



**REPUBLIC OF KENYA**

**IN THE HIGH COURT OF KENYA AT NAIROBI**

**COMMERCIAL AND TAX DIVISION**

**HCCC NO. 65 OF 2019**

**THIMA COFFEE MACHINERY LIMITED.....PLAINTIFF/APPLICANT**

**VERSUS**

**GULF AFRICA MACHINERY KENYA LIMITED.....DEFENDANT/RESPONDENT**

**RULING**

1. This ruling is in respect to the application dated 11<sup>th</sup> February 2019 wherein the plaintiff/applicant seeks the following orders:

**1. Spent**

**2. Spent**

**3. That pending the hearing and determination of this suit inter-partes, a temporary injunction be and is hereby issued restraining the defendant/respondent, its servants, employees and/or agents from vending, selling, distributing and/or advertising the defendant's products or offering for vending of otherwise dealing in any goods alike to the goods of the plaintiff under the Trade Mark "Thima" or any other mark deceptively alike to plaintiff's Trade Mark "Thima".**

**4. That this honourable court do make any such further orders and issue any other relief it may deem just to grant in the interest of justice.**

**5. That the costs of this application be provided for.**

2. The application is supported by the affidavit of the applicant's Director one **Scholastica Kajuju Kimathi** and is premised on the grounds that:

**1. The applicant is engaged in the business of selling, leasing, hiring, repairing, and/or otherwise dealing in all kinds of agricultural and farm machinery, tools, appliance, accessories and equipment in Kenya.**

**2. The applicant has agents in different places in Kenya for purposes of vending its products aforesaid and the said applicant's products have thus acquired the best reputation, goodwill and public notoriety as its products bear a distinguished Mark, features in set up shape, size, layout marking and packaging.**

**3. For almost twenty five (25) years now, the applicant has solely and exclusively traded and advertised its goods and products under a distinct mark and name known as "Thima" which name has been graphically coined from the founder's name 'Kimathi' and is a distinct mark with a complete logo.**

**4. The applicant has learnt that the respondent has now branded some of its machines with the said mark to appear similar to those of the applicant and is engaged in an aggressive campaign to penetrate the applicant's niche market. Unless compelled by this honourable court, the respondent shall continue to deceive the public that the machines it is distributing are those of the applicant thus compromise the applicant's market by misrepresentation and cause irreparable damage to the applicant.**

3. The applicant's deponent avers that the applicant was on 12<sup>th</sup> April 1994 registered as "**Thima Coffee Machinery Services**" and was later on registered as "**Thima Coffee Machinery Limited**" on 12<sup>th</sup> April 2007. She states that since its registration, the applicant has been in the business of leasing and/or otherwise dealing in all kinds of farm machinery and farming tools but that in the year 2016, the respondent registered the trade mark "**Thima**" and has been trading and vending its goods with the mark "**Thima**" affixed on them.

4. She further states that the respondent's registration of trade mark was done with the sole aim of preying on the goodwill that the applicant has enjoyed for over 23 years and that the respondent's registration has created confusion to the applicant's customers since the mark "**Thima**" registered in 2016 is strikingly similar to the applicant's well-known registered trade name.

5. She further avers that the applicant has participated in competitions and sponsored trade fairs in various parts of the country and has received commendations from the state as a key stakeholder in the agriculture sector through huge investment in time and resources thereby achieving high levels of competitiveness which the respondent is now preying on by registering the "**Thima**" mark and passing it off as its own idea.

6. Through a supplementary affidavit dated 5<sup>th</sup> April 2019, the applicant's deponent states that she has seen machines supplied by the respondent that bear the images of the contested trade mark.

7. The respondent opposed the application through the replying affidavit of its Director **Bansul Aditya Ludhiana** who avers that the respondent as a duly registered company which on 9<sup>th</sup> February 2016 applied for the registration of "**THIMA**" as a trade mark by the registrar of trade mark Kenya Industrial Property Institute.

8. He states that the mark was duly advertised by the said registrar who received no objection to the application and proceeded to register the said Trade Mark on 17<sup>th</sup> October 2016. He further states that the applicant has no claim against it in respect to the Trade Mark since it did not register the trade mark under its name with the Kenya Industrial Property Institute and that this court lacks the jurisdiction to hear and determine this suit.

9. Parties thereafter filed written submissions to the application which I have carefully considered and I note that the main issues for determination are as follows:

*a) Whether this court has jurisdiction to hear and determine this suit.*

*b) Whether the defendants acts amount to passing off.*

*c) Whether the applicant is entitled to the orders sought.*

#### **Jurisdiction.**

10. In determining the issue of whether this court has jurisdiction to hear and determine this suit, I note that the dispute between the parties herein revolves around twin issues of registration of a business name that was later registered as a company and the registration of a Trade mark. While the registration of a trade name granted the applicant the use of the trade names "**Thima Coffee Machinery Services**" for the life of the company, the registration of the trademark "**Thima**" granted the respondent the exclusive use of the name on its goods. It was not in dispute that both the applicant and the respondent secured registration of the trade name and trademark respectively under the word **Thima**.

11. When confronted with the issue of jurisdiction under a similar set of circumstances in a dispute involving a company registered as a trade name under the Companies Act and another company registered under the same name as a trademark, the court, in **Webtribe Limited T/A Jambopay v Jambo Express Limited** [2014]eKLR cited with approval the decision of Mutava J. in Nairobi HCCC 840 of 2010 **Agility Logistics Ltd & 2 Others v Agility Logistics Kenya Limited**, wherein it was held as follows:

*"On the outset, my take in the present application is that the dispute before the court is an indictment of two Acts of Parliament that give protection to proprietorship of names in a manner that suits one legislation a villain and a victim of the other and vice versa. These are the Companies Act, Cap 486 Laws of Kenya, on the other hand and the Trademarks Act, Cap 506, Laws of Kenya, on the other hand. The present dispute brings into sharp focus the competing interests served by the two Acts vis a vis each other and the gaping lacuna in harmonizing the said interests in such a manner as would smoothen the inherent conflict in the operation allocation of the two legislations. This position is not helped by the appalling lack of coordination in the institutions charged with the implementation of the respective legislations."*

At paragraph 16 of the **Webtribe** case, Gikonyo J. proceeded to state that,

*"[16] In other sense, I note that none of these Acts, the Trademark Act and the Companies Act, offer a reconciliation of the apparent source of conflict between the two Acts. And when such conflict arises, rights of a persons are involved, which is exactly the case here, and that makes it imperative that the dispute should be resolved by the court. The Registrar of Companies of the Registrar of Trademarks in their lone capacity; none is in a better position to resolve such issues; only a court of law would by bringing all the parties before it and applying both Acts of Parliament. This court has unlimited jurisdiction to hear and determine this suit. I will now proceed to examine the plaintiff's grievances and the rejoinder by the defendant."*

12. Taking a cue from the above decision, I find that this court has jurisdiction to hear and determine this case.

#### **Passing off**

13. On whether the acts of the respondents amount to passing off, I find that this is a substantive issue which cannot be determined at this interlocutory stage without hearing the evidence of the parties. I therefore find that this is a matter that ought to be reserved for the final judgment.

## **Injunction**

14. The critical issue for determination is whether the applicant has made out a case for the granting of orders of injunction pending the hearing and determination of the main suit.

15. The principles governing the grant of temporary injunctions were set out in the celebrated case of *Giella v Cassman Brown and Company Limited* (1973) E.A 385, at page 360 where Spry J. held that: -

***“The conditions for the grant of an interlocutory injunction are now, I think, well settled in East Africa. First, an applicant must show a prima facie case with a probability of success. Secondly, an interlocutory injunction will not normally be granted unless the applicant might otherwise suffer irreparable injury, which would not adequately be compensated by an award of damages. Thirdly, if the court is in doubt, it will decide an application on the balance of convenience.”***

16. In the case of *Mrao Limited v First American Bank of Kenya and 2 Others* (2003) KLR 125, the Court of Appeal in determining what amounts to a prima facie case stated;

***“A prima facie case in a Civil Case include but is not confined to a “genuine or arguable” case. It is a case which on the material presented to the court, a tribunal properly directing itself will conclude that there exists a right which has apparently been infringed by the opposite party as to call for an explanation or rebuttal from the latter. A prima facie case is more than an arguable case. It is not sufficient to raise issues but the evidence must show an infringement of a right, and the probability of success of the applicant’s case upon trial. That is clearly a standard, which is higher than an arguable case.”***

17. Guided by the above principles, I will now turn to considering if the instant application meets the conditions set for the granting of orders of injunction. It is not in dispute that the applicant herein established that it was the first in time to register the trade name “**Thima Coffee Machinery Services**” which it eventually registered as “**Thima Coffee Machinery “Limited**” and that it branded its merchandise under the name “**Thima**” – as a name coined from its founders name **John “Kimathi” Ringera**.

18. My take is that the applicant has demonstrated a legitimate interest in the contested mark “**Thima**” and I therefore find that it has a prima facie case against the respondent, with high chances of success considering that the respondent registered its trademark more than 20 years after the applicant’s registration of the trade name.

19. On the issue of irreparable loss, I find that having used the disputed trade name for over 2 decades, the applicant has a higher stake in the matter considering the goodwill it has established over the said period has opposed to the respondent who registered the trademark in 2016, barely 3 years before the instant suit was filed. I find that the investment that the applicant has put in its business over the many years may be eroded irreparably in the event the orders of injunction sought are not granted. In the circumstances of this case, the balance of convenience tilts in favour of granting the prayers sought in the application.

20. Consequently, I allow the application dated 11<sup>th</sup> February 2019 in the following terms:

***a) That pending the hearing and determination of this suit, a temporary injunction is hereby issued restraining the defendant/respondent, its servants, employees and/or agents from vending, selling, distributing and/or advertising the defendant’s products or offering for vending of otherwise dealing in any goods alike to the goods of the plaintiff under the Trade Mark “Thima” or any other mark deceptively alike to plaintiff’s Trade Mark “Thima”.***

***b) The costs of the application shall abide the outcome of the main suit.***

**Dated, signed and delivered in open court at Nairobi this 30<sup>th</sup> day of October 2019.**

**W. A. OKWANY**

**JUDGE**

**In the presence of:**

Mr. Museve for Waithaka for plaintiff/applicant

Mr. Onyacha for Kageha for the respondent

Court Assistant – Sylvia