REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA

AT NAIROBI

CIVIL CASE NO. E001 OF 2021

PUMA SE.....PLAINTIFF

-VERSUS-

JOHN GITHENDUKA MACHARIA MBURU.....DEFENDANT

RULING

The Plaintiff moved this Court by way of Motion on Notice. The Application, which is dated 11th February 2021 seeks interalia, the following reliefs:

> **"Pending the hearing and determination of the suit filed herewith, the Defendant, his servants, agents, employees or any other person acting under his Instructions howsoever be and is hereby restrained by an order of injunction from importing, marketing, selling, manufacturing and in anyway whatsoever dealing with/in any counterfeit products and infringing on the Plaintiff's registered trademarks in any matter contrary to the rights of the Plaintiff in the registered PUMA trademarks.**
>
> **Costs of the Application be provided for."**

The Application is supported by the grounds on the face of it and by Affidavits in support and supplementary thereof of Neil Narriman, the General Counsel Intellectual Property of the Plaintiff. The Plaintiff contends that it is the sole proprietor of the PUMA (symbol), and the PUMA logo trademarks registered under trademark numbers 23826, 18005 and 23025 respectively under class 25 of the International Classification of Goods and services; articles of clothing including boots, shoes and slippers.

The Trade Marks were acquired in 1970, 1977 and 1976 respectively. It is contended that overtime, the Plaintiff has earned its reputation in Kenya. It came to the knowledge of the Plaintiff that the Defendant was engaged in the importation, distribution, sale and/or manufacture of counterfeit PUMA branded goods whose marks were so similar and deceptive as to pass off as those belonging to the Plaintiff. Accordingly, the Defendant's actions breach the provisions of **Section 7** of the **Trade Marks Act** Cap 506 Laws of Kenya.

It is averred that the continued actions of the Defendant are likely to injure the sale of the Plaintiff's products and affect its reputation owing to the inferior quality of products distributed by the Defendant in comparison to those of the Plaintiff. The Defendant was charged with possession in the course of trade counterfeit goods contrary to **Section 32 (a)** as read with **Section 35 (1) (a) and 35 (4)** of the **Anti-Counterfeit Act No. 13 of 2008** after 190 pairs of footwear imitating those of the Plaintiff were found in his possession and impounded on 19th June 2018.

The Plaintiff is apprehensive that following the dismissal of the criminal charges levelled against the Defendant, he is likely to sell the said counterfeit goods since no destruction order was issued. He will further continue to import, distribute, sell, manufacture or otherwise deal with the counterfeit goods detrimental to the Plaintiff.

In his Replying Affidavit, the Defendant deposes that he is not infringing on the Plaintiff's rights. The criminal charges leveled against him were dismissed. He obtains his goods from the open-air market and stalls in Nairobi and thus does not manufacture, import, distribute or sell any of the alleged PUMA counterfeit products. He prays that the Application be dismissed.

In brief rejoinder, the Plaintiff contends that the Defendant was indeed acquitted but the Court found that it was duly established that the 190 goods found in possession of the accused were counterfeit. The goods found in possession of the Defendant lacked labels and/or the required labels, had incorrect packaging, were of inferior quality and thus counterfeit. The actions of the Defendant are trademark infringement and he should not be vindicated. The Defendant is not the registered user or proprietor of the PUMA trademarks.

Parties were directed to file their respective written submissions. They later agreed that the court would dispose of the application on the

basis of the said written submission. This Court has considered the Application, the Supporting Affidavit and the Supplementary Affidavit. This Court has also considered the Replying Affidavit and the rival submissions of the parties. The pertinent prayer is for injunction against the Defendant restraining him from importing, marketing, selling, manufacturing, and in any way whatsoever from dealing with/in any counterfeit products and infringing on the Plaintiff's registered trademarks contrary to the Plaintiff's rights.

The Plaintiff invokes, *inter alia*, and pertinently, the provisions of **Section 7** of the **Trade Marks Act** Chapter 506 Laws of Kenya.

Relying on Section 7 (1), the Plaintiff contends that a proprietor of a trade mark has exclusive rights to the use of the trademark in relation to those goods and without prejudice to generality of the foregoing that right is infringed by any person neither a proprietor or having any right of permitted use, uses a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade.

In ***Acktiebolget Jonkeping – Vulcan Industrictsfabriksatebolag vs East African Match Company*** **[1964] EA 64** Udo Udoma CJ held thus;:

> **"As a general proposition of law, I think I am right in stating that the burden of satisfying the Court that there has been an infringement of its trade mark is on the plaintiff company. It is for the plaintiff company to prove that there is a resemblance between the two marks, and that such resemblance is deceptive. It is also a well-established principle of law that it is the duty of the judge to decide whether the trade mark complained of so nearly resemble the registered trade mark as to be likely to deceive or cause confusion in the minds of the public. From that duty the judge cannot abdicate."**

The Plaintiff further cited **Order 40 Rule 1** of the **Civil Procedure Rules** seeking injunctive reliefs. As established by the *locus classicus* authority of **Giella –vs- Cassman Brown (1973) E.A 358**, the Plaintiff must establish the following conditions precedent:

1. A prima facie case with a probability of success;

2. Demonstrate that he shall suffer irreparable harm that cannot adequately be compensated by an award of damages;

3. Where there is doubt, the Court will decide the Application on a balance of convenience

In **Colour Planet Limited v Safaricom Ltd & 2 others [2016] eKLR** the court held thus:

> **"It is evident from the fore stated cases that in order for the Court to consider an application for injunction, the principles as enunciated in Giella v Cassman Brown & Co. Ltd (1972) EA 358 are considered, as well as the provisions of the law under the Trade Marks Act. If it is shown and proven that the trade mark was registered for the exclusive use of the proprietor, then the Court would have to allow for an injunction to dissipate confusion in the minds of consumers and further, the eminent chaos that may arise."**

This Court shall now analyze the Application on the above limbs as hereunder:

a. Is the case merited with chances of success?

As to what constitutes a case with a probability of success, the Court of Appeal in ***Mrao Ltd v First American Bank of Kenya Limited and 2 Others*** **[2003] eKLR** explained that it is, *"**a case in which on the material presented to the Court, a tribunal properly directing itself will conclude that there exists a right which has apparently been infringed by the opposite party to call for an explanation or rebuttal from the latter."** It has further been held by Courts that the facts ought not to be so disputed as to warrant a full trial of the issues at hand as the same would amount to a miscarriage of justice if an injunction is granted in the interim.*

Undisputedly, the Plaintiff is the registered proprietor of PUMA (symbol), PUMA and trademarks registered under trade mark numbers 23826, 18005 and 23025 respectively under class 25 of the International Classification of Goods and services since 1970, 1977 and 1976 respectively. It is further not disputed that criminal charges were levelled against the Defendant. The Defendant was charged with possession in the course of trade in counterfeit goods contrary to **Section 32 (a)** as read with **Section 35 (1) (a)** and **35 (4) of the Anti-Counterfeit Act No. 13 of 2008** after 190 pairs of footwear imitating those of the Plaintiff were impounded on 19th June 2018 in **CM CR No 4282 of 2018; Republic –versus- John Githenduka Macharia Mburu**. He was acquitted of those charges. This Court observes the trial Court's findings at paragraph 28 where the Court essentially was satisfied that the exhibits, insofar as the Plaintiff's trademarks are concerned, were counterfeit.

The Plaintiff contends that the Defendant continues to engage in trademark infringement since no destruction order was issued on the 190 pairs of footwear to have been found counterfeited. The Plaintiff is further apprehensive that the Defendant shall continue to import, market, sell, manufacture and deal with/in any counterfeit products and infringing on the Plaintiff's registered trademarks. Antithetically, the Defendant submits that the Application is a non-starter. The thrust of the Application is to be found in the criminal charges, to wit, that he was acquitted. He further denies being involved in the manufacture, import, distribution or sale of any counterfeit products.

The Plaintiff established, prima facie, that its Trademarks were infringed by the Defendant when he marketed the footwear using the brand-name "PUMA". It was clear to the court that the use of the brand name "PUMA" was meant to portray to the world in general that the particular footwear was manufactured and sold by the Plaintiff. Indeed, the Plaintiff, Prima facie, established that the Defendant was passing off the said goods as that which was manufacture and marketed by the Plaintiff.

This Court observes that indeed the Plaintiff is the registered proprietor of the trademarks herein. A cursory perusal of the annexures attached

to the application shows the pictures of the counterfeited goods. The same is not controverted by the Defendant. The trial court found that the goods in possession of the Defendant were counterfeited and were further ordered released to the Defendant. Additionally, the Defendant is admittedly a trader. He is likely to trade in the products released to him. This Court is therefore satisfied that the Plaintiff has succeeded in this first limb.

b. Shall the Plaintiff suffer irreparable harm that cannot be compensated by award of damages?

The Plaintiff contends that its goodwill and reputation shall be vilified. It shall suffer irreparable loss that cannot be compensated by an award of damages. On the converse, the Defendant states that he is an entrepreneur and will be in a position to compensate the Plaintiff if it succeeds in the suit.

The Court in **Commissioner of Inland Revenue v Muller & Co. Margarine Ltd [1901] AC 217; [1900-1903] All ER 413**, defined goodwill. Lord MacNaghten reiterated that:

> **"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates."**

The Plaintiff's registered trademarks have been in existence since the 1970's in the Republic of Kenya. Indeed, it is a coveted brand that has established its presence in the world. The Defendant's goods are in the Court's view likely to diminish the Plaintiff's goodwill. To this end, the Court concurs with the ratio in **Havells India Limited & another v Songhong Freight Services Limited & another; Jie Xin Trading Limited (Interested Party) [2020] eKLR** where Majanja J held thus:

> **"I have no doubt that if the circuit breakers are released into the market, they are likely to cause the Plaintiffs' substantial and irreparable harm to its goodwill and reputation which may not be compensated by an award of damages. Since protection of trademark is a statutory, there is no need to prove actual damage as it is presumed and is indeed a commercial reality that infringement diminishes the proprietors' goodwill and reputation built over time."**

c. Does the balance of convenience tilt in favor of the Plaintiff?

As held in **Giella –vs- Cassman Brown** (supra), this condition is only considered if there is a conflict on the first two conditions. The Application has succeeded on the first two limbs. The consideration on this limb is therefore gratuitous. Be that as it may, this Court finds that the balance of convenience tilts in favour of granting the injunction sought.

For the reasons set out above, this Court makes the following orders:

1. The Defendant, his servants, agents, employees and or any other person acting under his instruction howsoever is hereby restrained by an order of injunction from importing, marketing, selling, manufacturing and in anyway whatsoever from dealing with any counterfeit products infringing on the Plaintiff's registered trademarks in any manner contrary to the rights of the Plaintiff in its registered PUMA trademarks pending the hearing and determination of this suit;

2. The defendant shall hand over to the Plaintiff the 190 pairs of footwear for destruction. The same shall be handed over immediately, not later than thirty (30) days from today's date.

3. The Plaintiff shall have the costs of the application.

It is so ordered.

DATED AT KITALE THIS 20th DAY OF MAY 2021

L. KIMARU

JUDGE