



**Lesaffre at Compagnie v Al Mahra Industries Ltd (Civil Appeal E593 of 2022)
[2023] KEHC 21294 (KLR) (Commercial and Tax) (28 July 2023) (Judgment)**

Neutral citation: [2023] KEHC 21294 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)
COMMERCIAL AND TAX
CIVIL APPEAL E593 OF 2022
FG MUGAMBI, J
JULY 28, 2023**

BETWEEN

LESAFFRE AT COMPAGNIE APPELLANT

AND

AL MAHRA INDUSTRIES LTD RESPONDENT

(Being an appeal from the decision dated 19th April 2022 by the Assistant Registrar of Trade Marks in the matter of trade mark registration no. 53339 PASHA in class 30 in the name of AL MAHRA INDUSTRIES CO. LTD and expungement proceedings thereto by LESAFFRE AT COMPAGNIE)

JUDGMENT

Brief Facts

1. The appellant is a company registered under the laws of France while the respondent is a company incorporated in Kenya. The appellant filed the appeal before this court on 17th August 2022 under Section 21 of the Trademarks Act (the Act) and rule 117 of the Trade Mark Rules (the Rules). It arises from the ruling and decision of the Assistant Registrar of trade marks in which the Assistant Registrar dismissed the appellant's application for expungement of Trade Mark Registration Number 53339 PASHA under class 30 in the name of the respondent from the record.
2. Aggrieved by the said decision, the appellant filed this appeal seeking to set aside the said decision and also seeking to have the Certificate issued to the respondent cancelled. The appellant further sought the costs of this appeal and the costs of the proceedings before the Assistant Registrar. The application is premised on the grounds on the face of it, the supporting affidavit sworn by Corinne Wisniewski on 8th August 2022 and the submissions dated 14th February 2023.



3. There are ten (10) grounds of appeal captured by the appellant. The gist of the appeal is the proprietorship of the trade mark 'PASHA' as between the appellant and the respondent. I do not intend to regurgitate the submissions and pleadings filed by the parties, which I have carefully considered. I shall instead refer to them to clarify or emphasize specific points.

Analysis

4. In dealing with the grounds raised and competing submissions and authorities by the parties, I am cognisant that the appellate jurisdiction of this Court from the decision of the Assistant Registrar is sanctioned by section 21(6) to 21(10) of the Act. Section 52 of the Act in turn provides for the latitude that this Court enjoys in an appeal from the Assistant Registrar. This Court is sanctioned to exercise the same discretionary powers as are conferred upon the Assistant Registrar. I however remain cognisant of the fact that the Assistant Registrar is a specialized quasi-judicial Tribunal, and the call for the Court to grant some deference to the Assistant Registrar's decision unless there is a compelling cause to depart.
5. In this regard the Singapore decision in *Future Enterprises Pte Ltd V. McDonald's Corp*, [2007] 2 SLR-845; 2007 SGEA is relevant and particularly the observation of the Court that:

“We agree with the approach that an appellate court should not disturb the findings of fact of a trade mark tribunal unless there is a material error of principle.”
6. From the pleadings before me, the gist of the appeal rests on the following issues:

Whether the appellant is an aggrieved person under the Act.

7. This question is particularly important because under sections 29 and 35 of the Act, the only person who can apply to have the register rectified is someone aggrieved by an entry made in the register kept under the Act. The Act bears no definition of 'aggrieved person'. In the circumstances, I turn to the online Black's Law Dictionary which defines an aggrieved person as a person who feels he has been treated wrongly in a court action with their legal rights damaged.
8. The definition is further elaborated in *Kerly's Law of Trade Marks and Trade Names* (11th Edition) that:

“The persons who are aggrieved are, it is held, all persons who are in some way or other substantially interested in having the trade mark removed – where it is a question of removal – from the Register; including all persons who would be substantially damaged if the trade mark remained, and all trade rivals over whom an advantage was gained by a trader who was getting the benefit of a registered trade mark to which he was not entitled.”
9. The question that one must answer in the present case is whether a person, either a corporate or non-corporate entity which claims to be the true owner of an unregistered trade mark can bring proceedings under sections 29 and 35 of the Act against someone who has claimed it as his own and registered it beforehand. Is such a claimant an aggrieved person?
10. This court has previously held that the statutory phrase 'aggrieved person' as commonly used is a question of fact. The test for an aggrieved person is whether a party has sufficient and justifiable interest to bring forward a claim under both section 29 and 35 of the Act. This court has further stated that these are words of wide import and should not be subjected to a conservative and restrictive interpretation.



11. There are extensive judicial pronouncements, from within and without our jurisdiction, in support of this position. For instance, Lord Pearce in his speech in *Daiguiru Rum Trade Trade Mark*, [1969] RPC 600, 615 stated as follows:

“In my opinion, the words were intended by the Act to cover all trade rivals over whom an advantage was gained by a trader who was getting the benefit of a registered trade mark to which he was not entitled. If an erroneous entry [in the register] gives to his rival a statutory trade advantage which he was not intended to have, any trader whose business is, or will probably be affected thereby is “aggrieved” and entitled to ask that the error should be corrected.”

12. Moreover, the Court of Appeal in *Saudia Arabian Airlines Corporation V Saudia Kenya Enterprises Limited* [1986] eKLR delved further into an analysis of the definition of an aggrieved person from English decisions and came up with the following guiding principles:

- i. no exact exhaustive definition is possible;
- ii. reasons of public policy make it undesirable to narrow unduly the definition because it is a public mischief that there should be on the register a trade mark that should not be there;
- iii. common informers and strangers or officious interferers are excluded because they have no interest at all in the register being correct;
- iv. anyone in the same trade and dealing in the same articles as one who has wrongfully registered a trade trade mark is prima facie an aggrieved person;
- v. someone who lacks a trading interest in the goods covered by the registered trade mark is not one
- vi. if the applicant’s business is based abroad the case should be judged on its merits:
- vii. anyone in the same trade who can show he wishes to trade in the same articles and would be hampered or impeded in his business or developing it by the existence of the registration of that trade mark is one;
- viii. any trader is an aggrieved person if the registration of the trade mark restrains what would otherwise have been his legal rights;
- ix. each case depends on its own facts; and
- x. the circumstances of a case may show that an applicant is not aggrieved.

13. In the present case, it is clear that the appellant is substantially interested in having the respondent’s trade mark removed from the register. This is because the appellant’s interest risks being defeated if the trade mark remains. The parties rival each other as their businesses deal in the same product. It matters not whether the claim by the appellant is meritorious or not. That is a question to be determined substantively. But for all intents and purposes, I have no difficulty in finding that the appellant qualifies as an aggrieved person for purposes of section 29 and 35(1) of the Act.

Who between the appellant and the respondent has a better legal claim over the trade mark ‘PASHA’ in Kenya?

14. Herein lies the crust of this dispute. As the Assistant Registrar notes in her ruling, both parties lay claim to the trade mark. The entry of both trade marks in the register would be in contravention of sections



- 14 and 15(1) of the Act. Under section 7(1), a valid registration based on the use of the mark or an intention to use the trade mark in Kenya guarantees a proprietor the exclusive right to the use of the trade mark in relation to goods or provision of services.
15. The appellant's claim over the trade mark 'PASHA' is based on an assignment of the ownership and rights over the trade mark by its predecessor, a Turkish company known as Amkaya, in 2010. This company was the proprietor of the trade mark having been first registered in Turkey in 1998. Arising from this assignment, the appellant submits that it is the true proprietor of the trade mark in various jurisdictions around the world including Tanzania, a fact that was known to the respondents.
 16. The respondent's claim of ownership on the other hand is based on the fact that it has extensively used and promoted the trade mark in Kenya and the world and that it is a well-known trade mark that is associated with the respondent. The evidence produced by the respondent indicates that its trade mark rights were assigned to it, by its predecessor, Akaba Investment Ltd, on 21st December 2012.
 17. Based on the rival arguments by the parties, the real dispute is as to who has a better claim over the mark. Since only one of the two can be registered as the proprietor of the mark, it follows that the first user of the trade mark in Kenya, automatically gets a better title over the trade mark. I must note that the Deputy Registrar correctly analyzed this fact and I do concur that the process of registration is a territorial concept, it is also true that the real question is whether there had been prior use of the trade mark before 27th July 2002 when the mark was first registered in Kenya by Akaba Investments Limited, who claim to have used the trade mark in Kenya since the year 2000.
 18. While the Act does not contain a definition of what entails "use of a trade mark", the Halsbury's Laws of England, Vol. 48 at paragraphs 84 and 85 summarizes this to include affixing a trade mark to goods or the packaging thereof, offering or exposing goods for sale, putting them on the trade market or stocking them for those purposes under the sign, importing or exporting goods under the sign and using the sign on business papers or in advertising. (See also *L.G. Harris & Company Limited V L.G. Harris & Co. (East Africa) Limited* [2010] eKLR).
 19. To determine who has a better claim, this Court is in other words called upon to consider the priority in terms of use of the mark, as between the parties before 29th July 2002. The Assistant Registrar correctly considered and addressed herself to the decision in *Lacoste v Crocodile International PTE Limited CIV 2009-485 2536*, which this court concurs with to the effect that where proprietorship of a registered trade mark is challenged, the registered owner of the trade mark must show that the trade mark had not been used previously by another person and that the registered proprietor had used the trade mark in the relevant jurisdiction.
 20. The appellants have also referred this Court to the case of *Sengoku Works Limited v RMC International Limited (1996)* where it was again confirmed that the standard test of ownership of a mark was priority. The Court further clarified that it was not enough to be the first to invent or register the mark, but that evidence of use of the mark in goods and services was paramount.
 21. Having so stated, I now turn to the evidence on record. The appellant has provided a tabulated summary of sales of the yeast branded PASHA in Kenya for the years 2011, 2012, 2013, 2014 and 2015. The appellant has further attached shipment advices, packaging lists, bills of lading and health certificates. My concern with this evidence is twofold. First of all, the figures of the alleged sales are not substantiated. Secondly, the total documentation shows that the product sold by the appellant originates from Turkey. Beyond that, none of these documents shows the entry or sale of the yeast in the Kenyan market.



22. This Court has previously held in *Sony Corporation v Sony Holding Limited*, [2018] eKLR (Tuiyott, J as he then was) that evidence of use must be substantiated. Having looked at the evidence in totality, I concur with the Assistant Registrar that the appellants have not met the threshold for prove of extensive use of the trade mark in Kenya.
23. The evidence produced by the respondent consists of import and export declaration forms of yeast to Kenya, export health certificates, bills of lading, tax payment receipts to the Kenya Revenue Authority, import declaration forms and packaging lists. These are provided as evidence of importation of the branded yeast to Kenya by the respondent as early as the year 2000 when the respondent claims that it was using the trade mark. There are also copies of dispatch orders and invoices to various stores and customer outlets, including Naivas Supermarket, Nakumatt Supermarket and Uchumi Supermarket, all of which are local franchises in Kenya.
24. The respondent has produced photos of the packaging of the yeast in the brand name. No further evidence has been provided to substantiate the claim that the respondent had promoted and advertised the brand in the locality. Be that as it may, in my view, the importation of the yeast, repackaging and/or sale of the yeast in Kenya is sufficient evidence that there was use of the brand in Kenya by the respondent.
25. From the evidence before this court, I would come to no better conclusion than that of the Assistant Registrar and agree with the finding that ‘while the proprietors have filed evidence to indicate that they used the trade mark in Kenya since the year 2000, that is prior to 29th July 2002, the relevant date in these proceedings, the applicants did not file any evidence to prove that they have ever used or promoted their brand in Kenya.
26. The second limb of the argument is tied to the averment by the appellant that the trade mark had attained the status of a well-known trade mark in Kenya. This Court needs to determine whether the appellant had established that their trade mark enjoyed the goodwill within the Kenyan locality for purposes of succeeding in an action for protection under section 15A(1) of the Act. Such protection would be accorded based on the distinctiveness, trust and reputation that had been invested into the trade mark so that a customer only needed to see the brand and associate it with the appellant and with certain standards and expectations of quality. Section 15A(1) of the Act provides that:
- “References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO Agreement as a well-known trade mark, are to a trade mark which is well known in Kenya as being the trade mark of a person who—
- (a) is a national of a convention country; or
- (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not that person carries on business or has any goodwill in Kenya.”
27. The appellant was required to discharge the burden of proof according to the standards laid out in *Sony Corporation v Sony Holding Limited* [2018] eKLR where this Court held that:
- “A person asserting well-knownness of a trade mark bears the responsibility of submitting information (evidence) in respect to factors from which the competent authority may infer that the trade mark is indeed well known. This is not left to the perception or personal inclination of the competent authority.”



28. Drawing from the Sony decision *supra*, the appellant, in discharging this burden, ought to have placed before this Court, evidence of promotion of the trade mark that would render it to be deemed to be a well-known trade mark in Kenya, or evidence to prove accessibility of the branded yeast and sales figures in the local trade market to back this averment.
29. In the absence of this evidence, and applying the parameters set out in the WIPO guidelines, to which the Assistant Registrar referred, I too find great difficulty in holding that the appellant's trade marks were well known trade marks in Kenya. The bottom line is that to prove that a trade mark is well known, there must be evidence of knowledge of the appellant's trade marks in the minds of the consumers. This was not proved by the appellant.
30. The appellant further bases its claim over the assignment from an earlier owner of the mark. I must re-emphasize for the avoidance of doubt and in agreement with the tribunal that the date of registration of the mark by Amkaya in Turkey or the subsequent assignment to Dosumaya in 2010 are irrelevant to these proceedings because these refer to registration of the trade mark outside of Kenya.
31. Having so stated, I find that the respondent indeed acquired better claim to that of the respondent by virtue of earlier use and registration of the trade mark PASHA, in Kenya.

Whether the respondent obtained the registration of the trade mark fraudulently
32. I now turn to the final question. Although registration of a trade mark is conclusive as to validity after seven years, it may be challenged under section 16 of the Act if one can prove that it was obtained fraudulently. For the appellant to prove that there had been fraud in the registration of the trade mark by the respondent, it would need to prove that there was a knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment (see Black's Law Dictionary, 8th ed).
33. The appellant claims that the respondent's registration was done fraudulently because the respondent was not the genuine owner of the trade mark. It is the appellant's case that the respondent only sourced and imported goods which were already branded with the trade mark 'PASHA' from Belgium, Turkey and UAE, which had been supplied by the appellants in those jurisdictions and resold them in Kenya. This use, according to the appellant, did not give raise to trade mark use because the respondent knew that the appellant was the proprietor of the trade mark.
34. The basis of the claim by the respondent is that it promoted the brand and sold it in Kenya. The evidence on record indicates that the respondent had in fact sold the brand in Kenya since the year 2000. The appellant does not controvert this evidence save to state that the sale of the brand does not amount to use within the meaning of the Act and secondly that the alleged proprietorship by the respondent was null and void ab initio.
35. The case of *Alain Bernardin et Compagnie V Pavilion Properties Ltd*, [1967] RFC 581 bears some similarity to the present case in so far as it relates to a trade mark that was registered in a foreign country but being used in another local market and the rights of the parties. It related to a claim over a trade mark of a bar and cabaret in Paris known as the "Crazy Horse Saloon". The bar had been publicised in the United Kingdom for a period of sixteen years. The plaintiff, who was the proprietor in Paris unsuccessfully applied for an interlocutory injunction against the defendant in the UK on the grounds of passing off.



36. In my view, this case charters a way forward with respect to the current case. If indeed the respondent imported, sold and promoted the branded yeast, does this result to the appellant being the owner of the mark in Kenya? In the above case it was stated that:

“A trader cannot acquire goodwill in this country (UK) without some sort of user in this country. ... I do not think that the mere sending into this country by a foreign trader of advertisements advertising his establishment abroad could fairly be treated as user in this country”.

37. Likewise, I also draw inference from the case of *Athletes Foot Marketing Associates Inc v Cobra Sports Ltd and Another*, [1980] RPC 343 (Ch). Again, this is in so far as it relates to the question of rights between a foreign proprietor of a trade mark and another seeking to register a mark in a particular locality.

38. In this case, the plaintiffs carried on business in the United States of America and elsewhere, but not in Great Britain. A prospective franchisee had gone so far as to order branded goods and stationery with a view to establishing a chain of stores under the name “The Athlete's Foot” in Britain. It is important to note that no franchise contract had been concluded. An application for injunctive relief against a trader who sought to use the name in England on the grounds that the plaintiff was the registered proprietor of the trade mark in the United States was refused. The court (Walton J) held as follows:

“... as a matter of principle, no trader can complain of passing off against him in any territory ... in which he has no customers, nobody who is in a trade relation with him. This will normally shortly be expressed by saying that he does not carry on any trade in that particular country ... but the inwardness of it will be that he has no customers in that country: no people who buy his goods or make use of his services (as the case may be) there.”

39. The case of *Anheuser-Busch Inc V Budejovicky Budvar HP (trading as Budweiser Budvar Brewery) and Others*, [1984] FSR 413 (CA) also buttresses the point that where a trade mark is owned by a foreign business, there is nothing that stops a local business from registering a similar mark.

40. In my view, and as stated earlier, the fact that goods are purchased branded from a foreign business does not confer ownership of the trade mark in the local market to the foreign business without proper registration. That is the thread running through these authorities. For the appellant to claim ownership of the mark in Kenya, it must establish a connection with the local market attributed directly to its branded yeast and by itself here in Kenya and not through Turkey and other foreign countries.

41. For these reasons I therefore disagree with the submission by the appellant that if indeed the respondent was importing branded yeast from the appellant's foreign subsidiaries, that this necessarily pointed to fraudulent registration of the mark here in Kenya.

42. The fact that trade mark is a territorial concept has already been emphasized. This court concurs with the finding that even if a trade mark has been used extensively in a foreign country, this is not a bar to the registration by some other person. Jurisprudence to support this point was referred to, and from comparative jurisdictions. The appellant has given no reason as to why the Court should disregard these decisions.

43. From both decisions in *Victoria's Secrets Inc V Edgars Stores Ltd* as well as *Seven Up Company V OT Ltd* [1947] HCA 59, it follows that a person can become registered as a proprietor of a trade mark in Kenya even if the trade mark has been extensively used in a foreign country. In other words, the fact that the appellant's trade mark was registered in Turkey and other foreign countries does not imply that it



had complied with registration in Kenya. The justification for this is that the Kenyan public could not impute the trade mark to the appellant as there had been no previous use of the same by the appellant.

44. The submission that the trade mark in Kenya was associated with the appellant is not convincing to me. The appellant as I stated earlier was and is unknown to the Kenyan public. No evidence of goodwill or promotion or advertisement has been placed before the court to indicate that there was any awareness of the appellant by the Kenyan consumer.
45. The totality of this is that the Court finds no element of fraud on the registration of the trade mark PASHA by the respondent.

Determination and orders:

46. In conclusion therefore, I find that the appellant has not made out a case for expungement of the proprietor's name from the register. Accordingly, I find no merit in the appeal and the same is dismissed with costs.

DATE, SIGNED AND DELIVERED IN NAIROBI

THIS 28th DAY OF JULY 2023

F. MUGAMBI

JUDGE

Court Assistant: Ms. Lucy Wandiri.

