



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT MILIMANI (NAIROBI)

COMMERCIAL AND TAX DIVISION

CIVIL SUIT NO.316 OF 2013

STRATEGIC INDUSTRIES LIMITED.....PLAINTIFF

VERSUS

SOLPIA KENYA LIMITED.....DEFENDANT

JUDGEMENT

1. The plaintiff through a plaint dated 28th June 2013 filed on 23rd July 2013 sued the defendant herein seeking the following orders:-
 - a) A declaration that the Defendant has infringed and/or passed-off the Plaintiff's trade name "**DANIELLA**".
 - b) An injunction restraining the Defendant whether by itself, its directors, officers, servants, employees and/or agents from manufacturing, distributing and/or selling the product with the name "**DANIELA**" or distributing and/or selling the product with the name "**DANIELA**" or any other product which is similar to the Plaintiff's product "**DANIELLA**".
 - c) An order that the Defendant destroys on oath and in the presence of the Plaintiff, all goods in its possession bearing the trade name "**DANIELA**" or any other product which is similar to the Plaintiff's mark "**DANIELLA**".
 - d) An order that the Defendant discloses the names, places and address of the persons or entities where it has supplied the infringing goods and further that the Defendant recalls the said goods for purposes of destroying them on oath and in default, the Plaintiff be authorized to get into any premises where the infringing goods are manufactured, stored and/or distributed for purposes of confiscating the same for destruction.
 - e) Damages for passing-off.
 - f) Costs.
 - g) Any other or further relief as the court may deem just and expedient.
2. The defendant filed statement of defence dated 10th October 2013 on the even date denying the plaintiff's claim and praying for it to be dismissed with costs.
3. The plaintiff's case is as set out in the plaint, witness statements by Ghazi Kefel, who gave evidence as **PW1** and his witness statement produced as **P-Exhibit 1** and Reselyne Karuthi Muriithi, who gave evidence as **PW2**, and her witness statement marked as **P-Exhibit 3**. The plaintiff produced bundle of documents **P-Exhibit P-2**.
4. The Plaintiff claimed that the Defendant, in utter disregard and breach of business etiquette and trade practice, engaged in illegal manufacturing and selling into the same market hair products named "**DANIELA**" which name was similar to the Plaintiff's trade name "**DANIELLA**". The same copied trade name was used for goods of the same kind and in the same market. The Plaintiff claimed that the Defendant had used like words, packaged its product in like get-up and general outlay as those of the Plaintiff's products and as a consequence causing confusion in the market by making customers believe that the Defendant's products are related to the Plaintiff's products and vice-versa and thereby buying the Defendant's products believing that they are in fact buying the Plaintiff's goods. A defence was filed on 10th October, 2013 where the Defendant denied liability and prayed that the suit be dismissed.
5. At the hearing, the Plaintiff called two witnesses, one Ghazi Kefel and Roselyne Karwitha Muriithi. Both witnesses had filed their separate Witness Statements. Mr. Kefel said that the Plaintiff's products "**DANIELLA**" was one of its best-selling products in the region since it was

launched in the year 1999. He sought to explain the similarities between the Plaintiff's trade name and that of the Defendant and he concluded that the two names "DANIELLA" for the Plaintiff and "DANIELA" for the Defendant were similar **"both in pronunciation, visually, phonetically and have as a result caused confusion in the market"**. The Plaintiff's second witness, Ms. Murithi gave actual account of what she went through having bought the Defendant's product thinking it was in fact the Plaintiff's.

6. The defendant on its part relied on the statement of defence dated 10th October 2013, the witness statement of John Ng'ang'a **Waweru (DW1)** dated 9th October 2013, marked as exhibit 1, dated 25th April 2016; defendant consolidated Bundle of document dated 17th April 2015 marked Defendants **D-Exhibit 2** and defendant's supplementary list and bundle of documents dated 25th April 2016 marked Defendant **D-Exhibit 3**.

7. The defendant in its defence to the claims of passing off, contended as follows:

- a) **The defendant has a right to manufacture and sell braids, weaves, wigs the exclusive right to use the word "DANIELLA" with respect to goods in class 26.**
- b) **The mark does not cause any confusion in the market.**
- c) **The Plaintiff's market research and/or sales analysis from January 2010 to April 2011 is irrelevant because the Defendant began using its mark "DANIELA" in Kenya in June 2012.**

8. Upon careful consideration of the pleadings, the parties evidence for and against the claim herein, the counsel rival submissions the arising issues for consideration can be summed up as follows:-

- a) **Whether the defendant is depicting its goods as those of the plaintiff and are products distinguishable when viewed as a whole or would they likely cause confusion?**
- b) **Whether the defendant is passing-off the plaintiff's product?**
- c) **Whether the defendant has taken advantage of the plaintiff's good will by manufacturing and selling goods with the trade mark "DANIELLA"?**

A) Whether the defendant is depicting its goods as those of the plaintiff and are products distinguishable when viewed as a whole or would they likely cause confusion?

9. In dealing with a case of passing off, the test that the court is required to apply is whether the mark has sufficient similarity with overall appearance, covering the same commodity, similar words or look, that would cause confusion to ordinary customer.

10. **Section 14 of the Trade Marks Act** deals with marks which are similar and goods which are similar. Under the said section it prohibits registration which is likely to cause deception. Section 14 provides as follows:-

"(1) No person shall register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

11. **Section 15A(1) of the Trademarks Act** deals with protection of well-known trademarks and provides :-

"(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO Agreement as a well-known trade mark, are to a mark which is well known in Kenya as being the mark of a person who—

- (a) Is a national of a convention country; or**
- (b) Is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not that person carries on business or has any goodwill in Kenya. "**

12. From the evidence of **PW1** and **PW2**, the plaintiff case is that the defendant is clearly depicting its goods as those of the plaintiff even on the face of it by similarity in the names of the two products. The defendant on its part denies that is so and avers the goods are distinguishable from each other and that there is no likelihood that there would be confusion. The plaintiff states that the only difference between the plaintiff's product "**DANIELLA**" and the defendant's product "**DANIELLA**" is that the letter has one "**L**" for the defendant's product but there is no difference in pronunciation, both visually, phonetically and rhythmically. In the eyes of an ordinary customer the two trade names will have no difference and would be read as the same as the two are so identical, and resembles one another for an ordinary customer to distinguish the difference as a whole and would in my view cause a real confusion and the two products would be taken as the same and one product.

13. In the case of **Parke Davis & Co. Ltd –vs- Opa Pharmacy Ltd [1961] EA 556** which was an action for passing-off, the Court of Appeal held that since the first two syllables in the trade names "**Capsolin**" and "**Capsopa**" were identical and there were resemblances in the containers, there was a real probability of confusion and the Appellant Company was entitled to an injunction. The Court held further that **"there is no need to prove intent to deceive, for the injury is the same whatever the intent may be....."** Similarly, in **Beierd of AG –vs- Emirchem Products Limited; HCCC No. 559 of 2002 (UR)**, the trade mark "**Nivelin**" was found to be strikingly similar to the trade mark

“Nivea” and would probably cause confusion to consumers.

14. In determining whether the defendants product are distinguishable from those of the plaintiff’s the principle to be applied in determining similarity was laid down in the case of **Sabel BV vs Puma AG, Rudolf Dassler Sport, Case C-251/95**, where the court held that in making a comparison between the marks, one should consider the respective marks’ visual, aural and conceptual similarities with reference to the overall impressions created by them bearing in mind their distinctive and dominant components. The Court stated at paragraph 22 and 23 that:

“The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case. That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4 (1) (b) of the Directive – “...there exists a likelihood of confusion on the part of the public...” – shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

15. It is clear from the above-mentioned authorities that the Courts are not hesitant to find the tort of passing-off in cases where similar trade names are used for the same products or products of the same nature and which are intended for the same market. The instant case is a classic example as there is similarity in pronunciation both visually, phonetically and rhythmically, and an average customer would most likely not be able to tell the difference.

16. The plaintiff called evidence demonstrating that the defendant packed its products in like get-up, words and general outlay. The defendant’s product have the following features:-

- i) The trade name "Daniela";**
- ii) The face of a lady;**
- iii) The words "Flame Retendant".**

which the plaintiff urged is copied from its design and style of its products which have the following corresponding features.

- i) The trade name "Daniella";**
- ii) The face of a lady;**
- iii) The word "Flame Retendant";**
- iv) The words "Highest Quality Harm Additions".**

17. The defendant witness gave evidence and attempted to distinguish the defendant’s product from that of the plaintiff, however during cross-examination of **DW1**, John Ng’ang’a Waweru, he stated that while buying the product he/she would identify the product by the trade name thus **"Daniella"**. That is what the customers associate the product with. In the instant case, there is no dispute that the two products are identical by their names, which was confirmed by both **PW2** and **DW1**. The assertion by **DW1** that the defendant’s dominant brand name is **"sister"** and that the plaintiff’s dominant brand name is **"Darling"** would therefore be insignificant to an ordinary customer. I find that it is inevitable that once a customer sees the name **"Daniella"** or **"Daniela"**, bearing in mind of that similarity in wording and pronunciation, she/he would not bother about other details and would automatically assume that they are the same product and/or originate from the same and one source. The customer would not be concerned with investigating the origin of the product but will be convinced it’s the right product he/she was looking for.

18. In **Amritdhara Pharmacy Vs Satya Deo Guptaar 1963 Sc 449**, the court held that:-

“... The question whether a trade name is likely to deceive or cause confusion by its resemblance to another already registered is a matter of first impression and one for decision in each case and has to be decided by taking an overall view of all the circumstances. The standard of comparison to be adopted in judging the resemblance is from the point of view of a man of average intelligence and imperfect recollection.”

19. The plaintiff’s key witness **PW2**, Roselyne Karwitha Murithi, testified that she had used the plaintiff’s products since 2005 and had been using **"Daniella"** weave for all that time, which she was familiar with, which she described as a long weave with shining and glowing textures and curly and described dominant name as **"Daniella"**; however one day she bought the defendant’s product **"Daniela"** thinking it was the same product she had been using. **PW2**, an average consumer for many years, testified that the products have many colours giving them as numbers 1, 2,230, 133 and 1900 as depicted by colour codes.

20. In **George Ballantine & Sons Ld –vs- Ballantyne Steward & Co. Ltd [1959] R.P.C**, it was held that the wrong of passing-off is established **“if the alleged wrong doer deals with his goods in such a guise or “get-up” as to render likely confusion of his goods with those of the complainant”**. The trade name is the prominent thing from which items of this nature are identified and the similarity in the

names of the two products cannot be escaped. The argument by the Defendant that its product is identified by the name "SISTAR" cannot be true because, as admitted by DW 1, all the products of the Defendant contain the name "SISTAR" and one product is identifiable from another by its trade name, in this case "DANIELA". The argument by the defendant is that the dominant label for the plaintiff's has been darling and after PW2 had been using it, she came to realise there was "Daniella" and "Daniela" two different products. The colour of the package as contended by the defendant, does not really distinguish the two products in the eyes of the average consumer; as it is the name that plays the key role and what most consumers will look for at first glance or ask for from the seller product is "Darling" and that the dominant colour is average and that the defendant's dominant label is "Sistar" with colour green being dominant. I do not find this to be so as DW1 and PW2 confirmed in their evidence that the products are identified by the trade name "Daniella".

21. Having considered the evidence of the plaintiff's witness and that of the defendant, I am satisfied that the plaintiff has demonstrated the defendant is depicting its goods as those of the plaintiff and that the plaintiff further demonstrated that the defendant product are not distinguishable when viewed as whole and there would be likelihood of confusion of the consumer's.

B) Whether the defendant is passing-off the plaintiff's product?

22. The plaintiff in its plaint dated 28th June 2013 under paragraph 8 urges, that the defendant copied the plaintiff's trade name "Daniella" and used it for the same kind of good and in the same market as that of the plaintiff, and thus claims that the defendant has as a result passed off its product "Daniela" as the plaintiff's product "Daniella" and thereby causing confusion in the market. The defendant on the other hand, has denied the plaintiff's claim urging that the two products are distinct and that there is no likelihood that there will be confusion on the part of the consumers between the products; urging further that there are distinguishing features between the two products, those of the plaintiff and those of the defendant.

23. On an action for infringement of unregistered mark, it is clearly provided that nothing in the Trade Mark Act shall be deemed to effect the rights of action against any person for passing off or the remedy in respect thereof section 5 of the Trade Mark Act provides:-

"No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off or the remedies in respect thereof."

24. A cause of action for passing-off is a form of intellectual property enforcement against the unauthorized use of a trade name or get-up which is considered to be similar to that of another party's product and use like words, the grounds upon which a claim for passing-off may be considered, were set out in the *locus classicus* cases of **A.G Spalding Brothers –vs- A W Gamage Ltd & Another (1914 -15) All ER Rep 147; (1915) 32 RPC 272 HL** which laid down the essentials of a passing off action as follows;

a) **A misrepresentation**

b) **Made by a trader in the course of trade**

c) **To prospective customers of his or ultimate consumers of goods or services supplied to him.**

d) **Which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and**

e) **Which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timed action) will probably do.**

ii) Lord Oliver in **Reckit & Coleman Products –vs- Borden Inc & Others** (1990) 1 WLR 491; (1990) All ER 873 expounded on the "classical trinity" that a successful Claimant must prove in an action for passing-off as follows;

"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 labelling and 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.

Secondly, he must demonstrate a misrepresentation by the Defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods and services offered by the Plaintiff."

Thirdly, he must demonstrate that he suffers or, in a quia timed action that he is likely to suffer damage by reason of erroneous belief engendered by the Defendant's misrepresentation that the source of the Defendant's goods or services is the same source as those offered by the Plaintiff.

iii) **Further, Lord Jauncey in the same case reiterated that;**

"It is not essential that the Defendant should misrepresent his goods as those of the Plaintiff. It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the Plaintiff's business or goodwill will be damaged".

25. In the case of **Brooke Bond Kenya Ltd vs Chai Ltd (1971) EA 10**, the Court of Appeal dealing with a matter of passing-off held *inter alia*, that **"the general impression of the average customer is the best test of passing-off and on this the appeal must succeed."** In that case, the Appellant sued the Respondent for infringing its trademarks and for passing-off its goods as the Appellant's. The infringement consisted in using the words **"Green label"**. The packets used by the Respondent had been changed to make them nearly resemble those of the Appellant.

26. In the case of **Newton Oirere Nyambariga v KCB Bank Kenya Limited & another [2017] eKLR** at paragraph 19 defined a passing off claim as **"a right of trader to bring a legal action for protection of goodwill. It is actionable under the law of unfair competition and sometimes as a Trademark infringement."**

27. Further in **Reckitt & Colman Products Ltd. Vs. Borden Inc & others, (1990) R.P.C.34 Lord Oliver Aylmerton**; the three elements to be proved in an action for passing off were set out as the **"classical trinity"** that a successful claimant must prove as follows:

"The law of passing off can be summarized in one short general proposition; no man may pass off his 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 succeed. These are three in number. First, he must establish a goodwill or reputation 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 labelling or packing) 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. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) 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 with a particular source which is in fact the Plaintiff. For example, if the public is accustomed to rely upon 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. Thirdly, 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 good or services is the same as the source of those offered by the Plaintiff".

28. For the plaintiff to meet the test to be applied in the case of passing-off, it has to demonstrate its reputation attached to the goods supplied as distinctive specifically of the plaintiff's goods, demonstrate a misrepresentation to the public and demonstrate that the plaintiff has suffered or is likely to suffer damages as a result.

29. **PW2**, Roselyne Karwitha Murithi, gave evidence which demonstrate her attached to the plaintiff's goods which she had used for a long time since 2005 as distinctive especially to the plaintiff's goods, in which she stated she had been using **"Daniella"** weave on regular basis (*monthly*) since 2005 and which she was familiar with as **"Daniella"** weave, which she described as long, shiny, glowing and curly and with different colours. She testified one eventful during her normal monthly purchase of **"Daniella"** weave, after plaiting the weave, she noticed that it was not the usual one she normally used as it looked odd and it wasn't shiny. Disappointed she went back to the salon to undo her hair and it was only then that she was informed by one Miss Gorety, who was a sales agent for Darling Hair products, that there are in fact two **"Daniellas"**; **"Daniella"** for plaintiff and **"Daniela"** for the defendant. I find **PW2** in this case as an average customer, who in spite of being a long standing customer for the plaintiff and who was used to using the plaintiff's product **"Daniella"** was confused of the plaintiff's product with that of the defendant's, is in my view a strong and undeniable testament of the striking similarity of the two products and there is no doubt that the defendant's product caused confusion in the market amongst consumers who are unable to distinguish between the two products. The defendant's release of hair product with trade name **"Daniela"** in the same market as the plaintiff's products, caused misrepresentation and confusion to customers leading plaintiff to suffer injury and I find the defendant's act amounts to passing-off of the plaintiff's products. I take into account that an average customer is prone to imperfect recollection and would in most of the times go for what it considers as the most prominent symbol in a product and particularly the trade name.

30. In the instant suit **DW1** during cross-examination was categorical that a customer while buying the product would identify the product by the trade name, in this case **"Daniella"**. This was indeed confirmed by **PW2** in her evidence. I therefore find the products as per parties' evidence would be more than never identified by their trade names and other details are of no significant to the average customer. That a customer in buying the product herein would therefore be asking or looking for the trade name either **"Daniella"** or **"Daniela"** which names are similar in spelling and pronunciation and it would not matter that one name has double **"LL"** and the other has one **"L"** as the products are in the eyes of an average consumer the same. **PW2**, in her evidence was therefore confused notwithstanding her many years of use and association with the plaintiff's product for she could not differentiate the two products and ended up buying the defendant's product taking it for the plaintiff's **PW4** products. This clearly demonstrated the colours of the package as well as words written on the package does not really distinguish the two products in the eyes of the average customer but it is the Trade name that the customer asks for and/or look for to determine the product they are interested in.

31. In **Triple Five Corporation vs Walt Disney Productions (supra)**, both the trial Court and the Appellate Court in Canada applied the test as was held in **Mr. Submarine vs Emma Foods Ltd (1976) 34 CPR (2d) 177** as to passing-off with regard to misrepresentation as follows:

"The English authorities have, in discussing the tort of passing off, generally sought to apply the standard of the ordinary person who is presented in a commercial background with a presentation of a product or a business which, on first impression, would leave that person, who has at best a general recollection of the product or business of the plaintiff in a state of confusion as to whether the product or business of the defendant is that of the plaintiffs. The standard to be applied is not that of a person fully familiar with the detailed operations of a plaintiff and therefore capable of at once distinguishing those of the defendant from those of the plaintiff but rather that of a person who has a vague recollection or understanding of the business or product of the plaintiff and who, on being faced with that of the defendant, may well be confused or deceived as to the ownership or the nature of the goods or the proprietor of the business in question."

32. In applying **sections 15(2) of the Trademarks Act**, Lord Tomlin in the Matter of an application by Alex Pirie and Sons Ltd to Register a **Trade Mark (1933) 50 RPC 147** laid down the matters to be taken into account in determining Honest Concurrent use of two Trade Marks. The guidelines include:-

- **The extent of use in time and quantity and area of trade;**
- **The degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience;**
- **The honesty of the concurrent use;**
- **Whether any instances of confusion have been proved;**
- **The relative inconvenience which would be caused if the mark in suit was registered, subject in necessary to any conditions and limitations.**

The other point is as to whether the degree of confusion is likely to ensue from the resemblance of the marks. In my understanding, when a trade mark was so identical or similar to another one, which was already in use, the possibility of deceit or confusion would be a reality. This is where the aspect of misrepresentation comes in.

33. **Lord Jauncey in Reckitt & Co. v Borden Inc. & Others** (*supra*) reiterated that;

“It is not essential that the defendant should misrepresent his goods as those of the plaintiff. It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff’s business or goodwill will be damaged.”

34. What then is goodwill? How can one establish whether they have attained goodwill in their business? In the case of **Commissioner of Inland Revenue v Muller & Co. Margarine Ltd [1901] AC 217; [1900-1903] All ER 413**, Lord Macnaghten gave a definition of goodwill. The learned Judge reiterated;

“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.”

Therefore Misrepresentation and goodwill are essential grounds that the Plaintiff needs to establish in order to succeed in a claim of passing off. Goodwill establishes the proprietary interest or right to which the trademark and/or name is used as a conduit. It is the attractive force which brings in customer **(as per Lord Macnaghten in Commissioner of Inland Revenue v Muller & Co. Margarine Ltd)**.

35. In the instant suit, having carefully considered the evidence and decisions in the above-mentioned case, I am satisfied that the plaintiff has established the test to be applied in establishing a case for passing-off. **PW1**, Mr. Ghazi Kefel, in his evidence testified that even though the Plaintiff’s bundle of documents on page 10 shows that in 2011 there was already a downward trend, the sale analysis for the period after the Defendant entered the market and started using the Plaintiff’s trade name **“DANIELLA”** in 2012 there was an even deeper decline in sales and this can be credited to the Defendant’s flagrant breach of business etiquette. As was observed in the ***Parke Davis & Co. Ltd*** case (*Supra*), while quoting ***Kerly on damages*** at page 383 said;

“Proof of damage is not in every case essential to enable the Plaintiff to maintain his action, for if he shows that the Defendant is acting so as to pass off goods as those of the Plaintiff which are not the Plaintiff’s it will generally be assumed that the Plaintiff is thereby prevented from selling as many of the goods as he otherwise would”.

36. The defendant through **DW1**, asserted in its defence that the plaintiff has not registered the word **“DANIELLA”** as a trade mark and therefore does not have a right of action to assert the exclusive use of the word **“DANIELLA”** as a trade name, which is not registered as a trade mark under the Trade Marks Act, Chapter 506 of the Laws of Kenya.

37. I find the defendant contention, that the plaintiff failure to register the word **"Daniella"** as a trade mark would deprive the plaintiff a right of action to assert the exclusive use to the word **"Daniella"** as a trade name, under the **Trade Marks Act** to be misplaced due to first, the principle of good will derivable for the use of the trade name. The plaintiff in its plaint has specifically stated they have been using the Trade name **"Daniella"** in the East African Region since 1999, a fact that the defendant has not denied. The defendant when they started using the name **"Daniella"** in or about 2012 they were aware of the use of the name **"Daniella"** by the plaintiff. Secondly the non-failure to register the name **"Daniella"** under the **Trade Marks Act** do not deprive the plaintiff or any party to a suit the rights of action against any person for passing-off or the remedies in respect thereof. This is clearly spelled out under **section 5 of the Trade Marks Act**.

38. In view of the above and considering the evidence adduced as well as the law, I am satisfied that the plaintiff has proved on balance of probability, the defendant is passing-off the plaintiff’s products. The plaintiff has proved that the two products were similar in appearance, that it had used the trade name for substantial period of time and the product is associated with the plaintiff and has used the product for substantial period to establish a good will.

C) Whether the defendant has taken advantage of the plaintiff’s good will by manufacturing and selling goods with the trade mark "DANIELLA"?

39. The defendant did not submit on this issue, however that notwithstanding, I find it appropriate to consider the issue so as to deal with all issues raised by the plaintiff who filed and served its submissions upon the defendant.

40. I have considered the issue of non-Registration of the plaintiff's trade mark and found no harm in revisiting this issue. The law is clear that a party need not register its trade mark to be eligible to the court's protection as clearly enunciated under several authorities and **section 5 of the Trade Marks Act**. In **Pastificio Lucio Garofalo S.P.A –vs- Debenham & Fear Ltd [2013] eKLR**, (*supra*) the following two common law cases were quoted that show the elements a Claimant for the tort of passing-off needs to establish for a successful claim.

41. **PW1**, testified that over several years, the plaintiff has invested heavy in the design and outlay of its product "**Daniella**" so as to be responsive to changing market demand and to ensure its customers of continued professionalism and quality. He further averred that the trade name "**Daniella**" has become popular with the plaintiff customers that it is inseparable from the identity of the plaintiff. **DW1**, in a candid admission, testified that, when the defendant commenced its business in Kenya, it found the plaintiff producing the product "**Daniella**" and added that other entities were also producing products with the same name so the defendant joined the bandwagon. He did not however produced any evidence in support of his assertion.

42. It is from the undisputed evidence that **PW1** was a director of the plaintiff from the year 2011 to the year 2102 when the plaintiff sold its business to its successor style Industries Limited, during which period the plaintiff had been producing the product "**Daniella**". It is on the other hand admitted by the defendant that it only started its operations in Kenya in 2012 when it commenced the sale of its products. There is no denial as has been demonstrated by the plaintiff that over the years it gained business niche and goodwill and has a considerable market share, which the defendant by producing and selling products similar to those of the plaintiff, threatening to ruin. I also find that the plaintiff has demonstrated and established a goodwill in the product is also inherent in the long user.

43. In **Pastificio Lucio Garofalo S.P.A** case (*Supra*), in **Triple Five Corporation –vs- Watt Disney Production (1994) ABCA 120**, in the Court of Appeal of Alberta, Canada, the Judge stated that "*the learned Judge postulated that indeed goodwill may be established in a claim for passing-off by the exigencies and effort expended in the marketing, advertising and promotion of the goods or services of the proprietor*". The fact that the Defendant itself knew and acknowledged the presence of the Plaintiff's "**DANIELLA**" products in the market is proof that the Plaintiff made effort to establish its products. The Defendant having come into the market at a later stage when the Plaintiff had already established itself and secured a considerable market cannot be allowed to use the same trade name "**DANIELLA**" for to do so will be to corrupt the market and cause confusion in complete defiance of intellectual property rights.

44. I find and I am satisfied from evidence of **PW1** and **DW1** own admission that the defendant knew that the Plaintiff was producing and selling the product "**DANIELLA**" in the market when the Defendant started its operations. That the Defendant deliberately entered into the Plaintiff's market share by seeking to make a profit out of its wrong action. In **Haria Industries –vs- P.J. Products Limited [1970] EA.367**, the Court gave an award of damages for passing-off and Sir Charles

Newbold stated as follows;

"... Having said that, and bearing in mind, as I said earlier, that in my view, and I think clearly in the trial Judge's view, the action of the Defendant was deliberate and he sought to make a profit out of his wrong and that therefore this is one of the few cases in which an amount of damages additional to the purely compensatory can be given, I have come to the conclusion that the proper figure which should be awarded to the Plaintiff for the action of the Defendant in £ 750....."

45. From the evidence on record and considering the exhibits produced in support of the plaintiff's claim, I find that the defendant's action are not justified and are some of the intolerable trade practices and a fraud which the court should come out to nib at the top for there is no excuse for the same. The plaintiff has established and proved as required by law the tort of passing-off as against the defendant and I find that it is entitled to the declaration and injunction prayed for in the plaint. It is further entitled to delivering up of the offending products for the destruction and an award of damages.

46. On issue of damages the court set the principles applicable in assessment of damages in the case of In **Gerber vs Lectra [1995] R.P.C 383**, the **five (5)** principles applicable in the assessment of damages are set out as follows:-

"(a) Damages are compensatory only, to put the claimant in the same position he would have been in had the wrong not been sustained;

(b) The burden of proof lies on the claimant, but damages are to be assessed liberally;

(c) Where the claimant has licensed his right, the damages are the lost loyalty;

(d) It is irrelevant that the defendant could have competed lawfully; and

(e) Where the claimant has exploited his right by his own sales, he can claim lost profit on sales by the defendant he would have made otherwise, and lost profit on his own sales to the extent that he was forced by the infringement to reduce his OWN price".

47. The Plaintiff, in the instant case, makes a claim for general damages at prayer (e) of its Plaint, which is a discretionary award given by the Court to an aggrieved party. In as much as the award is discretionary, the Plaintiff has to show proof that it indeed suffered damage and to what extent the Court's intervention as regards the same should be. In **Orkin Exterminating Co. Inc v Pestco Co. of Canada Ltd 50 O.R. (2d) 726** it was held inter alia:

“The third issue raised by the appellants is framed as follows: should damage to the property in the goodwill, if any, be presumed to have been incurred by Orkin and if so, was that presumption rebutted? ...Without damage there is no passing-off. This argument is completely answered by the assertion that Orkin has suffered damage, sufficient to support a cause of action against Pestco, by virtue of its loss of control over the impact of its trade name in Ontario and the creation of a potential impediment to its using its trademark upon entering the Ontario market-both arising from Pestco’s use of the name “Orkin” in Ontario.”

48. In the English Court of Appeal case of *Draper vs Trist* [1934] 3 All ER 513, wherein at 526, Goddard, L.J reiterated;

“In passing off cases, however, the true basis of the action is that the passing off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that, if the goodwill of a man’s business has been interfered with by the passing off of goods, damages results therefrom.”

49. Applying the above principles in assessing damages, I am satisfied that plaintiff did amongst its prayers seek general damages, and has through the evidence of **PW1** and **PW2** shown proof that it indeed suffered damages in that following the defendant entry into the market and started using the plaintiff trade mark name **"Daniella"** in 2012 it had a decline in sales which I find can only be credited to the defendant’s breach of business etiquette and by passing-off goods as those of the plaintiff resulting into eating into the plaintiff market and profit. The court though in awarding the general damages is aware that such an award is discretionary, the court has to consider damages as the lost loyalty. The court has to consider the lost profit on sales as not due to any other fact other than the defendant passing-off plaintiff’s products. The plaintiff has sought general damages of Kshs.5, 000,000 for the losses established by daily sales. I have considered the plaintiff’s sales analysis for the period from January 2010 to 2011 in which the monthly sales continued raising from January 2010 from Kshs.1,550,740/- to June to Kshs. 2,307,240 which sales continued declining to 549,440/- and pieces being sold from 4,561 to 1,616 by December due differing into the market. Taking all that into consideration I am satisfied the plaintiff is entitled to an award of Kshs.3, 000,000/-.

50. The upshot is that the plaintiff suit succeeds and I proceed to make the following orders:-

- a) **That the Defendant has infringed and/or passed-off the Plaintiff’s trade name "DANIELLA".**
- b) **An order of injunction be and is hereby made restraining the Defendant whether by itself, its directors, officers, servants, employees and/or agents from manufacturing, distributing and/or selling the product with the name "DANIELA" or distributing and/or selling the product with the name "DANIELA" or any other product which is similar to the Plaintiff’s product "DANIELLA".**
- c) **An order be and is hereby made that the Defendant destroys on oath and in the presence of the Plaintiff, all goods in its possession bearing the trade name "DANIELA" or any other product which is similar to the Plaintiff’s mark "DANIELLA".**
- d) **An order be and is hereby made that the Defendant discloses the names, places and address of the persons or entitles where it has supplied the infringing goods and further that the Defendant recalls the said goods for purposes of destroying them on oath and in default, the Plaintiff be authorized to get into any premises where the infringing goods are manufactured, stored and/or distributed for purposes of confiscating the same for destruction.**
- e) **The plaintiff is awarded General damages of Kshs.3, 000,000/-.**
- f) **The plaintiff is awarded costs of this suit.**

Dated, signed and delivered at Nairobi this 24th day of January, 2019.

.....

J .A. MAKAU

JUDGE