REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAKURU

HIGH COURT CIVIL CASE NO. E015 OF 2021 (FORMERLY NAIVASHA HCC NO. E004 OF 2021)

JINARO KIBET & 4 OTHERS.....PLAINTIFF

VERSUS

PAUL GITAHI MWAURA.....DEFENDANT

RULING

1. The Plaintiffs/Applicants herein are officials of the Automobile Association of Kenya, is an Association duly registered within the laws of Kenya. The Automobile Association of Kenya, often identified and recognized by the abbreviations "AA Kenya", is an independent motoring association that provides services to its members such as roadside assistance, driver training, motor vehicle valuation and car insurance brokerage. Hereinafter, I will refer the Association as "AA Kenya."

2. The Defendant herein operates a driving school trading as Auto Assuarance Driving College. It is registered as a trade name. The Defendant concedes that he has christened his business as

"AA-Driving College." He also concedes that he advertently uses the abbreviation "AA" for his business.

3. The Plaintiffs/Applicants have filed the attendant suit against the Defendant herein, for permanent injunction seeking to restrain the Defendant, whether by itself, servants, agent's employee and or assigns from trading as AUTOMOBILE ASSOCIATION OF KENYA and or other name resembling or incorporating the Plaintiffs'/Applicants' colors. They also seek a declaration that the business name AUTO ASSUARANCE DRIVING COLLEGE infringes on the Plaintiff's trade name and should thus be changed pursuant to the provisions of Section 9 and 17 of the Registration of Business Names Act Chapter 499 of the Laws of the Laws of Kenya.

4. Contemporaneously with the Plaint in the suit, the Plaintiffs filed a Notice of Motion seeking the following prayers:

(i) – *Spent* -

(ii) That an order of Temporary Injunction be and is hereby issued stopping the Respondent herein from using the Applicants trade name, insignia, symbol and/or its trading colours pending hearing and determination of this Application.

(iii) That an order of Temporary Injunction be issued and is hereby issued stopping the Respondent herein from using the Applicants trade name, insignia, symbol and/or its trading colours pending hearing and determination of this suit.

(iv) *That the costs of this Application be provided for.*

5. The Applicants say that AA Kenya has had its name since 1919 when it was founded; and that it is a full member of Federation Internationale de l'Automobile (FIA). They say that FIA, founded in 1904, brings together leading national motoring organizations from 132 countries globally. It is the governing body for world motor sport. This, the Applicants say, makes the Association an internationally acclaimed body for the more than 102 years of its existence.

6. The Applicants depone that the Association has over the years established a reputation as a premiere driving school offering its students international accredited driving skills and it also has a membership of over 1,000,000 to whom it offers motor vehicle rescue plans, service and maintenance of their vehicles. They say that in the more than 102 years of existence, the Association has developed a reputation and good will in its areas of operation.

7. The Applicants complain that on or about January, 2021, the Respondent opened a driving school which they christened "AA Driving College" which is adjacent to the Association's driving school. Moreover, the Applicants say, both the offices of the Respondent as well as

his vehicles are painted in the green and yellow colours which are traditionally associated with the Association's vehicles and schools.

8. The Applicants are persuaded that the obvious intention of the Respondent is to "dupe and confuse" potential driving school students and the general members of the public into thinking that the two schools are associated and/or are of the same franchise. The Applicants find this to be an ingenious move on the part of the Respondent to make money by passing off: using the Association's good name and goodwill generated by the "internationally-acclaimed services" of the Association to gain customers. The Applicants, therefore, want the Court to issue the interlocutory prayers in order to save the Association from suffering irreparable losses.

9. On his part, the Respondent filed a Replying Affidavit dated 09/06/2021 and Grounds of Opposition. He says that on 5th February 2020, he registered the name "Auto Assuarance Driving" under the Business Name Certificate of Registration Number BN 35 CLJ6E.

10. The Respondent avers that the name of his driving college is completely different from the one used by the Plaintiffs/Applicants herein and as such there is no likelihood that the Association's trade name could cause any confusion in the market. He further states that his driving college operates under the business name Auto Assuarance Driving College abbreviated as "AA-Driving College".

11. The Respondent also deponed that he has never used or intended to use the abbreviation used by the Plaintiffs/Applicants, that is, "AA Kenya". He also argues that he is the *bona fide* user of the abbreviation "AA" arising from his business name and that the using of the same is protected under Section 11 of the Trade Marks Act.

12. The Respondent insists that the business name used by his driving college is duly registered and that the Defendant/Respondent has never at any time acted as an agent, an affiliate or branch of the Association and neither is the Respondent's driving school anywhere near the Association's premises as alleged. He rejects the Association's claim that his driving school is close to AA-Kenya's premises and submits that while his driving college is located in Gilgil, the Association's college is in Nakuru CBD. He says that this renders it impossible for the Respondent to park his vehicles near the Plaintiffs'/Applicants' parking bay.

13. Additionally, the Respondent argues that the colors, color designs, patterns signs and symbols form and names the Association uses distinctively stand out and or differ from the colors used by the Respondent and in particular on the outward appearance on the vehicles used. He further argues that, while

> "AA Kenya" utilizes a paint scheme of green and yellow in a check pattern design, the Respondent vehicles are mainly of a pink and or purple color scheme. In this sense, the Respondent believes that he has clearly created something novel and distinctive thereby carving a corner for himself separate from the Association's. He pleads that the trade name used by the Respondent in particular, when read together with its accompanying colors, signs, form, and symbols, are distinctively different from those of the Association's and that there is no likelihood that the same can cause any confusion to the public whatsoever.

14. Furthermore, the Respondent claims that there exists a further disparity between the two businesses in terms of services provided. Defendant submits that while AA-Kenya offers but a plethora of services, the Defendant's AA-Driving College provides services consisting only of and/or involving the education of persons and or the development of mental faculties in driving skills with respect to services under Class 41 of WIPO International Classification of Goods and Services.

15. According to the Respondent, the import of all this is that there could possibly be no chance of confusion as to the two schools by an ordinary person who has, at best a general recollection of the business of the Association, when he or she is presented with the Respondent's business on first impression.

16. It is important to recall the procedural posture of this case. This is an application for injunctive relief. In our jurisprudence, consideration whether a party is entitled to an interlocutory injunction is now enshrined in a tripartite legal criterion set out in the celebrated case of ***Giella vs Cassman Brown*** in the words of Spry V.P.:

> *First, an applicant must show a prima facie case with a probability of success. Secondly, an interlocutory injunction will not normally be granted unless the applicant might otherwise suffer irreparable injury, which would not be adequately compensated by an award of damages. Thirdly, if the court is in doubt, it will decide an application on the balance of convenience*.

17. Hence, the Court's first task is to determine if the Applicant has established a *prima facie* case with a probability of success once the full case is fully ventilated. It is important to recall that at this point the Court can do no more than form a necessarily provisional view of the case. Translated to our specific tasks, the question would be whether the Applicants have placed sufficient material on the table to warrant a provisional finding by the Court that upon full ventilation of the facts in the case they are likely to persuade the Court that all the elements of equitable estoppel are present to support their cause of action against the Respondent.

18. The substantive cause of action is passing off. In order to successfully bring a claim for passing-off, the plaintiff must establish the following three elements (See ***Reckit & Colman Properties Ltd. V. Borden In. (1990) 1 WLR 491***):

> (i) *Reputation or Goodwill:* The plaintiff must demonstrate that she holds goodwill or reputation in a specific trade or business.
>
> (ii) *Misrepresentation:* There must be a showing that the defendant misrepresented, either intentionally or unintentionally, that a connection exists between the defendant or the defendant's goods, services or business and the plaintiff or the plaintiff's business.
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> (iii) *Damage:* The plaintiff must demonstrate that she has suffered or is under threat of suffering damage, either by diversion of

custom, diminished reputation or some other similar form of damage.

19. For the Association to be entitled to interlocutory injunctive relief, it must demonstrate, on a *prima facie* basis, that it will succeed in proving these three elements. Only then could the Court conclude that it has succeeded in establishing the first *Giella* factor.

20. In the present case, the Association has explained how its 102 year history including its affiliation with the world-acclaimed FIA has enabled it to establish a goodwill and reputation among motorists and would-be motorists. This, in turn, has given the Association many clients for driving classes as well as members in its motorist programs. This evidence is not controverted by the Respondent. It is, therefore, easy to conclude that the first element for passing off as a tort has been provisionally established.

21. But has there been *prima facie* showing of misrepresentation by the Respondent? The Association has outlined three types of alleged misrepresentation by the Respondent:

(a) *First*, the Association says that the use of the abbreviation "AA Driving School" amounts to misrepresentation because the general public associates "AA Kenya" and "AA" when linked to driving schools and matters related to motoring with the Association. The Respondent denies that this amounts to misrepresentation. He says that he is entitled to use the abbreviated form "AA Driving School" and even just "AA" in association with driving school services. He denies that his usage of "AA Driving School" causes any confusion among the general public and potential customers with the Association's "AA Kenya." All circumstances considered, I have come to the conclusion that the Respondent's usage of the abbreviation "AA Driving School" is likely to cause confusion among the general public and potential customers in need of a driving school. I am not persuaded that the Respondent's right to use the abbreviation "AA" with reference to driving school trumps that of the Association given the long usage by the Association of that abbreviation: the uncontroverted evidence showed that the Association has used "AA Kenya" for 100 years before the Respondent happened on the scene less than two years ago. In this regard, it is the Association's reputation and goodwill associated with that usage that deserves protection.

(b) *Second*, the Association claims that both the offices of the Respondent as well as his vehicles are painted in the green and yellow colours which are traditionally associated with the Association's vehicles and schools. Additionally, the Respondent argues that the colours, colour designs, patterns signs and symbols form and names the Association uses distinctively stand out and or differ from the colors used by the Respondent and in particular on the outward appearance on the vehicles used. He further argues that, while the Association utilizes a paint scheme of green and yellow in a check pattern design, the Respondent vehicles are mainly of a pink and or purple color scheme. In this sense, the Respondent believes that he has clearly created something novel and distinctive thereby carving a corner for himself separate from the Association's. Given the two diametrically opposed factual claims, I have come to the conclusion that the Association needed to do more to persuade the Court that the Respondent's colours, colour designs, patterns and symbols are so similar to those of the Association as to cause confusion. A prosaic description, which was matched by a more detailed prosaic description by the Respondent, was not enough to demonstrate, even on a *prima facie* case, that there is a danger of confusion by members of the public owing to the similarities of the colours, colour designs, patterns and symbols of the two entities. Photographic or electronic evidence might have been useful in this regard. Without more, I come to the conclusion that, at this stage, no *prima facie* case has been established in this regard.

(c) *Third*, the Association says that the Respondent's agents park his vehicles strategically next to the Association's vehicles in order to accentuate the misleading association between the Association and the Respondent. The Respondent flatly denies that this goes on and alleges that his driving college is located in Gilgil while the Association's college is in Nakuru CBD. He says that this renders it impossible for the Respondent to park his vehicles near the Association's parking bay. Though the Respondent deponed these facts in his Replying Affidavit, there was no rebuttal by the Association even though it had plenty of opportunity to introduce facts or other evidence to demonstrate that its allegations are in fact true. Without any further evidence other than the bald assertions in the Supporting Affidavit of Francis Theuri, and since the Association bears the burden of proof, this allegation cannot be taken to have been established at this stage even on a *prima facie* basis. The Association needed to introduce evidence like photographic evidence or documentary evidence of leases by the two entities and/or area maps to back up its claims. It failed to do so.

22. The upshot is that I find that the Association has established a *prima facie* case with a probability of succeeding on the second element of passing off namely misrepresentation only one aspect: the use by the Respondent of the abbreviation "AA" and "AA Driving School". The usage of these abbreviations are likely to misrepresent that the Respondent's driving school is associated with the Association. In addition, it is plain that if such confusion occurs, the Association would suffer damages because potential customers could be directed to the Respondent's Driving School instead. In this regard, the third element that needs to be proved in order to succeed on a tort of passing off has been established provisionally.

23. This analysis on the third element of the tort of passing off also meets the analysis required for the second *Giella* Factor namely the requirement that the Applicant for an injunction must show that they will suffer irreparable injury, which would not be adequately compensated by an award of damages unless the injunction is granted. It is not reasonably possible to determine how many would-be customers would be confused by the usage of the abbreviations which the Court has concluded is likely to cause confusion. Consequently, it would not be possible to estimate the extent of financial injury to the Association and the damages therefor.

24. The balance of convenience in this case would be in favour of the Association with regard to the narrow issue on which it has established a *prima facie* case: that the usage of the abbreviation

"AA" and "AA Driving School" is likely to mislead potential customers that the Respondent's driving school is one and the same as the Association's driving school. This is because the Association has been around for more than a one hundred years and has established the use of the abbreviation "AA Kenya" while the Respondent's business has been around only for a little more than a year. It, therefore, has time to establish its brand in other formats and/or abbreviations.

25. The upshot is that the Court makes a finding that the Association has demonstrated the three *Giella* factors successfully on a narrow point: it has established a *prima facie* case that the usage of the abbreviation "AA Driving School" or simply "AA" followed by any other moniker to advertise and describe the Respondent's driving school is likely to mislead members of the public and potential customers that the Association's and the Respondent's driving schools are associated with each other. Further, from the analysis above, the Association will suffer irreparable losses incapable of being accurately quantified. Finally, the balance of convenience on this narrow issue is in favour of the Association.

26. The disposition of the Application shall be as follows:

> **(a) That an order of interlocutory injunction be and is hereby issued stopping the Respondent herein from using the Applicant's trade name, insignia, and symbol including in particular the usage of the abbreviation "AA Driving School" or simply "AA" followed by any other moniker to advertise and describe the Respondent's driving school pending hearing and determination of this suit.**
>
> **(b) Costs will be in the cause.**

27. Orders accordingly.

DATED AND DELIVERED AT NAKURU THIS 26TH DAY OF AUGUST, 2021

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JOEL NGUGI

JUDGE

NOTE: *This judgment was delivered by video-conference pursuant to various Practice Directives by the Honourable Chief Justice authorizing the appropriate use of technology to conduct proceedings and deliver judgments in response to the COVID-19 Pandemic*.