



IN THE HIGH COURT OF MALAWI  
(COMMERCIAL DIVISION)  
LILONGWE REGISTRY  
COMMERCIAL CASE NO. 27 OF 2023

S.R. DISTILLERIES LIMITED.....CLAIMANT

AND

SARA INDUSTRIES LIMITED.....1<sup>ST</sup> DEFENDANT  
CASTLE WINES & SPIRITS LIMITED.....2<sup>ND</sup> DEFENDANT

Coram: Hon. Justice Gloria Alinafe Namonde

Mr. Y. Soko, of Counsel for the Claimants  
Mr. I. Zimba & M. Mbendera, of Counsel for the 1<sup>st</sup> Defendant  
Mr. Kalulu of Counsel for the 2<sup>nd</sup> Defendant  
Mr. Ndhrazi, Court Clerk

**RULING**

1. On 20<sup>th</sup> February, 2023, this Court granted an order of interlocutory injunction to the Claimants restraining the Defendants from using the Claimants' registered design no. MW/D/2018/00031 and MW/D/2020/00001 for purposes of their trade in selling alcoholic beverages until a further order of this Court. The Court further directed that the matter was to come by way of notice within 14 days from the date of the order. This is now a ruling on the Claimant's application for an extension of the said order of injunction.

2. The background to the application is that both parties ply their trade in the selling of alcoholic beverages which are packaged in almost identical bottles.
3. It is the Claimant's story that in September 2018 and January 2020, it registered a design in accordance with the Registered Designs Act of a 200 ml glass bottle and was issued certificates of registered designs on 9<sup>th</sup> October, 2018 and 6<sup>th</sup> January 2020 respectively. The Claimant uses the bottles in accordance with this design to package alcoholic beverages which are then sold to consumers. The bottles are returnable and are reacquired from the consumers for repackaging of the beverage. The Defendants, without a license from the Claimant, are using bottles that are substantially similar to the registered designs in furtherance of their trade of selling alcoholic beverages.
4. The Defendants have argued that the registered design is commonly used by a lot of breweries in Malawi and have been so used before October, 2018 such that it was neither new or original at the time it was being registered. The said design is dictated by the purpose for which the bottle is made for, to contain liquid. According to the 1<sup>st</sup> Defendant, he is aware of many companies that uses quite similar design of bottles to sell liquor products. To support its assertions, the 1<sup>st</sup> Defendant exhibited pictures of similar designs but from different companies as PSB 5, PSB 6, and PSB 7. Further, the 1<sup>st</sup> Defendant has contended that it registered Trade Marks in accordance with the Trade Mark Act (Cap. 49:01) in respect of Glass bottles, (including shape and design) and was issued the following certificates of registration:
  - a Registration No. MW/TM/2020/00515 as of 06/08/2020
  - b Registration No. MW/TM/2021/00245 as of 12/04/2021
  - c Registration no. MW/TM/2021/00246 as of 12/04/2021
  - d Registration No. MW/TM/2021/00736 as of 07/10/2021
5. The issue before this Court is whether to extend or discharge the injunction granted on 20<sup>th</sup> February, 2023.
6. The starting point for applications for injunctions such as the present is Order.10 rule 27 of the Rules (High Court) (Civil Procedure) Rules, hereafter called (the CPR) which provides that the Court may grant an order of interlocutory injunction upon satisfaction that:

- a there is a serious issue to be tried;
- b damages may not be an adequate remedy; and
- c it shall be just to do so.

7. The principles to be applied in applications for interlocutory injunctions have been well settled in the well-known case of **American Cyanamid Co. v Ethicon Ltd.** [1975] AC 396:

- a The plaintiff must show that he has a good arguable claim to the right he seeks to protect;
- b The Court must not attempt to decide the claim on the sworn statement, it is enough if the plaintiff shows that there is a serious question to be tried;
- c 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

8. In the case of **BP Malawi Ltd v Ng'ambi t/a Chalo Ng'ambi Investments** [2001-2007] MLR(Com), Tambala SC, JA quoting Lord Diplock in the American Cyanamid case (supra), stated '*The Court no doubt must be satisfied that the claim is not frivolous or vexatious; in other words, there is a serious question to be tried...so unless the material available to the Court at the hearing of the application for an interlocutory injunction fails to disclose that the plaintiff has any real prospect of succeeding in his claim for a permanent injunction at the trial, the Court should go on to consider whether the balance lies in favour of granting or refusing the interlocutory relief that is sought.*'

9. In **Hubbard v Vosper** [1972] 1 All ER 1023; Lord Denning observed at 1029 that, '*in considering whether to grant an interlocutory injunction, the right course for a judge is to look at the whole case. He must have regard not only to the strength of the claim but also to the strength of the defence, and then decide what is best to be done. Sometimes it is best to grant an injunction so as to maintain the status quo until the trial. At other times it is best not to impose any restraint on the defendant but leave him free to go ahead.*'

10. In determining whether there is a triable issue in the present claim, the Court resorts to the statement of case as well as the sworn statements that have been filed by both parties. It is the contention of the Claimant that the Defendants are infringing on their rights by using a design they registered under their name in 2018 and 2020.

To dispute the contention, the Defendants have argued that the said designs were not new or original at the time of registration as they had been in use by others prior to the time the Claimant registered the same. No evidence was brought forth by the Defendants to prove this fact.

11. It is worth noting that the 1<sup>st</sup> Defendant also registered trademarks in respect of a number of trade marks under the Trademarks Act between the years 2020 to 2021 for their business purposes and the certificate of trade mark indicates that it is in respect of glass bottles including shape and design. (see exhibits **PSB 1 to 4** as indicated in par. 4 above). The design and shape being the same as that of the Claimant.
12. For the 2<sup>nd</sup> Defendant, it exhibited its certificate of incorporation demonstrating that it has been in business since 2019. It has not escaped the eye of the Court that the Claimant had its designs registered earlier in 2018 than that of the 1<sup>st</sup> Defendant's registration of the trademarks, in 2020 and 2021 as well as the 2<sup>nd</sup> Defendant registration of his business which was in 2019. The 2<sup>nd</sup> Defendant did not bring any evidence to show that it either registered any trade mark or registered its design. The 2<sup>nd</sup> Defendant advanced an argument that it has been in business for about 3 years and wonders why the Claimant is only bringing the present claim now, to which the Claimant responded that it only came to Court as soon as it became aware of the infringement.
13. The 1<sup>st</sup> Defendant further attached **exhibits PSB5 to 8** to show that other companies apart from the Defendants herein also use similar bottles in plying their trade. **Exhibit PSB 5** is a similar bottle but labelled shooter premium vodka and is branded and packed by Chilwa Investments LTD, **exhibit PSB 6** is another similar bottle labelled Café Rhum, a quality product from Quality Industries LTD, **exhibit PSB 7** is ICE London Dry Gin also from Quality Industries LTD. Both Chilwa Investments Ltd and Quality Industries LTD have not been made Defendants in this matter. The Claimant did not explain why these two were not dragged to Court like the 1<sup>st</sup> and 2<sup>nd</sup> Defendants. Perhaps they did not know of their existence.
14. The Court notes that the Claimant registered its designs under the Registered Design Act, (Cap. 49:05) whilst 1<sup>st</sup> Defendant registered its Trademarks under the Trade Mark Act.

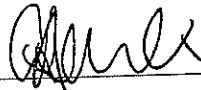
15. As this is just an interlocutory application, a deeper analysis of the present scenario and its implications where the parties have registered their respective bottles under different laws can only be had at a substantive hearing. Hence, this Court's finding that the Claimant has crossed the threshold of the yardstick with respect to the triable issue question.
16. It remains for this Court to address the question whether it will be just or convenient to extend the injunction. Coming to the issue of whether damages will be adequate or not, the law is clear that where damages will be adequate, an injunction should not be granted. According to the **American Cyanamid v Ethicon Ltd** case, this is a balancing exercise. First, the court considers whether from the Claimant's viewpoint, if it was to succeed, damages will be adequate, if the Defendant is not prevented from continuing plying his trade using the bottles that are the subject matter of this application. A follow up question is, if the damages are found to be adequate, the Defendants would be in a position to pay. See **B.M. Kasema v National Bank of Malawi, Civil Cause No. 2299 of 2001**.
17. The Court must also consider the Defendant's perspective, thus whether damages will be adequate and the Claimant would be able to pay if the injunction was to be perpetuated and at the end of the trial the Court rules in favour of the Defendants. It cannot be denied that the Claimant is seeking interlocutory relief against two different companies, such that the Claimant will be required to foot damages for the two companies and possibly, as argued by the Defendants, those who use similar bottles. Whereas, if it is the Claimant who will have succeeded at the end of the trial, the two Defendant Companies would have to compensate the Claimant. This Court opines that it would be easier for two companies to compensate one company than for one company to compensate two companies.
18. With respect to the balance of convenience, it must be remembered '*that the balance of convenience helps to preserve the status quo pending a trial and at the same time, the Court must be satisfied that the comparative mischief, hardship or the inconvenience which is likely to be caused to the applicant by refusing injunction will be greater than that which is likely to be caused to the opposite party by granting it.*' (See **Mkhuzo Bandula Chirwa v Expressloan, Commercial Case No. 371 of 2022**; See also **Yogesh Agarwal v Sri. Rajendra Govel 2014 (3) ARC 427**). In this balancing exercise, the Court has considered the fact that the 1<sup>st</sup>

Defendant had registered its trademark which includes design and shape and there is no evidence to discredit the same. Furthermore, it is a fact that the 2<sup>nd</sup> Defendant has been using the said bottles for the past 3 to 4 years, the second claimant 2 to 3 years, coupled with the fact that there are other business entities that are using similar bottles but have not been made Defendants in this matter, there will be more harm to the Defendants if the injunction is granted than to the Claimant if the injunction is discharged.

19. Hence the balancing tilts in favour of lifting the injunction. I therefore discharge the injunction granted on 20<sup>th</sup> February, 2023.

20. As costs follow the event, costs are awarded to the Defendants.

Made in Chambers this 10<sup>th</sup> May, 2023



Gloria Alinafe Namonde

**JUDGE**