REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI LAW COURTS

COMMERCIAL & TAX DIVISION

HCCC NO. 936 OF 2001

BRITISH UNITED PROVIDENT ASSOCIATION LIMITED.....PLAINTIFF

VERSUS

BUPA KENYA LIMITED.....DEFENDANT

JUDGMENT

1. British United Provident Association Limited (the Plaintiff) trades as BUPA International, an acronym of the Plaintiff. It was incorporated as a company on 3rd April 1947 in England and Wales. A company with a similar name as the Plaintiff's trade name was incorporated in Kenya on 18th April 2001. A subscriber of the Kenyan company says that its name is a sheng word for 'money in bulk.' In the end of it all either the acronym or the sheng word will prevail.

2. Arising not just from similarity in names, the Plaintiff alleges that the Defendant is guilty of various forms of intellectual property violations involving passing off, infringement of the Plaintiff's copyright and trademark.

3. The Plaintiff boasts that it has since 1982, provided health insurance to expatriates working on international assignments away from their homes and is the largest expatriate medical insurance provider in the world.

4. In Kenya, the Plaintiff is the registered owner of Trade Marks No. 2479 BUPA in class 36 and 2480 in class 42. It avers that it has established a substantial reputation of good quality services in the Trademark.

5. The Plaintiff's grievance is that the Defendant is registered in a name which uses the Plaintiff's initials and that it has and continues to claim that it is an affiliate of BUPA International and puts this claim on the business card of its director Joel Mutisya Dishon and on a sign outside its offices in Common Wealth House, Moi Avenue and on 6th Floor of the same building where its offices are situated. It is also alleged that the Defendant has commissioned an advertising company to produce radio advertisements, signs, printed publicity claiming that the Defendant is an affiliate of BUPA International and is selling or intends to sell medical insurance under the pretence that it is connected with the Plaintiff.

6. Further, that the Defendant has copied the Plaintiff's documentation by taking its application form and changing the name from BUPA International to BUPA Kenya.

7. The Plaintiff alleges loss of damage and seeks the following prayers:-

> *1. An injunction to restrain the Defendant whether by itself, its directors, officers, servants or agents or any of them or otherwise howsoever from infringing the Plaintiff's Trademark BUPA.*
>
> *2. An Injunction to restrain the Defendant whether by itself, its directors, officers, servants or agents or any of them or otherwise howsoever from doing the following acts or any of them that is to say, using the word BUPA in any context concerning health insurance, health care or health products or medical matters generally.*
>
> *3. An Injunction restraining the Defendant whether by its directors, officers, servants or agents or any of them or otherwise howsoever from using any document which offends against the Plaintiff's copyright in its document and forms.*
>
> *4. Destruction upon oath of all documents, publicity material and any other thing containing or marked with the words BUPA and*

the Plaintiff's logo or any colourable imitation thereof.

5. An order that the Defendant do within a period to be fixed by the Court change its name to exclude the word BUPA.

6. An enquiry as to damages or at the Plaintiff's option an account of profits and payment of all sums found due upon taking such enquiry or account.

7. Costs and interest.

8. The Defendant denies the claim.

9. It states that Plaintiff is silent on the date of the alleged registration of the trademarks or effective date as it intends to create an impression or inference that the supposed registration is parallel to the period of use of BUPA.

10. A Defence is set up in respect to the provisions of the Companies Act. That in terms of Section 11 of the Trademarks Act, the registration of the Trademark may not interfere with the Defendants bona fide use of its name which it legally acquired through registration under the provisions of the Companies Act before the registration by the Plaintiff. It also asserts that it uses BUPA Kenya Limited as its own legally constituted name and not a trademark.

11. The Defendant contends that it exists legally and independently of the Plaintiff who is not registered in Kenya either as BUPA or BUPA International.

12. The Defendant argues that the implied and/or inferable purpose of the Plaintiff's suit is to put it out of the way and gain a collateral advantage in its intended operations in Kenya, which it asserts is not only against public policy but also oppressive and injurious to the Defendant.

13. By way of counterclaim, the Defendant states that by newspaper advertisement placed in the local dailies of 5th April 2001 and 6th April 2001, the Plaintiff published falsehoods concerning it by reason of which, taken together with the order of injunction herein, has caused it substantial damages and financial loss. The Defendant prays for an inquiry as to damages or for an order for an account of projected profits.

14. Taking of evidence of witnesses commenced on 17th December 2003, over 16 years ago! George Richard Calvert Smith (PW 1) and Penelope Ruth Dudley (PW 2) testified on behalf of the Plaintiff while Joel Mutisya Dishon was the sole witness for the Defendant.

15. An outline of the evidence is as follows. The Plaintiff has a presence in over 45 countries and has registered Trademarks in over 50 countries (See P. Exhibit 1-9). BUPA is registered in favour of the Plaintiff in the International Register of Marks maintained under the Madrid Agreement and Protocol (See P. Exhibit 10).

16. In Kenya, the Plaintiff holds a certificate of registration for the BUPA Mark under Service Mark 2479 Class 36 and Service Mark 2480 class 42, both with an effective date of registration of 2nd March 2001 (P. Exhibit Pages 82 and 83). This Court was shown copies of certificates of renewal for a further period of 10 years as from 2nd March 2011 (P. Exhibit Pages 86 and 87). As an issue has been taken up with the manner this evidence needs to be considered, I deal with that right away.

17. In its final arguments, counsel for the Defendant argues that the authenticity of the renewal certificates is doubtful for the reason that they are not certified by the maker as true copies of the original. The following holding in Chrispin Kienyu Kang'ethe -vs- Ephantus Njiru Mbogo & Another[2017] eKLR is cited:-

> "28. The court does not agree with the Appellant's submission that documents whose production is not objected to, for whatever reason, should be admitted in evidence regardless of the rules of evidence or that once admitted they should be accorded maximum probative value. A court of law is obligated to ensure that uniform rules of evidence apply regardless of whether a party is represented by an advocate or not and regardless of whether or not a technical objection is raised to the violation of the law."

18. I think it is conceded that the Defendant did not object to the production of the uncertified copies of certificates. The law is that documents must be proved by primary evidence except as excused by Section 68 of the Evidence Act (Section 67). There is little doubt that the Plaintiff ought to have produced the originals or at least certified copies of the certificates. Yet because there was no objection to the production of the uncertified copies and so they have been admitted into evidence. The task left to the Court is to decide the probative value to attach to those documents.

19. On this I turn to the certificates dated 11th April 2005 issued by the Assistant Registrar of Trademarks (P. Exhibit Page 84 and 85) whose authenticity are not unchallenged by the Defendant. The certificates have this statement:-

> "Registration is for an initial period of ten (10) years as from 2nd March 2001 and can then be renewed for further succeeding periods of ten (10) years thereafter."

The certificates are explicit that the registration could be renewed for further succeeding periods of ten (10) years. The Registrations were first effected on 2nd March 2001 and were due to expire on 2nd March 2011. They could therefore be renewed for another 10 years and the copies of the certificates of renewal purport to certify that the two registrations have been renewed for a further period of 10 years as from 2nd March 2011. In so far as there is no evidence that, in fact, the contemplated renewals had not happened, I hold that on a balance of

probabilities they were in fact renewed.

20. For the Defendant it is asserted that "BUPA" is a sheng word for "money in bulk" which the subscribers choose as the name of the company. The evidence of Dishon was that although it started to operate as an unincorporated body on 10th March 2001, the company was incorporated on 18th April 2001 (D. Exhibit 1). The services of insurance it provides are similar of those of the Plaintiff.

21. Against this backdrop, the pleadings and proposes of issues made by the parties, the Court can proceed to determine the following issues:-

i. Has the Defendant infringed the Plaintiff's trademarks?

ii. Is the Defendant guilty of pass off in respect to the trademark?

iii. Does the Plaintiff hold a copy right in its application form?

iv. Did the Defendant infringe on that copyright?

v. Did the Plaintiff publish falsehoods concerning the Defendant?

vi. Has the order of injunction obtained by the Defendant wrongful cause substantial damages and financial loss to the Plaintiff?

vii. What are the appropriate orders, including of costs, to make?

22. Statutory protection of a registered Trademark is found in the Trade Marks Act (Chapter 506). The Register of Trade Marks is divided into two parts respectively called Part A and Part B (Section 4 of the Trade Marks Act). The Plaintiff lays a claim in respect to the Trade Marks registered in Part A.

23. The undisputed evidence is that the Plaintiff holds two Trade Marks in respect to the service mark "BUPA" whose effective dates of registration is 2nd March 2001. As proprietor of Part "A" Trade Marks, the Plaintiff would enjoy the rights and protection granted by Section 7 of the Act which reads:-

"Right given by registration in Part A, and infringement thereof

(1) Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before or after 1st January, 1957) of a person in Part A of the register as the proprietor of a trade mark if valid gives to that person the exclusive right to the use of the trade mark in relation to those goods or in connection with the provision of any services and without prejudice to the generality of the foregoing that right is infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way 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 or in connection with the provision of any services in respect of which it is registered, and in such manner as to render the use of the mark likely to—

(a) be taken either as being used as a trade mark;

(b) be taken in a case in which the use is upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as licensee to use the trade mark or goods with which such a person is connected in the course of trade; (c) be taken in a case where the use is use at or near the place where the services are available for acceptance or performed or in an advertising circular or other advertisement issued to the public or any part thereof, as importing a reference to some person having the right either as proprietor or as licensee to use the trade mark or to services with the provision of which such a person as aforesaid is connected in the course of business;

(d) cause injury or prejudice to the proprietor or licensee of the trade mark.

(2) The right to the use of a trade mark given by registration shall be subject to any conditions or limitations entered on the register, and shall not be deemed to be infringed by the use of any such mark in any mode, in relation to goods to be sold or otherwise traded in any place, in relation to goods to be exported to any market or services for use or available for acceptance in any place or country, or in any other circumstances, to which, having regard to any such limitations, the registration does not extend.

(3) The right to the use of a trade mark given by registration shall not be deemed to be infringed by the use of any such mark by any person—

(a) in relation to goods connected in the course of trade with the proprietor or a licensee of the trade mark if, as to those goods or a bulk of which they form part, the proprietor or the licensee conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or

(b) in relation to goods adapted to form part of, or to be accessory to, other goods in relation to which the trade mark has been used without infringement of the right given as aforesaid or might for the time being be so used, if the use of the mark is reasonably necessary in order to indicate that the goods are so adapted and

(c) in relation to services to which the proprietor of the trade mark or a licensee conforming to the permitted use has applied the trade mark, where the purpose and effect of the use of the trade mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a licensee of the trade mark; or

(d) in relation to services the provision of which is connected in the course of business with the proprietor or a licensee of the trade mark, where the proprietor or licensee has at any time expressly or impliedly consented to the use of the trade mark; or

(e) in relation to services available for use with other services in relation to which the trade mark has been used without infringement of the right given by registration or might for the time being be so used; if—

(i) the use of the trade mark is reasonably necessary in order to indicate that the services are available for such use; or

(ii) neither the purpose nor the effect of the use of the trade mark is to indicate otherwise than in accordance with the fact that there is a connection in the course of business between any person and the provision of those services.

(4) The use of a registered trade mark, being one of two or more registered trade marks that are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration as aforesaid, shall not be deemed to be an infringement of the right so given to the use of any other of those trademarks.

24. Something has to be said of the effective dates of a registration of a Trade Mark. Section 22 of the Act reads:-

"22. Registration (1) When an application for registration of a trade mark in Part A or in Part B of the register has been accepted, and either—

(a) the application has not been opposed and the time for notice of opposition has expired; or

(b) the application has been opposed and the opposition has been decided in favour of the applicant,

the Registrar shall, unless the application has been accepted in error, register the trade mark in Part A or Part B, as the case may be, and the trade mark, when registered, shall be registered as of the date of the application for registration, and that date shall be deemed for the purposes of this Act to be the date of registration:

Provided that the provisions of this subsection, relating to the date as of which a trade mark shall be registered and to the date to be deemed to be the date of registration, shall, as respects a trade mark registered under this Act with the benefit of any enactment relating to international or inter-imperial arrangements, have effect subject to the provisions of that enactment.

(2) On the registration of a trade mark, the Registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof under the hand and seal of the Registrar.

(3) Where registration of a trade mark is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice of the non-completion to the applicant in writing in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice."

25. As correctly submitted by counsel for the Plaintiff, the date of registration is effectively backdated to the date when the application for registration is made. I suggest the rationale for this rule. For a start a person applying for a Trade Mark would either be the proprietor of an unregistered but used trade mark or one proposed to be used by him (Section 20 of the Trade Marks Act). Ownership of the mark therefore predates registration. An application for registration can meet opposition and registration can take some time to come. It is possible that in the waiting period another person could start to use a similar mark. If the effective date were to be the date of registration then the registered owner could be confronted with the defence of prior use by an infringer who began to use the offending mark during the waiting period. This is a most unfair outcome hence the law that the effective date of registration is the date of application.

26. The facts that present themselves demonstrate why the Defendant would be guilty of infringement.

27. The BUPA service marks attained protection on 1st March 2001. This was before the date of incorporation of BUPA Kenya Limited which was on 18th April 2001 and even the date it started to trade as an unincorporated body to wit, 10th March 2001.

28. In the written submissions by counsel, the Defendant sets up two Defences. The first is that of prior use as encapsulated in Section 10 of the Act and reads:-

"10. Saving for vested rights

Nothing in this Act shall entitle the proprietor or a licensee of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior—

(a) to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his; or

(b) to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his, whichever is the earlier, or to object (on such use being proved) to that person being put on the register for that identical or nearly resembling mark in respect of those goods under subsection (2) of section 15."

29. This first line of defence faces perhaps an insurmountable hurdle because as correctly pointed out by counsel for the Plaintiff it is not a pleaded matter (See Strategic Industries Limited -vs- Sana Industries Company Limited [2017] eKLR):-

"34. … the Defence of prior use must be specifically pleaded as a requirement of order 2 Rule 4(1) of The Civil Procedure Rules. Rule 4(1) of order 2 reads:

"(1) A party shall in any pleading subsequent to a plaint plead specifically any matter, for example performance, release, payment, fraud, inevitable accident, act of God, any relevant Statute of limitation or any fact showing illegality —

(a) which he alleges makes any claim or defence of the opposite party not maintainable;

(b) which, if not specifically pleaded, might take the opposite party by surprise; or

(c) which raises issues of fact not arising out of the preceding pleading.".

30. At any rate the facts of the case are unhelpful to the Defence case because all the evidence available is that it began its operations on a date after the trademarks of the Plaintiff had been registered (the effective date).

31. There is then the Defence under Section 11 which reads:-

"11. Saving for use of name, address or description of goods

No registration of a trade mark shall interfere with—

(a) any bona fide use by a person of his own name or of the name of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business; or

(b) the use by any person of any bona fide description of the character or quality of his goods, not being a description that would be likely to be taken as importing any such reference as is mentioned in paragraph (b) of subsection (1) of section 7, or in paragraph (b) of subsection (3) of section 40."

32. This was properly pleaded by the Defendant who asserts that it has bona fide use of the name BUPA by virtue of registration of that name under the Companies Act.

33. The catchphrase in the defence under Section 11 is "bona fide use". For the Defendant to avail itself of this Defence it must demonstrate that its use of the name was a bona fide use. The Defendant shoulders the burden of proof. As will soon be evident it is appropriate to deal with this matter after examining and determining whether the Defendant's name and the two marks are identical with or so nearly resemble each other that there is a likelihood to deceive or cause confusion in the course of trade or in connection with provisions of services offered by the Plaintiff.

34. The conditions to be met in an action for infringement of a trade mark were discussed in the decision of Pastificio Lucio Garofalo S.P.A - vs- Debenham & Fear Ltd [2013] eKLR where the Court observed:-

"12. A closer reading of Section 7 (1) of the Act provides for the general conditions for an action for infringement, which include:

"(a) the use of a sign or mark;

b. the use of (a) without the consent or authority of the proprietor;

c. the use of (a) in public;

d. the use of (a) in advertising;

e. the use of (a) in a manner likely to cause injury and prejudice to the proprietor".

The Plaintiff contends that the Defendant, by using the trade name "Santa Maria", was infringing upon its copyright, and exclusive right and use of its trade name "Santa Lucia". *In Halsbury's Laws of England, 4th Edition*, *Volume 48* at paragraph 85, it is stated that the infringement of a trade mark would be subject to the use (or misuse) of a registered trade mark by any other person, not being the registered proprietor or licensee thereof. The authors at the aforementioned paragraph denote:

"Subject to certain exceptions and to any conditions or limitations entered in the register, the registration of a trademark (other than

a certification trade mark), if valid, gives the proprietor the exclusive right to the use of the trade mark upon or in relation to the goods in respect of which it is registered and any invasion of this right is an infringement of the trade mark. Without prejudice to the generality of the above provision, that right of exclusive user is deemed too be infringed by any person who uses a mark identical with or so nearly resembling the registered mark as to be likely to deceive or cause confusion, in the course of trade, in relation to goods in respect of which it is registered, and in such a manner as to render the use of the mark likely to be taken either (1) as being use of a trade mark; or (2) in certain cases of physical use or advertising, as importing a reference to some person having the right, either as proprietor or registered user, to use the mark, or to goods with which such a person is connected in the course of the trade."

35. The evidence is that there are incorporated two companies in Kenya with the BUPA name, BUPA Kenya Limited and BUPA International Limited. Although the two have common subscribers, they would in law be separate entities. In so far as the Defendant herein is BUPA Kenya Limited, the Court considers the complaints directed at it only because BUPA International Limited has not been sued.

36. The common denominator of the trade mark "BUPA" and "BUPA KENYA LIMITED" is the name BUPA. The other words appearing on the company name is "Kenya" and "Limited". Kenya is a name of a country and the word "Limited", in the current context, denotes a limited liability company. Clearly then both words "Kenya" and "Limited" do not offer any distinctiveness and as a consequence cannot differentiate "BUPA", the mark, and BUPA KENYA LIMITED. The two are therefore remarkably similar.

37. The parties here have cited this Court's decision in Landor LLC and Wpp Luxembourg Gamma Sarl -vs- Wagude Lui t/a Landor & Associates & 2 others [2019] eKLR where I observed:-

"20. The second limb and which is more contested is whether the Plaintiffs have proved that the mark said to be offending is likely to deceive or cause confusion in the connection with the provision of services provided by the Plaintiff. To be resolved first is the nature of what needs to be proved and the manner in which that has to be done.

21. Looking at the language used in Section 7, I would have to agree with Counsel for the Plaintiffs that actual deception or confusion need not be proved. It is enough to show that deception or confusion is likely. Nonetheless, there will be occasion when it will be necessary to prove actual deception or confusion. For instance where the Plaintiff seeks damages for the infringement. Actual deception or confusion can inform the Damages to be awarded.

22. As to the manner of proving that deception or confusion is likely to ensue, it has to be remembered that whilst witnesses will have their positions and views as to whether deception or confusion is likely, the final call belongs to the Judge who must assign reasons why S[he] holds a certain view. Regarding the approach it has to be that,

"**…** a value judgment ….based on a global appreciation of the two Marks and overall impression that they leave in the context of the underlying purpose of a trademark which is that it is a badge of origin".

(Yuppiechef Holdlings (pty) Ltd Vs. Yuppie Gadgets Holdings (pty) Ltd (1088/2015) 2016 ZASCA 118. "

38. The service mark 2479 is registered under Class 36 being Insurance and Financial Services; insurance underwriting and brokerage services; investment services, pension services. The other, under Class 42 is for Hospital Services, Medical Services and other related services which I need not reproduce. A continuous theme of the claim is that the services offered by or intended to be offered by the Defendant are similar to those it offers, that is medical insurance. This stops to be controversial in view of the evidence of Dishon, on behalf of the Defendant. He states:-

"The Plaintiff was providing same services in terms of insurance a service we were providing."

39. There is therefore an overlap of the services offered by the two and a common market as both offered the services in Kenya.

40. Taken that the names are notably similar and in fact resemble, and that the services offered by both the Defendant and the Plaintiff are in respect to, at least, one service marketed or provided in Kenya, there is a likelihood of confusion in the course of trade or connection with the provisions of the services offered by the Defendant and those offered by the Plaintiff under the trademarks BUPA.

41. This inevitable conclusion has been reached even though there was no testimony of a person who has actually been deceived or confused. This is because, as noted earlier, for the tort of trademark infringement proof of actual deception or confusion is not necessary. While credible evidence of actual deception or confusion could fortify that finding, the person to make the call as to whether deception or confusion is likely is the Judge who does so on the material before him. That is not a duty to be surrendered to the witness.

42. And if there was ever any need for proof of actual deception or confusion, then the Defendant allowed it when it did not object to production of correspondence (P. Exhibit Pages 56 to 63) without calling their makers. For example, there is demonstration of actual confusion when Smartmedia Advertising say, in very many words, that they were led into believing that BUPA Kenya is an affiliate of BUPA International which belongs to the Plaintiff (See P. Exhibit Pages 56 to 58).

43. So infringement of the Trademark will have been proved unless the Defendant establishes that the use of the name BUPA Kenya Limited was a bona fide use of the name of its business.

44. As to the genesis of the name BUPA Kenya Limited, Dishon testified:-

"While I was growing up there was a sheng word known as "BUPA" meaning money in bulk. I liked it, associated with money. I

decided to use it."

He further explained that his name "BUPA" is not an abbreviation.

45. However, there is evidence that does not take this explanation far. There is an application form for provision of medical insurance developed by the Plaintiff (P. Exhibit 12). Another is a form which belongs to the Defendant (P. Exhibit 14). A third also belongs to the Defendant. Witnesses of both sides were asked to compare the three forms.

46. First is the evidence of Smith. He states that the Kenyan forms are almost identical to their application form with the same title, same logo, same notices, same questions, same layout and same legal declaration. That the only changes are in regard to the address. On his part Dishon denies the charge of copying and maintained that the forms of his company are different from those of the Plaintiff.

47. I turn to examine the forms and will give due regard to what the witnesses said.

48. First, I observe that the Plaintiff's form and one of the Defendant's form (P. Exhibit 14) are in original. The third (P. Exhibit 12) is a copy but it appears to have been produced to make a limited but perhaps important point. I shall return to this later. For now I concentrate on the two original forms.

49. Both forms are of white, blue and black colour. The difference is that the Blue colour is more predominant on the Plaintiff's form. A remarkable similarity is that the black colour on both forms is used in a similar way to highlight the numbering.

50. The wording of the questions and titles are word for word save where there are telephone numbers and physical addresses of service providers. Where the name of BUPA International is on its form, the BUPA Kenya appears on the corresponding part of the latter form.

51. At the front of the Plaintiff's form the word BUPA International appears. The word International appears beneath the word BUPA but in between is a heartbeat logo. The Defendant's witness had explained that the heartbeat logo is commonly used in health insurance business. If that is accepted then it is nevertheless curious the manner in which the Defendant presents its name on the front of the form. The name Kenya is beneath BUPA and in between is the heartbeat logo in exactly the same way as that in the form of the Plaintiff.

52. From this Court's assessment the two forms are remarkably similar in presentation and content. The differences are few and mainly to domesticate the form which truly belongs to the Plaintiff for the use of the Defendant. For example, the name and address. But one other issue gives away the Defendant.

53. In the declaration section of the Plaintiff's form the following words appear:-

> "Unless otherwise agreed by BUPA in writing, English Law shall apply to the agreement between you and BUPA".

In the Defendant's first form the following declaration appears:-

> "Unless agreed by BUPA in writing, English Law shall apply to the agreement between you and BUPA."

In the revised form, the Defendant completely drops this declaration.

54. Confronted about this, Dishon answered:-

> "This is our form, applies English Law. In Kenya we use English Law …. We are applying English Law."

55. Section 3 of the Judicature Act provides:-

> "3. Mode of exercise of jurisdiction
>
> (1) The jurisdiction of the Supreme Court, the Court of Appeal, the High Court, the Environment and Land Court, the Employment and Labour Relations Court and of all subordinate courts shall be exercised in conformity with—
>
> (a) the Constitution;
>
> (b) subject thereto, all other written laws, including the Acts of Parliament of the United Kingdom cited in Part I of the Schedule to this Act, modified in accordance with Part II of that Schedule;
>
> (c) subject thereto and so far as those written laws do not extend or apply, the substance of the common law, the doctrines of equity and the statutes of general application in force in England on the 12th August, 1897, and the procedure and practice observed in courts of justice in England at that date: Provided that the said common law, doctrines of equity and statutes of general application shall apply so far only as the circumstances of Kenya and its inhabitants permit and subject to such qualifications as those circumstances may render necessary.
>
> (2) The Supreme Court, the Court of Appeal, the High Court, the Environment and Land Court, the Employment and Labour

Relations Court and all subordinate courts shall be guided by African customary law in civil cases in which one or more of the parties is subject to it or affected by it, so far as it is applicable and is not repugnant to justice and morality or inconsistent with any written law, and shall decide all such cases according to substantial justice without undue regard to technicalities of procedure and without undue delay."

56. If for purposes of granting leeway to the Defendant it is accepted that Section 3(1) (b) and (c) imports the application of English Law to Kenya, the Defendant still does not explain why it decided to drop that declaration in the revised form. If it truly believed that English Law is applicable in Kenya, why would it drop this in the revised form? I have to think that the revision was motivated by the realization by the Defendant that it had taken the copying and pasting of the Plaintiff's form much too far.

57. I find that the Defendant copied the Plaintiff's application form.

58. As said earlier BUPA International Limited was incorporated on 25th April 2001 with common subscribers as the Defendant. Dishon's business card (P. Exhibit 17) introduces him as a Director of BUPA Kenya Limited *"an affiliate of BUPA International"* and not as *"an affiliate of BUPA International Limited"*. The latter is the associated company of Bupa Kenya while the former is the trade name of the Plaintiff. In his evidence Mr. Smith had testified that:-

"The Plaintiff is BUPA International. BUPA International is a division of larger company providing medical insurance to people residing outside U.K. BUPA stands for British United Provident Association."

59. Given the copying of the Application Form and the words in the business card this Court is ready to accept Smith's proposition as to why BUPA International Limited was incorporated in Kenya by the subscribers of BUPA Kenya Limited:-

"….. In my mind for anybody to sue (sic) the words BUPA international and claim to be an affiliate of BUPA international in the medical insurance market would be an attempt at passing off. To my mind the only reasons why one would set up in Kenya two companies by the names BUPA Kenya and BUPA International would be an attempt to deceive people into believing that there was a link between them and the Plaintiff."

60. The reason why the subscribers of the Defendant chose to incorporate the Company in the name BUPA KENYA LIMITED was not for bona fide use. It was for purposes of passing off and riding on the name of the Plaintiff's marks. The defence of Section 11 cannot be available to protect such a motive.

61. I turn to consider the claim of passing off. Because the evidence I have just analyzed demonstrates that the Defendant wanted to hold itself as being an affiliate of the Plaintiff or its marks, establishing the tort of passing off would require the Plaintiff to fulfil two other conditions; that its services have acquired goodwill or reputation in the market and are known by some distinguishing feature and that it has suffered or is likely to suffer damage as a result of the belief engendered by its misrepresentation (See Court of Appeal decision in **Nairobi Map Services Limited v Airtel Networking Kenya Limited & 2 others [2019] eKLR**).

62. The Defendant's counsel cites the decision in Strategic Industries Limited -vs- Sana Industries Company Limited [2017] eKLR on the question of proof of goodwill or reputation. The Court held:-

"45. A passing off claim is a right of a Trade to bring a legal action for Protection of goodwill. It may be brought under the law of unfair competition and sometimes as a Trademark infringement. There would be three elements to be proved in an action of passing off. Lord Oliver Aylmerton sets them out in Reckitt & Colman products Ltd Vs. Borden Inc & others [1990] R.p.c 34:

"The law of passing off can be summarized in one short general proposition, no man may pass off is goods as those of another. More specifically, it may be expressed in terms of the elements which the Plaintiff in such an action has to prove in order to success. These are there in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of a labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the Plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not international) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the Plaintiff. Whether the Public is aware of the Plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified within a particular source which is in fact the Plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the Defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the Plaintiff".

63. Regarding its presence in Kenya, Smith stated that as at the date he testified on 17th December 2003, the Plaintiff had been in the market for at least 11 years. Then they were working through 11 brokers. Further that in the year 2000, it had paid out Kshs.190 Million to hospitals, doctor, chemist etc. in Kenya.

64. Other than stating the volume of claims settled in 2000, the Plaintiff did not give any other significant evidence of their presence in the Kenyan market as at the year 2000. And in respect to the claims, the oral evidence was not backed by any documentary evidence. The documentary evidence presented was to back the assertion by the witness that the Plaintiff was negotiating a partnership to sell its products directly to the Kenyan market (See P. Exhibit 7) yet that had not come to fruition by the time the witness was testifying.

65. The evidence on record is insufficient to prove that, by 2001, when the infringement is complained of, BUPA had goodwill in the Kenyan market.

66. There is then a claim of copyright infringement and although the Defendant's counsel thought that it had not been pleaded, it was indeed pleaded in paragraphs 16 and 17 of the Amended Plaint.

67. The Plaintiff's copyright claim is hinged entirely on its case that the Defendant copied its application form. The Application form falls in the category of what is referred to as Blank Forms. There are forms which are designed for recording of information. In respect to the specific form said to have been breached, there is this declaration:-

> "I confirm that I give explicit consent, within the provisions of the Data Protection Act 1998, on behalf of myself and any family members specified in this form for BUPA to process our personal information with respect to our membership and I confirm that I have brought the Data Protection Notice to the attention of these family members."

To be inferred is that the recording and collection of the information in the application forms was to enable BUPA process it with respect to membership of the applicant to its lifeline medical cover.

68. What may not be obvious, and this should have troubled the Defendant, is whether the application form that is said to have been infringed is copyrightable. For the Plaintiff, it proceeded on the basis that the form was eligible for copyright.

69. Section 22 of the Copyright Act provides as follows in regard to works eligible for copyright:-

> "(1) Subject to this section, the following works shall be eligible for copyright—
>
> (a) literary works;
>
> (b) musical works;
>
> (c) artistic works;
>
> (d) audio-visual works;
>
> (e) sound recordings; and
>
> (f) broadcasts.
>
> (2) A broadcast shall not be eligible for copyright until it has been broadcast.
>
> (3) A literary, musical or artistic work shall not be eligible for copyright unless—
>
> (a) sufficient effort has been expended on making the work to give it an original character; and
>
> (b) the work has been written down, recorded or otherwise reduced to material form.
>
> (4) A work shall not be ineligible for copyright by reason only that the making of the work, or the doing of any act in relation to the work, involved an infringement of copyright in some other work.
>
> (5) Rights protected by copyright shall accrue to the author automatically on affixation of a work subject to copyright in a material form, and non-registration of any copyright work or absence of either formalities shall not bar any claim from the author."

70. If the application form (Blank Form) was to fall into any of the categories of works eligible for copyright, then it would be a literary work. Literary work itself is defined as follows in the interpretation section, Section 2 of the Act:-

> "Literary work" means, irrespective of literary quality, any of the following, or works similar thereto—
>
> (a) novels, stories and poetic works;
>
> (b) plays, stage directions, film sceneries and broadcasting scripts;
>
> (c) textbooks, treatises, histories, biographies, essays and articles;
>
> (d) encyclopaedias and dictionaries;
>
> (e) letters, reports and memoranda;

(f) lectures, addresses and sermons;

(g) charts and tables;

(h) computer programs; and

(i) tables and compilations of data including tables and compilations of data stored and embodied in a computer or a medium used in conjunction with a computer, but does not include a written law or a judicial decision;

71. While, a Blank form is not expressly included, the use of the words "any of the following or works similar" is clear indication that it is not a closed list. A Blank form may therefore be part of the literary works that are eligible for copyright.

72. The General Rule is that Blank forms which do not convey information are not copyrightable. The Author of "Intellectual Property and Open Source: A Practical Guide to Protecting Code" observes:-

"One current issue in copyright law is the protection of individual forms. The rule right now is that blank forms are not copyrightable. There may be individual bits of the form that could be protected, like a logo, but the basic form fields themselves are not eligible for copyright.

...

The blank forms doctrine comes from an Old Supreme Court case called *Baker V. Selden.* As sometimes happens in these cases, the important aspect of that case was not the final determination of who won or lost, but a passing statement made by the court in the discussion of the case: "blank account-books are not the subject of copyright". This statement was expanded over time into the current rule, "blank forms such as time cards, graph paper, account books, diaries, blank checks, scorecards, address books, report forms, order forms and the like, which are designed for recording information and do not in themselves convey information" are not protectable by copyright."

73. The author, however, proceeded to discuss when such Blank forms are copyrightable:-

"However, the real-world application of this rule is much more complicated. Some forms have been denied copyright protection because of the blank forms rule. However, a number of court cases have found *some* protectable elements in forms, particularly in collection of forms. Instead of automatically denying copyright to blank forms the court will determine whether the form is sufficiently original to qualify for a compilation copyright. If the court finds that the arrangement of headings and selection of sentences meets the originality requirement, the form will be copyrightable (and copyrighted)."

74. The United States Court of Appeal Ninth Circuit in Bibbero Systems, Inc. -vs- Colwell Systems, Inc. examined the scope of the Blank forms Rule which provides as is relevant, that the following are examples of works not subject to copyright:-

"Blank forms, such as time cards, graph paper, account books, diaries, bank checks, scorecards, address books, report forms, order forms and the like, which are designed for recording information and do not in themselves convey information."

75. The Court first observed:-

"The Copyright Office recently reaffirmed Baker v. Selden, decided not to revise the blank forms regulation, and cited John H. Harland Co. v. Clarke Checks, 207 U.S.P.Q. 664 (N.D.Ga.1980) (declining to follow Harcourt Brace), aff'd, 711 F.2d 966, 972 n. 8 (11th Cir.1983) (agreeing that Harcourt Brace should not be followed), as a proper interpretation of the regulation. See Notice of Termination of Inquiry Regarding Blank Forms, 45 Fed.Reg. 63297-63300 (September 24, 1980). Despite extensive comments from blank-form suppliers favoring revision of the blank forms rule, the Copyright Office found "no persuasive arguments against the validity of regulation 37 C.F.R. <section> 202.1(c)." Id. at 63299.

We agree with the Eleventh Circuit's "bright-line" approach to the blank forms rule in Clarke Checks. Norton's holding that a medical laboratory test form "conveyed information" because it contained some of the possible categories of information but not others, thus indicating which information was important, is potentially limitless. All forms seek only certain information, and, by their selection, convey that the information sought is important. This cannot be what the Copyright Office intended by the statement "convey information" in 37 C.F.R. 202.1(c)."

76. It then held:-

"Our holding that the superbill falls within the blank forms rule precludes it from being copyrightable as a compilation. A "compilation" is a work formed by the collection and assembling of preexisting materials or data that are selected, coordinated or arranged in such a way that the work as a whole constitutes an original work of authorship, and may consist entirely of uncopyrightable elements. 17 U.S.C. <section> 101; Harper House, Inc. v. Thomas Nelson, Inc., 889 F.2d 197, 204 (9th Cir.1989). For example, a collection of common property and blank forms, although not individually copyrightable, may be selected, coordinated or arranged in such a way that they are copyrightable as a compilation. Harper House, 204-07. Here, however, the superbill consists in its entirety of one uncopyrightable blank form and hence cannot be copyrightable as a compilation."

77. Whilst the Kenyan statute does not have any express provisions making Blank forms, or at least certain type of Blank forms, eligible for protection, I would think that there are important lessons to be learnt from the literature and American decision on when a blank form can be eligible for copyright. I read the law in respect to the eligibility of Blank forms to copyright to be as follows. The general rule is that Blank forms which merely record information and do not themselves convey information are not eligible. Nevertheless, individual bits of that form could be protected, an example given is a logo placed on the form. Of importance is that in instances like that the bit that is eligible for copyright is the one to be protected and not the entire form (like the fields which need to be filled in).

78. That said where Blank forms are sufficiently original to qualify for a compilation right then it will be protected. Compilation could include arrangement of headings and selection of the sentences or text.

79. The onus is on the party asserting that its Blank form is copyrightable to prove that there is something unique or creative about its text and or compilation that puts it beyond the general rule that Blank forms are not eligible for copyright. In this instance the Plaintiff.

80. Of the forms, Smith testified that they are produced by the Plaintiff itself; are reviewed and developed every 6 months; and many departments of the company which include legal, marketing and underwriting are involved. He was later to say that the forms are complicated and difficult to produce. His evidence was:-

> "Sufficient energy, effort and time went into the work of making the form."

81. Let me accept that evidence to be true. I am not sure that the energy, effort and time expended in working out the form, taken alone, is sufficient to make the form eligible for copyright. The Plaintiff ought to have led evidence on how its Blank forms stands out when compared with Blank forms from competitors or Blank forms used in similar market. Other than the copying Blank forms belonging to Defendant, this Court was not shown other Blank forms from which it could draw comparisons and make the call that there was something striking about the text and compilation of the Plaintiff's form. The Plaintiff should have told Court which text, in the form, made it more than just an information recording tool, and that the manner in which it appears and is arranged is truly unique and creative.

82. This Court reaches a conclusion that the Plaintiff did not do enough to prove that its Application Form was eligible for copyright and that would be the end of the matter for infringement under this head.

Conclusion:

83. The Plaintiff has failed to prove the torts of passing off and copyright infringement, but succeeds in its action for Trademark infringement. Its registered Trademark must be protected from violation by the Defendant and the Court will be making orders in that regard.

84. A further prayer sought by the Plaintiff was for enquiry as to damages or at the Plaintiff's option an account of profits and payment of sums found due upon taking such enquiry or account. The Plaintiff will be deserving of these orders, but the Court makes two short comments of and about the orders sought by the Plaintiff. A Plaintiff bringing an action for infringement of intellectual property may choose to prove damages contemporaneously with liability. But it may, like here, first seek to establish infringement and once infringement has been determined to move to the next step of proving damages. It seems to me that this latter approach could be a more efficient way of use of the Court's time. Parties should allow the Court to make a decision as to whether there is infringement in the first place, so that an inquiry of damages is undertaken only if necessary. The parties and Court should strive to make the proceedings on liability efficient and expeditious.

85. As to the taking of account of profits of an infringer, the philosophy behind the remedy is that a party who has profited unlawfully from using or riding on another's intellectual property should not be allowed to keep the profits made from such venture. To permit that would be to allow for unjust enrichment.

86. As to the Counterclaim, it must fail because this Court has found that the Defendant was guilty of Trademark infringement.

87. Ultimately the Court enters judgment for the Plaintiff against the Defendant and grants the following orders:-

1) An injunction to restrain the Defendant whether by itself, its directors, officers, servants or agents or any of them or otherwise howsoever from infringing the Plaintiff's Trademark BUPA.

2) An Injunction to restrain the Defendant whether by itself, its directors, officers, servants or agents or any of them or otherwise howsoever from doing the following acts or any of them that is to say, using the word BUPA in any context concerning health insurance, health care or health products or medical matters generally.

3) Destruction upon oath of all documents, publicity material and any other thing containing or marked with the words BUPA and the Plaintiff's logo or any colourable imitation thereof.

4) An order that the Defendant do change its name to exclude the word BUPA.

5) Orders 3 and 4 above to be undertaken or effected within 60 days of the date of this Judgment.

6) An enquiry as to damages or at the Plaintiff's option an account of profits and payment of all sums found due upon taking such enquiry or account.

7) Costs to the Plaintiff on the main claim and Counterclaim.

Dated, Signed and Delivered in Court at Nairobi this 27th Day of July 2020

F. TUIYOTT

JUDGE

ORDER

In view of the declaration of measures restricting Court operations due to the COVID-19 pandemic and in light of the directions issued by his Lordship, the Chief Justice on 17th April 2020, this Judgment has been delivered to the parties through virtual platform.

F. TUIYOTT

JUDGE

PRESENT:

Miss Malik for the plaintiff

No appearance for the defendant