the two marks to be registered in its name, but since that registration in December, 2005, the defendant company has not used that mark. Mr Msowoya further contended that as a matter of fact the affidavit of Dame Prushotam clearly supports the plaintiff company's assertion that the defendant company's registration of the Trademarks 'NIRMA' was intended to frustrate the plaintiff company. Counsel further submitted that Trademarks are territorial in nature, and the fact that the defendant company is registered in some other jurisdiction would not of itself prevent a person like the plaintiff company which was registered in Malawi to use the mark, and this he said, is the fundamental point that the Registrar missed. It was submitted on behalf of the plaintiff company that there is clear evidence that the plaintiff company had registered the Trademarks 'NIRMA' and 'NIMA' prior to the defendant company trying to have the same registered, and that the plaintiff company established goodwill which the defendant company should not be allowed to prevent the plaintiff company from enjoying the same, as the defendant company is only trying to take undue advantage of the Trademarks 'MIRMA' and 'NIMA'.

Dame Prushotam, on the other hand for the defendant company submitted that the issues are very simple, in that the defendant company is the registered proprietor of the Trademarks 'NIRMA' and 'NIMA' here in Malawi. Counsel further submitted that the issue as to whether the Registrar of Trademarks was right or wrong when he made his determination expunging the plaintiff company's marks from the Register, is at this juncture, irrelevant. It was further submitted by Counsel that those proceedings to continue the injunction were brought on the basis that the plaintiff company had commenced expungement proceedings against the defendant company in that the defendant company has not had the *bona fide* intention of using the mark. Counsel however contended that not only has the defendant company shown intention to use the marks, but that the defendant company had demonstrated further that the defendant company is part of a group of companies most of which have been using the mark 'NIRMA' in respect of the same products that the defendant company's



registration here in Malawi seeks to protect. The plaintiff company should not therefore be allowed and should not enlist the aid of the court to assist it in registering a Trademark. Furthermore, Dame Purshortam submitted that damages would not be an adequate remedy to the defendant company if an interlocutory injunction is not granted against the plaintiff. The balance of convenience therefore lies, in granting the interlocutory injunction sought by the defendant company accordingly to Counsel, and in dismissing the plaintiff company's application/summons for continuation of the injunction.

A Trademark is defined in Section 2 of the Trademarks Act<sup>1</sup> as follows:

Section 2      “A Trademark means except in relation to certification trade mark, a mark used or proposed to be used in relation to the goods for the purpose of indicating or so as to indicate a connexion in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any relation to a certification Trademark, a mark registered or deemed to have been registered under Section 42”.

The effect of registration of a Trademark is dealt with in Section 9 of the Act which *inter alia* provides as follows:

Section 9(1)   Subject to this section and Section 12 and 13 the registration of a person in Part A of the register as proprietor of a Trademark in respect of any goods shall if valid, give or be deemed to have given to that person the exclusive right to the use of the trademark in relation to those goods and without prejudices to the generality of the foregoing words, that right shall be deemed to be infringed by any person who not being the proprietor of the trademark or a registered user thereof using by way of the permitted uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the goods in respect of which it is the registered and in such manner

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<sup>1</sup> Trademarks Act, Chapter 49:01 of the Laws of Malawi

as to render the use of the mark likely to be taken either

- a) as being used as a trademark, or
- b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public as referring

Section 10 “Except as provided by subsection 2, the registration of a person in Part B of the register as a proprietor of a trademark in respect of any goods, shall if valid, give or be deemed to have given to that person the like right in relation to those goods as if the registration had been in Part A of the register and Section 9 shall have effect in the like manner in relation to a trademark registered in Part B of the Register as they have effect in relation to a trademark registered in Part a of the register”.

Clearly, in my most considered opinion, Section 9(1) and 10(1) of the Act gives the right to the proprietor or registered owner of a registered trademark, if valid, to take action against any other person or party who infringes the right of that proprietor or registered owner of a trademark to that Trademark. Thus an action for infringement will lie where a competitor uses a registered trademark in connection with the proprietor’s goods for the purposes of comparing them with his own goods of the same class. See **Bismag Limited V Amblins (Chemists) Limited**<sup>1</sup>.

In the instant case however, although the defendant company asserts that it has been the registered owner of Trademarks ‘NIRMA’ and ‘NIMA’, there is evidence, which evidence is not disputed, that the plaintiff company had a prior registration of the mark ‘NIRMA’ and ‘NIMA’ dating as far back as 1998, and there is also evidence showing that the plaintiff company begun its trading operations in Malawi in as early as 1996, well before the defendant company set foot in the country. As a matter of fact, the affidavits show that the defendant company was only registered as a proprietor on 6<sup>th</sup> June, 2005 of Trademarks ‘NIRMA’ and ‘NIMA’ in circumstances described by the plaintiff company as erroneous on an apparent error of the law by the Registrar as the said registrar erroneously expunged from the Registrar, the plaintiff company’s trademarks ‘NIRMA’ and ‘NIMA’.

<sup>1</sup> **Bismag Limited V Amblins (Chemists) Limited** [1940] Ch. 667

Whether or not the said Registrar was right or wrong in deciding as he did, is surely beyond the scope of this ruling. However, one thing is clear in my mind, that the plaintiff company appealed and before the issue of the appeal was resolved, or indeed before the time for appealing allowed by the law had expired, the Registrar of Trademarks, on 6<sup>th</sup> June, 2005 accepted the defendant company's applications number 274/99 and 275/99 and registered 'NIRMA' and 'NIMA' as the trademarks belonging to the defendant company. Now even if one were to accept that the defendant company was therefore duly registered, the plaintiff company contends that the defendant company's registration of the marks 'NIRMA' and 'NIMA' was without *bona fide* intention on the part of the defendant company to use the said marks in relation to products and goods in class 3 of the Act. The plaintiff company actually contends that neither before the defendant company lodged its applications for registration of 'NIRMA' and 'NIMA' as its Trademarks, nor after the purported registration by the Registrar of the said applications on 6<sup>th</sup> June, 2005 has the defendant company sold any goods in Malawi in respect of which the said trademarks were registered. Indeed going through the affidavit in opposition sworn on behalf of the defendant company it is not clear, or at least it is not shown that the defendant company has sold or used its products carrying the trademarks 'NIRMA' and 'NIMA' in Malawi, unlike the plaintiff company which begun its trading operations of soap, a laundry soap under the name of 'NIRMA' prior to its registration in 1998. Actually the plaintiff company begun its trading operations in the country in 1996. As such, in my most considered opinion, I think, it is clear that the plaintiff has a legitimate cause, has shown that it has a claim of right which it is seeking to protect. Further, as shown, the defendant company, is also accused of non – use of the trademarks Under Section 31(1) of the Trademarks Act, it is provided as follows:

Section 31(1) "Subject to Section 39, a registered trade mark may be taken off the register in respect of any of the goods of which it is registered on application by any person aggrieved to the Tribunal or , at the opinion of the applicant and subject to Section 64, to the Registrar on the ground wither;

- a) that the trademarks was registered without any *bona fide* intention on the part of the applicant for registration that it should be used in relation to those goods by him and that there has in fact been no *bona*.

*fide* use of the trademark in relation to those goods by any proprietor therefore for the time being up to the date one month before the date of the applications, or

- b) that up to the date one month before the date of the application a continuous period of five years or longer elapsed during which the trademark was a registered trademark and during which there was no *bona fide* use thereof in relation to those goods by an proprietor thereof in relation to those goods by an proprietor thereof for the time being.”

As I have observed elsewhere in this ruling that the plaintiff company begun its trading operations in Malawi in 1996, and by 1998, the marks ‘NIRMA and ‘NIMA’ were registered in its name. On the other hand the defendant company despite registering the same trademark ‘NIRMA’ and ‘NIMA’ after expungement of the plaintiff’s marks from the register in 2005, has not used the said marks.

In my considered judgement, having considered the circumstances of this matter, I am of the fortified opinion, following the reasoning of the supreme court in the **Registered Trustees of the Christian Services Committee V. Mandala Building Construction Company Limited case** [supra] that greater injustice would be done to the plaintiff company if the court were to dismiss the plaintiff’s summons for the continuation of the order of interlocutory injunction, and grant the defendant company’s prayer for an order of interlocutory injunction against the plaintiff company than in denying the plaintiff company the order sought. Justice would therefore in my considered view, considering all the circumstances of the case, be achieved if the *status quo* were allowed to continue, until the appeal lodged before the Registrar is heard and determined. In the case of **Francome V Mirror Group Newspapers Ltd**<sup>1</sup>, Sir John Donaldson in criticising the expression, the balance of convenience, said this about the purpose of interim injunctions

“Our business is justice, not convenience. We can and must disregard fanciful claims by either party subject to

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<sup>1</sup> **Francome V Mirror Group Newspaper Ltd** [1984] IWL R 892

that we must contemplate the possibility that a party may succeed and must do our best to ensure that nothing occurs pending the trial which will prejudice his rights, since the parties are asserting wholly inconsistent claims, this is difficult but we have to do our best. In so doing we are seeking a balance of justice, not convenience”.

On the question whether damages would be sufficient, it was stated in *R V Secretary of State for Transport ex – parte Factortame Ltd (No. 2)*<sup>1</sup> Lord Bridge said, and this dictum was cited with approval by this court in the case of *amina Hamid Dandi t/a Amis Enterprises V Sugar Corporation of Malawi* [supra]

“Questions as to adequacy of an alternative remedy in damages to the party claiming injunctive relief and a cross – undertaking in damages to the party against whom the relief is sought play a primary role in assisting the court to determine which course offers the best prospect that injustice may be avoided or minimised”.

In my most considered view, therefore damages would, in this case not be adequate as it would be difficult to quantify, what with issues of goodwill being contested. Furthermore, I am sure that we can all agree that even if the defendant company makes an undertaking as regards damages as, the defendant company is foreign, resident in another jurisdiction, as such the undertaking to pay damages is, in my view, merely cosmetic, and perhaps it may be an academic pursuit here. Moreover, this to me seems to be a case in which it would be unfair, even if damages were to be adequate, which I find not, to simply confine and condemn the plaintiff to a remedy in damages. In the case of *Evans V Marshall and Company Limited*<sup>2</sup> which is a case where an injunction was sought in support of an order for specific performance, where the question of adequacy of damages arose, Sachs L J expressed what seems to be the emerging modern view, when he said at page 349 of the judgement:

“The standard question in relation to the grant of an injunction, ‘Are damages an adequate remedy? might perhaps in the light of authorities of recent years be re – written. Is it just, in all the circumstances, that the plaintiff should be confined to his remedy in damages”.

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<sup>1</sup> *R V Secretary of State for Transport ex – parte Factortame Ltd* (No. 2) [1991] AC 603, HI

<sup>2</sup> *Evans V Marshall and Company Ltd* [1973] IWL 349 at 739

**CONCLUSION:**

In the circumstances and by reason of the foregoing it is, in my considered judgement, my finding that justice would be served, or indeed that the balance of convenience heavily tilts in favour of the plaintiff company, and I hereby grant, the plaintiff's prayer for the continuation of the order of the interlocutory injunction until appeal is heard and determined. The defendant's application for dismissal of the plaintiff's application and also for an order of injunction against the plaintiff is therefore accordingly dismissed with costs.

*Pronounced in Chambers* at Principal Registry this 13<sup>th</sup> day of October, 2008.

Joselph S. Manyungwa  
**JUDGE**