



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI LAW COURTS

COMMERCIAL AND TAX DIVISION

CORAM: D. S. MAJANJA J.

CIVIL CASE NO. E198 OF 2020

BETWEEN

ROYAL MABATI FACTORY LIMITED.....PLAINTIFF

AND

TONGDA INTERNATIONAL COMPANY LIMITED.....1ST DEFENDANT

HEROCEAN ENTERPRISES KENYA LIMITED.....2ND DEFENDANT

RULING

Introduction and Background

1. The Plaintiff has approached the court by a Plaint accompanied by a Notice of Motion dated 11th June 2020 made, inter alia, under **Order 40 Rule 1, 2, 4 and 8** of the *Civil Procedure Rules* seeking an order of injunction restraining the Defendants from manufacturing, importing, exporting, selling or offering for sale, stocking, distributing, marketing, advertising iron sheets or other products that are identical or resemble or are similar and are infringing on the Plaintiff's registered Industrial Design Numbers 917, 918, 919, 920, 921 and 922 ("the Industrial Designs") pending hearing and determination of the suit. It also sought an injunction to restrain the Defendants from, parting with possession or power or custody of all the moulds, documents, files, invoices, receipts, articles or equipment relating to the manufacture, import or export, sale, supply, stocking, distributing, marketing, advertising of the iron sheets, moulds and other products that infringe on the Plaintiff's Industrial Designs.

2. The Plaintiff's application is supported by the affidavits of its Legal Manager, Loice Karanja, sworn on 11th June 2020 and 9th September 2020 respectively. It is opposed by the Respondents through the replying affidavits sworn on 1st August 2020 by Zhou Zhenyu and Biao Zhang, the Defendants' country representatives and Branch Managers respectively. They have also filed a Notice of Preliminary Objection dated 1st August 2020 contesting this court's jurisdiction to hear this suit by dint of **section 106** of the *Industrial Property Act, No. 3 of 2001* ("the *IPA*").

3. The facts leading to the dispute are largely common cause and can be gleaned from the pleadings and the various depositions sworn on behalf of the parties. The Plaintiff, as part of its Swahili name suggests, is in the business of roofing materials with a product range that includes stone coated iron sheets, tile products, plain iron sheets, box profile iron sheets, corrugated iron sheets and steel trusses. Its factory is located along Mombasa Road at Mlolongo and has satellite offices in Kisumu, Kericho, Kisii and Bungoma. It also states that it is one of the leading manufacturers of iron sheets in Kenya.

4. The Plaintiff claims that it was the first to create, adopt, innovate, invent, use and register its iron sheets designs under the Industrial Designs in Kenya and elsewhere in the world and that the said designs were registered at the Kenya Industrial Property Institute(KIPI). As a result, the Industrial Designs grant it exclusive rights to manufacture and sell the iron sheets manufactured under it but that the Defendants are producing or manufacturing or distributing or selling or offering for sale or stocking or advertising iron sheets that are identical to or confusingly similar to the iron sheets manufactured and sold under the Plaintiff's designs which is contrary to the law.

5. On their part, the Defendants' state that they are subsidiaries and/or branches of international companies registered and or established in China with subsidiaries and or branches all over the world, including Kenya and that one area of business they are involved in is the manufacture and distribution of construction materials and roofing sheets of different types. The Defendants impeach the credibility of the

Plaintiff's Industrial Design on the ground that they were irregularly registered and that they were not aware of their existence. They claim that they were never issued with any cease and desist notice before filing the instant suit. They also deny using the Plaintiffs Industrial Designs to produce their roofing sheets. They also deny this court's jurisdiction to determine the matter as the **IPA** provides for the dispute to be resolved by the Industrial Property Tribunal ("the Tribunal").

Issues for determination

6. The application was disposed by way of written submissions which are on record. There are two main issues for determination, the first is the preliminary issue regarding this court's jurisdiction to entertain this suit. If the answer is in the affirmative, then whether the court should grant the injunctive relief to the Plaintiff.

Whether this court has jurisdiction

7. Jurisdiction goes into the heart and soul of any proceeding and that if there is a valid question or objection in law on a matter proceeding before a court of law, either for want of jurisdiction or for some other sufficient reason, then such objection or question should be raised at the earliest opportunity to avoid waste of valuable judicial time.

8. The Defendant's objection is grounded on **section 106** of the **IPA** which provides as follows:

106. Relief

On the request of the owner of the patent or the registered utility model or industrial design, the Tribunal shall grant the following relief—

(a) an injunction to prevent infringement where infringement is imminent or to prohibit the continuation of the infringement, once infringement has started;

(b) damages; or

(c) any other remedy provided for in law.

9. Section 115 of the said **IPA** further provides as follows:

115. Appeals to the High Court

(1) Any party to the proceedings before the Tribunal may appeal in accordance with the rules made under this Part from any order or decision of the Tribunal to the High Court.

(2) Upon the hearing of an appeal under this section, the High Court may—

(a) confirm, set aside or vary the order or decision in question;

(b) remit the proceedings to the Tribunal with such instructions for further consideration, report, proceedings or evidence as the High Court may deem fit to give;

(c) exercise any of the powers which could have been exercised by the Tribunal in proceedings in connection with which the appeal is brought; or

(d) make such order as it may deem fit as to the costs of the appeal or of earlier proceedings in the matter before the Tribunal.

10. **Section 92(1), (2) and (3)** of the **IPA** provides as follows:

92. Rights conferred by registration of industrial designs, etc

(1) Registration of an industrial design shall confer upon its registered owner the right to preclude third parties from performing any of the following registration acts in Kenya—

(a) reproducing the industrial design in the manufacture of a product;

(b) importing, offering for sale and selling a product reproducing the protected industrial design; or

(c) stocking of such a product for the purposes of offering it for sale or selling it.

(2) The rights conferred by the registration of an industrial design shall extend only to acts done for industrial or commercial purposes and shall not extend to acts in respect of a product embodying the protected industrial design after the product has been

lawfully imported or sold in Kenya.

(3) The registered owner of an industrial design shall, in addition to any other rights, remedies or actions available to him, have the right to institute court proceedings against any person who infringes the industrial design by performing, without his consent, any of the acts referred to in subsection (1) or who performs acts which make it likely that infringement will occur.

11. The Plaintiff's case is grounded on the ownership of the Industrial Designs. It seeks injunctive reliefs from continued infringement by the Defendant. The claim falls squarely within **section 106** of the *IPA* that clothes the Tribunal with jurisdiction to grant injunctive reliefs from continued infringement upon the request of the owners of industrial designs.

12. That is not to say that this court does not have jurisdiction to grant the reliefs sought by the Plaintiff because **Article 165 (3)** of the *Constitution* bestows the High Court, with unlimited original jurisdiction in criminal and civil matters. Additionally, **section 92(3)** of the *IPA* gives a registered owner of an industrial design the right to institute court proceedings against any person who infringes the industrial design.

13. I am in agreement with the Plaintiff's submissions that a party may either approach this Court or the Tribunal. Although the High Court has unlimited original civil jurisdiction under **Article 165(3)(a)** of the Constitution, **Article 159(2)(c)** of the Constitution has expressly recognized alternative forms of dispute resolution which the High Court is also enjoined to promote. In *Mutanga Tea & Coffee Company Ltd v Shikara Limited & Another MSA CA Civil Appeal No. 54 of 2014 [2015] eKLR*, the Court of Appeal stated that a holistic and purposive reading of the Constitution entails construing the unlimited original jurisdiction conferred on the High Court in a way that will accommodate the alternative dispute resolution mechanisms.

14. Consistent with this principal, the Court of Appeal in *Republic v National Environmental Management Authority NRB CA Civil Appeal No. 84 of 2010 [2011] eKLR* upheld a decision of the High Court, which declined to entertain a judicial review application by a party who had a remedy, which he had not utilized, under the National Environment Tribunal on the basis of the accepted principal that where Parliament has provided an alternative remedy in the form of a statutory appeal procedure, it is only in exceptional circumstances that an order of judicial review will be granted. The same result was reached in *Vania Investment Pool Ltd v Capital Markets Authority and 8 Others NRB CA Civil Appeal No. 92 of 2014 [2014] eKLR* where the Court also upheld a decision of the High Court in which the court declined to entertain a judicial review application by an applicant who had failed to first refer its dispute to the Capital Markets Appeals Tribunal established by the *Capital Markets Act*.

15. Turning to the facts of this case, the reliefs sought by the Plaintiff can be granted by the Tribunal. It has not been argued that the reliefs that the Tribunal is empowered to grant lack efficacy or are inadequate for the Plaintiff's purposes. The Tribunal is well designed with the technical and professional expertise and may well be the best suited forum to entertain the Plaintiff's claims (see *Steel Structures Limited v David Engineering Limited ML HCCC No. 189 of 2007 [2007] eKLR*). There are a number of decisions that affirm this position in relation to the Tribunal including *Ukwala Supermarkets and Others v Paul Mburu Wainaina ML HCCC No. 509 of 1995 [2005] eKLR*, *Sanitam Services and Rentokil Limited v Kentainers Limited ML HCCA No. 23 of 2014 [2014] eKLR* and *Apex Creative Limited and Another v Kartasi Industries Limited ML HCCC No. 416 of 2011 [2011] eKLR*.

16. Since the issue of jurisdiction has been answered in the negative, it is unnecessary to determine whether or not to issue an injunction.

Disposition

17. The Defendants Notice of Preliminary Objection dated 1st August 2020 is allowed with the consequence that the Plaint and application dated 11th June 2020 is hereby struck out with costs to the Defendants.

DATED and DELIVERED at NAIROBI this 26th day of NOVEMBER 2020.

D. S. MAJANJA

JUDGE

Court of Assistant: Mr M. Onyango

Mr Thuku instructed by Kibanya and Kamau Associates Advocates for the Plaintiff.

Mr Ngigi instructed by Ngigi Njuguna and Company Advocates for the Defendants.