



Nairobi Beauty World Limited v Sime Darby Oils Professional SDN. BHD (Civil Appeal E204 of 2021) [2023] KEHC 398 (KLR) (Civ) (24 January 2023) (Ruling)

Neutral citation: [2023] KEHC 398 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI LAW COURTS)**

CIVIL

CIVIL APPEAL E204 OF 2021

CW MEOLI, J

JANUARY 24, 2023

BETWEEN

NAIROBI BEAUTY WORLD LIMITED APPLICANT

AND

SIME DARBY OILS PROFESSIONAL SDN. BHD RESPONDENT

RULING

1. Nairobi Beauty World Ltd (hereafter the Applicant) by the amended motion dated 13.10.2021 seeks inter alia an order to stay execution of the ruling of the Assistant Registrar of Trademarks in Trademarks Application No. 72138 pending the hearing and determination of the appeal herein; leave to regularize the appeal by substituting the memorandum of appeal with a substantive notice of motion; and in the alternative and without prejudice to the foregoing, leave to institute an appeal out of time. The motion is expressed to be brought inter alia under Section 51 & 52 of the Trademarks Act and Order 42 Rule 6 of the Civil Procedure Rules (CPR).
2. The motion is premised on the grounds on the face of the motion as amplified in the supporting affidavits dated 16.04.2021 and 13.10.2021 by Abdirahman A. Hassan, who describes himself as a director of the Applicant, duly authorized and therefore competent to depose. The gist of the affidavits is that the Assistant Registrar of Trademarks (hereafter the Registrar) by the impugned ruling expunged the Applicant's Trademark No. KE/T/2011/72138 "C.B.C Pure White Coconut Oil" (Words and Devices) duly registered on 08.08.2011 from the Trademark Register. That the Applicant has been using the above name for trading purposes since its registration and supplying products within East Africa where it has built a strong brand based on the due and legal registration by the Kenya Industrial and Property Institute (KIPI) in 2011. Hence, the expungement is extremely prejudicial to the Applicant occasioning it loss, both financially and of the good will acquired over the said period.



3. The deponent states that the Applicant has a good and arguable appeal with an overwhelming chance of success as it raises issues of general public importance. Further that Sime Darby Oils Professional SDN BHD (hereafter the Respondent) has in the past directly and through proxies frustrated the Applicant's operations by litigation, including the ongoing High Court Judicial Review No. 226 of 2019 filed by a company known as Coconut Best Limited challenging the use of Trademark No. KE/T/2011/72138 and Miscellaneous Application No. 492 of 2019. That the Applicant is bound to suffer substantial loss and irreparable damage if stay is not granted as the Applicant's brand and goodwill acquired through painstaking labour and diligent promotion throughout the Kenyan market and founded on the strength of KIPIT's registration of trademarks, is now at risk. And that the Applicant's business risks being destabilized through harassment by the Respondent, the anti-counterfeit agency at the behest of the Respondent; and that some agents of the anti-counterfeit agency have already visited the Applicant's premises to make enquiries on the status of the disputed trademark.
4. He further deposes that the Applicant will suffer substantial loss if required to halt its trading as packaging material in stock will be wasted, employees of the Applicant would lose their jobs, the Applicant will be unable to settle its rent, machinery and distribution bills and worse, the Applicant will be unable to recover the eroded goodwill. That though the two trademarks in dispute have co-existed in the Kenyan market for at least ten years there has never been any confusion and therefore the Respondent will not suffer any prejudice if the motion herein is allowed.
5. He asserts that the appeal was filed timeously and that inadvertent delay in filing the motion for stay pending appeal was on account of indisposition of counsel and ought not to be visited on the innocent Applicant. That it is in the interest of justice the motion be allowed and the Applicant is willing to abide by any orders the court may impose pending the hearing and determination of the appeal.
6. The Respondent opposes the motion through a replying affidavit and further affidavit (ideally a supplementary affidavit) dated 28.05.2021 and 07.03.2022 respectively, sworn by Abdulkadir Warsame, described as the Kenyan Sales Representative of the Respondent thus duly authorized and competent to swear. He deposes that the Respondent is a company operating under the Laws of Singapore of 255 Jalan Boon Lay, Singapore 619524 ; that the Respondent developed and started using the trade mark "C.B.C Brand" (Words and Devices) in 1988; that the Respondent has been dealing in coconut oil products under the said trade mark in the Arab States of the Arabian Gulf, in East and Central Africa including Kenya where the trade mark was registered twenty-six years (26) ago with respect to certain goods in Class 29, including coconut edible oils; and that the Respondent is therefore the registered owner of the trade mark "C.B.C Brand" (Words and Devices)" Trade Mark Number 41399 in Class 29 which ownership was confirmed by the Assistant Registrar of Trademarks in the ruling delivered on 09.04.2021. He asserts that the Respondent has vigorously marketed and promoted the said trade mark in Kenya thereby acquiring immeasurable goodwill and recognition in the Kenyan market.
7. He goes on to contend that the Applicant's motion is fatally defective on grounds that the mandatory requirement on service of the motion for appeal under section 50 (6) of the *Trade Marks Act* and Rule 118 of the Trade Marks Rules has not been complied with; that failure to serve the Registrar of Trademarks renders the motion fundamentally defective; that by dint of the nature of orders being sought the Registrar of Trademarks ought to have been enjoined to the instant proceedings; that the order of stay can only be implemented by the Registrar of Trademarks who is not a party to the proceedings; that the motion is further fundamentally defective due to the Applicants' non-compliance with Rule 117 of the Trade Marks Rules stipulating that an appeal from the Registrar's decision be filed within 60 days; and moreover, that a party aggrieved by the decision of the Registrar



- ought to move the High Court by way of notice of motion and not a memorandum of appeal meanwhile.
8. The deponent further pleads that should the court be persuaded to grant stay; it should issue directions to expedite the appeal and require security by way stopping the Applicant from using the trademark. That the Applicant's motion has failed to meet the prerequisite conditions on stay, whereas the orders sought, if granted, will prejudice the Respondent on account of the invaluable investment in the product in question. Further taking issue with the amended motion he asserts that it seeks to introduce new material facts that were never pleaded before the tribunal. He urged the court to dismiss the application.
 9. The motion was canvassed by way of written submissions. Counsel for the Applicant in urging the prayer for stay of execution pending appeal anchored his submissions on the provisions of Order 42 Rule 6(2) of the CPR, the decisions in *Butt v Rent Restriction Tribunal* [1979] eKLR, *Kenya Shell v Kibiru & Another* [1986] KLR 410, *Nduhiu v Warugongo* [1988] 2 KAR and *Kiambu Civil Appeal No. 2 of 2019 JMK v KK & LNK* on the principles governing the grant of stay pending appeal. Reiterating the affidavit material and that the subject matter of the intended appeal is the order of the Registrar of Trademarks ordering expungement of the trademark of the Applicant, counsel asserted that if the said order is implemented the subject matter of the appeal will have dissipated rendering the appeal nugatory.
 10. Further, counsel cited the provisions of Section 2 of the [Anti-counterfeit Act](#) and the decision in *Nairobi Civil Appeal No. E092 of 2021, Kenafric Matches Limited v Match Masters Limited & Another* (unreported) to contend that the Anti-counterfeit Authority has threatened action regarding the Trademark which will destroy the Applicant's good will in the market. Counsel emphasized that the Applicant has a good and arguable appeal and that the motion was filed timeously. Concerning provision of security, it was argued that since the impugned decree is not a monetary decree, it is unnecessary to require security from the Applicant for the performance of the orders of the Registrar.
 11. Submitting on the prayer for leave to file an appeal out of time, counsel relied on the provisions of Section 36 & 37 of the Trademark Act, Rule 117 of the Trade Marks Rules to contend that procedural non-compliance in filing an appeal was due to the mistake of previous counsel on record which omission should not be visited on the Applicant and that leave to regularize the appeal filed out of time ought to be granted. That the Respondent will not thereby be prejudiced as the court is yet to give directions on the appeal. He urged the court to allow the motion in the interest of justice.
 12. Counsel for the Respondent raised a preliminary point on the prayer for stay of execution. He argued that the instant motion is defective on several fronts. First, that the Applicant had failed to comply with the mandatory requirements of Section 50 of the Trademarks Act, Rule 117 and 118 of the Trade Marks Rules though seeking relief relating to rectification of the register; secondly, that the Applicant failed to take up essential steps in the appeal by promptly seeking proceedings from the Registrar to ensure the appeal was filed within 60 days; and finally that the rules provide that any person aggrieved by a decision of the Registrar of Trademarks ought to move the High Court by way of notice of motion, and not a memorandum of appeal. Counsel submitted that there is no provision in law that permits a party to regularize an appeal by substitution of a substantive motion in place of a memorandum of appeal.
 13. Arguing that the Applicant was guilty of infringing upon the reputation and goodwill built over 30 years around the Respondent's trademark, and calling to aid the decision in *Tassam Logistics Ltd v David Macharia & Another* [2018] eKLR (as cited in *AAL v HAS* [2020] eKLR), the Respondent stated that the Applicant cannot assert substantial loss based on the reputation built



by the Respondent. Hence the Respondent contended that the Applicant has failed to demonstrate substantial loss. Counsel contended that there was inordinate delay in filing the instant motion.

14. Counsel relied on Section 15 (1) & 35 (1) of the Trademarks Act and the decision *National Bell Co. & Anor v Metal Goods Mfg. Co (P) Ltd & Anor (1970)* to argue that the prayer for stay of execution is not well intentioned as it would effectively allow the Appellant to continue the illegal use of the disputed trademark. Moreover, that the mandatory requirement for service of proceedings on the Registrar Trade Marks, is based on the fact that orders as sought herein can only be enforced by the said Registrar, in this case not enjoined as a party.
15. Counsel relied on the decisions in *Wanga & Co Advocates v Pan Africa Insurance Co. Ltd*, Civil Appeal No. 78 of 2009 (unreported) as cited with approval in *Otieno Ragot & Company Advocates v National Bank of Kenya Limited* [2020] eKLR, and *Dharamagha Patel & Another v TA (minor suing through the mother and next friend HH)* [2021] eKLR to submit that the Applicant’s appeal portends prejudice to the Respondent as it introduces new issues that were not canvassed before the Registrar of Trademarks. Concerning the arguability of the appeal, counsel relied on the decision in *Union Co. of Kenya v Ramzan Abdul Dhanji*, Civil Application No. Nai. 179 of 1998 as cited in *Nancy Musili v Joyce Mbete Katisi* [2018] eKLR and *Mbogo v Shah* [1968] EA 93 as cited in *Parliamentary Service Commission v Martin Nyaga Wambora & Others* [2018] eKLR to submit that the appeal herein is not arguable.
16. Addressing the question of leave to appeal out of time counsel called to aid the of-cited decision of *Nicholas Kiptoo Arap Korir Salat* to assert that there has been indolence on the part of the Applicant and no reasonable explanation proffered for the delay in filing the amended motion dated 13.10.2021 regarding a ruling delivered on 09.04.2021. The court was urged to dismiss the motion.
17. The Court has considered the rival affidavit material and submissions made in respect of the motion. As a preliminary issue, the court must determine the competency of the appeal and motion before it before considering the merits of the latter. By his replying affidavit, the Respondent raised the objection that the appeal and instant motion are defective on the grounds stated therein.
18. To contextualize the preliminary issue raised by the Respondent this court has revisited the ruling of the Assistant Registrar of Trademarks. In the ruling delivered by the Assistant Registrar of Trademarks in Trademarks Application No. 72138 – In the matter of Trade Mark Application No. 72138 in the name of Nairobi Beauty World Limited and Expungement proceedings thereto by SME Darby Oils Professional SDN BHD, the Registrar pronounced herself as follows in her final orders; -

“For the above-mentioned reasons and on a balance of probabilities, I conclude as follows-

- a. The Applicants have succeeded in these expungement proceedings;
- b. I hold that the Proprietors’ trade mark no. KE/T/2011/72138 “C.B.C Pure White Coconut Oil” (words And Devices) was entered in the Register of Trade marks without sufficient cause and in error since the proprietors were not entitled to the mark as required by law; and
- c. The Register of Trade Marks is hereby rectified by expunging trade mark no. KE/T/2011/72138 “C.B.C Pure White Coconut Oil” (words And Devices) from the Register under the provisions of Section 35 (1) of the *Trade Marks Act.*” (sic)



19. Aggrieved by the foregoing pronouncement the Applicant filed an appeal by way of memorandum of appeal dated 16.04.2021, followed by the motion dated 16.04.2021 and which was amended on 13.10.2021. Rule 117 of the Trade Marks Rules is couched in mandatory terms and provides that: -

“When a person intends to appeal to the court, the appeal shall be made by motion in the usual way, and no such appeal shall be entertained unless notice of motion is given within sixty days from the date of the decision appealed against or within such further time as the Registrar shall allow.”

20. Rule 118 is couched in the same tenor. It provides that:-

“Every application to the court under the Act shall be served on the Registrar.”

21. Clearly, the memorandum of appeal dated 16.04.2021 does not take the form prescribed by Rule 117 of the Trademarks Rules. Hence the prayer seeking to regularize the appeal contained in the amended motion dated 13.10.2021. The defect is therefore readily admitted by the Applicant and blamed on the erstwhile counsel for the Applicant, and the court urged not to visit the said omission on the innocent party. The Respondent took the position that no provision in law permits a party to regularize an appeal by substituting the memorandum of appeal with a substantive motion. I tend to agree with the Respondent. This is not a case where the memorandum of appeal can be regularized by amendment because what is required for compliance with Rule 117 of the Trademarks Rules is a completely different pleading in the form of a notice of motion.

22. The Supreme Court in *Moses Mwicigi and 14 Others vs Independent Electoral and Boundaries Commission and 5 Others* [2016] eKLR while addressing itself on the purpose of rules of procedure expressed itself in part as follows: -

“65. This court has on a number of occasions remarked upon the importance of rules of procedure, in the conduct of litigation. In many cases, procedure is so clearly intertwined with the substance of a case, that it befits not the attribute of mere technicality. The conventional wisdom, indeed, is that procedure is the handmaiden of justice. Where a procedural motion bears the very ingredients of just determination, and yet it is overlooked by a litigant, the Court would not hesitate to declare the attendant pleadings incompetent.”

23. The purported appeal before the court is therefore defective and cannot properly found a basis for the prayer for stay of execution. In other words, the prayer for stay lacks an anchor. The Court of Appeal in *Scope Telematics International Sales Limited v Stoic Company Limited & another* [2017] eKLR while addressing itself to the question of compliance with procedural propriety stated: -

“The Judge in his determination held that the fact that the application was not anchored on a suit did not render it fatal so as to deny the 1st respondent the right to seek an interim relief. The Judge was of the view that in some instances a party could be allowed to file a miscellaneous application without the basis of a suit where such a party was not seeking to enforce any rights or obligations and where there was no action being enforced or tried like in the present case. The Judge relied on the case of *Joseph Kibowen Chemjor v William C. Kiseru* [2013] eKLR where it was held that in some instances, the court would be asked to exercise its discretion on procedural issues, for example, when a party was seeking leave to institute suit out of time or leave to commence judicial review proceedings. In our view, that authority was inapplicable and clearly distinguishable in the circumstances of this case since it dealt with the filling of a miscellaneous applications, which is a form of initiating a suit



that is permitted by the [Civil Procedure Act](#), and the rules made there-under, more so where no procedure is provided. In the present case, a procedure is provided for, which is that the application be mounted upon a suit.

It must be borne in mind that the substantive provision that the 1st respondent invoked was Section 7 of the Act. The 1st respondent was seeking an interim measure of protection pending arbitration. The procedure applicable in such circumstances is clearly spelt out by Rule 2 of the Arbitration Rules, 1997. Suffice it to say, that the rule is couched in mandatory terms. Our jurisprudence reflects the position that where there is a clear procedure for the redress of any particular grievance prescribed by [the Constitution](#) or Statute, that procedure should be strictly followed (See Speaker of National Assembly vs. Njenga Karume [2008] 1 KLR 425). The 1st respondent did not proffer any reason or excuse for its failure to premise its application upon a suit as was required by the rules. It however sought to rely on Article 159 of [the Constitution](#) for the proposition that justice is to be administered without undue regard to technicalities. That Article also provides that alternative forms of dispute resolution mechanisms like arbitration should be promoted by the courts. There are however many decided cases to the effect that Article 159 of [the Constitution](#) should not be seen as a panacea to cure all manner of indiscretions relating to procedure (See Nicholas Kiptoo Arap Korir Salat v IEBC & 6 Ors [2010] eKLR;

Dishon Ochieng v SDA Church, Kodiaga (2012) eKLR; Hunter Trading Company Ltd v Elf Oil Kenya Limited, Civil Application No. NAI. 6 of 2010). Despite the foregoing, the court still went ahead to exercise its discretion in favour of the 1st respondent by invoking that Article, the overriding objective under the [Civil Procedure Act](#), and the interests of justice, to hold that failure to anchor the application on a suit did not render the application fatal or incurably bad. The manner of initiating a suit cannot be termed as a mere case of technicality. It is the basis of jurisdiction. Obviously, in overlooking a statutory imperative and the above authorities, the learned Judge cannot be said to have exercised his discretion properly. There can be no other interpretation of Rule 2. The application should have been anchored on a suit. It was not about what prejudice the appellant or and 2nd respondent would suffer or what purpose the suit would have served. Discretion cannot be used to override a mandatory statutory provision. For these reasons, we are in agreement with the submissions of the appellant that the application was fatally and incurably defective”..... (sic).

24. Similarly, it appears that there was no attempt by the Applicant to comply with the provisions of Section 118 of the Trade Marks Rules. The Applicant by his purported appeal was seeking the setting aside of the ruling of the Assistant Registrar of Trademarks effectively rectifying the Register of Trade Marks in the Respondent’s favour. Section 50 (1) and (2) of the [Trade Marks Act](#) provides that;-
- (1) In any legal proceeding in which the relief sought includes alteration or rectification of the register, the Registrar shall have the right to appear and be heard, and shall appear if so directed by the court.
 - (2) Unless otherwise directed by the court, the Registrar in lieu of appearing and being heard may submit to the court a statement in writing signed by him, giving particulars of the proceedings before him in relation to the matter in issue or of the grounds of any decision given by him affecting it or of the practice of the office of the Registrar in similar cases or of such other matters relevant to the issues, and within his knowledge as Registrar, as he thinks fit, and the statement shall be deemed to form part of the evidence in the proceeding.”



25. Given the nature of the dispute between the parties herein, the participation of the Registrar of Trademarks appears necessary. Besides, Rule 118 of the Trade Marks Rules makes it mandatory for the Applicant to serve process such as the appeal herein upon the Registrar, who may also be enjoined as a party to the proceedings. Undeniably, the Registrar was not served with the instant proceedings. Neither was he enjoined as a party. Thus, the appeal herein is characterized by serious procedural missteps and to my mind no express provision provides a means of salvage; certainly, substitution of pleadings in toto as sought by the Applicant appears novel and without legal premise.
26. That said, the Applicant's undoubted right of appeal is not to be casually trammled. See *Vishva Stone Suppliers Company Limited v RSR Stone (2006) Limited* (2020) eKLR. And although this is not a classic case of an application for leave to appeal out of time, the obtaining circumstances and explanation by the Applicant bring the case within the principles set out in *Thuita Mwangi v Kenya Airways* [2003] eKLR, where the Court of Appeal reiterated its decision in *Mutiso v Mwangi* [1997] KLR 630 as follows:

“It is now well settled that the decision whether or not to extend the time for appealing is essentially discretionary. It is also well settled that general the matters which this court takes into account in deciding whether to grant an extension of time are; first, the length of delay; secondly, the reason for the delay; thirdly (possibly) the chances of appeal succeeding if the application is granted; and fourthly, the degree of prejudice to the Respondent of the application is granted.”

See also *Nicholas Kiptoo Korir Arap Salat v IEBC and 7 Others* [2014] eKLR.

27. The Applicant purported to file an appeal on time, but it has been found to be defective. *Stricto sensu*, it is as though no valid appeal was ever filed. The decision of the Registrar was given on 9th April 2021, and the purported appeal filed a few days later by the Applicant's previous advocates. However, it took another two months for the new counsel instructed by the Applicant soon after, to identify the need for amendment of the memorandum of appeal. The new counsel however subsequently fell ill, and the amended motion was not filed until October 2021.
28. Further, reviewing the matters raised in the affidavit supporting the amended motion, the Court is of the view that the proposed appeal raises serious issues worthy of the Court's consideration. See *Vishva Stone Suppliers Company Limited* (*supra*) as to what constitutes an arguable appeal. At the appropriate time, the Respondent will have the opportunity to challenge any of the new issues therein which it says were not canvassed before the Registrar, thus will not be prejudiced. Moreover, it will not be unduly prejudiced if the Applicant is allowed to file a proper appeal as an award of costs would be adequate compensation.
29. Without a doubt, blunders were made in this matter. However, as Apaloo, J.A. (as he then was) famously stated in *Phillip Kiptoo Chemwolo and & Anor. v Augustine Kubede* (1986) eKLR:-

“I think a distinguished equity judge has said:

“Blunders will continue to be made from time to time and it does not follow that because a mistake has been made that a party should suffer the penalty of not having his case determined on its merit.”

I think the broad equity approach to this matter is that unless there is fraud or intention to overreach, there is no error or default that cannot be put right by payment of costs. The



court, as is often said, exists for the purpose of deciding the rights of parties and not for the purpose of imposing discipline....”

30. Considering all the foregoing, and in the furtherance of the interests of justice, the Court is persuaded to make the following orders: -
- a. The defective memorandum of appeal dated 16th April 2021 is hereby deemed as abandoned, with costs to the Respondent;
 - b. Prayer 4 of the amended motion dated 13th October 2021 does not lie in light of (a) above;
 - c. Prayer 4A of the amended motion similarly fails;
 - d. Prayer 4B of the amended motion is allowed. An appeal in compliance with the Trade Marks Rules is to be filed within 10 (ten) days of this ruling;
 - e. To obviate confusion, the appeal anticipated in (d) above is to be filed as a fresh matter and not in the present cause which for all intents stands spent;
 - f. The costs of the amended motion are awarded to the Respondent in any event.

DELIVERED AND SIGNED ELECTRONICALLY AT NAIROBI ON THIS 24TH DAY OF JANUARY 2023.

C.MEOLI

JUDGE

In the presence of:

For the Applicant:

For the Respondent:

C/A: Carol

