



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI LAW COURTS

COMMERCIAL & TAX DIVISION

CIVIL CASE NO. 500 OF 2017

STYLE INDUSTRIES LIMITED.....PLAINTIFF

-VERSUS-

SANA INDUSTRIES CO. LIMITED.....DEFENDANT

RULING

[1] The Plaintiff's Notice of Motion dated **19 December 2017** was filed herein on even date pursuant to **Sections 3A and 63(e) of the Civil Procedure Act, Chapter 21 of the Laws of Kenya** and **Order 40 Rules 2, 3, and 10** of the **Civil Procedure Rules, 2010**, for the following Orders:

[a] Spent

[b] Spent

[c] THAT the Defendant be restrained whether by itself, its directors, employees, agents and/or servants or anybody or entity whatsoever deriving authority under it from manufacturing, advertising, distributing and/or selling and/or dealing in any way whatsoever with products bearing the name **"VIP COLLECTION"** or **"VIP PREMIUM COLLECTION"** or any other mark which is similar to or bearing close resemblance to the Plaintiff's registered Trademark Number 65629 until the hearing and determination of this suit.

[d] THAT the Defendant do allow the Plaintiff by itself or agents to access the Defendant's premises to take inventory of all such products bearing the name **"VIP COLLECTION"** and take away such samples as may be necessary and keep the rest properly preserved at the Defendant's premises until the hearing and determination of this suit.

[e] THAT costs of the application be provided for.

[2] The application was premised on the grounds that the Defendant, in complete disregard of the Plaintiff's proprietary rights granted by virtue of registration of its **Trademark No. 65629**, manufactures, advertises and sells in the same market, the same products as those of the Plaintiff inscribed with a name similar to or resembling the Plaintiff's registered trade mark. It was further contended by the Plaintiff that its sales of the subject product have severely declined and it is therefore apprehensive that, unless the Defendant is urgently restrained from infringing the Plaintiff's trademark, it may suffer irreparable damage in the form of loss of market niche, reputation and all its investment on its Trademark.

[3] The application is supported by the affidavit annexed thereto, sworn on **19 December 2017** by **Ghazi Kefel**, a Director of the Plaintiff. **Mr. Kefel** averred that the Plaintiff is the Proprietor of the Trademark **"VIP COLLECTION"** registered as **Number 65629**; and that it acquired the same from its predecessor, **Strategic Industries Limited**. He explained that the said Trademark was, among others, the subject of transfer under an Asset Purchase Agreement dated **6 July 2012**, between the Plaintiff and its said predecessor; and that it is in respect of hair additions, hair pieces, braids, weaves and wigs. It was the contention of the Plaintiff that the Trademark is well known in the local and international beauty products' market and that the product is distinctive in its name, color, configuration and general get-up.

[4] It was further deposed by **Mr. Kefel** that sometime in **October 2017**, the Plaintiff realized that its sales turnover for products with the subject trade name in question had plummeted considerably; and that the Plaintiff's marketers thereafter found out, in the last week of

November 2017, that there were similar products inscribed with the names “**VIP PREMIUM COLLECTION**” being manufactured and sold by the Defendant in the same market. The Plaintiff contends that the Defendant’s products have similar or deceptively similar features as their products as to amount to infringement of its exclusive right to use its “**VIP COLLECTION**” Trademark.

[5] The Plaintiff further averred that at no time did it authorize the Defendant to sell its products under the Trademark “**VIP COLLECTION**” or “**VIP PREMIUM COLLECTION**” and that the Defendant will continue using the infringing name, marks, labels and get-up unless restrained by the Court. It is thus the Plaintiff’s case that the Defendant had not only infringed on its exclusive right of user granted to it by virtue of registration of its trade mark, but had also created the wrong impression that it is the manufacturer and proprietor of the “**VIP COLLECTION**” products, a situation which has misled the consuming public and has caused confusion in their shared market. In the light of the above, the Court was urged to allow the application and grant the orders sought by the Plaintiff to avert irreparable damage that it risks suffering on account of the Defendant’s abhorrent trade practice.

[6] In opposing the Plaintiff’s application, the Defendant relied on the Replying Affidavit sworn on **17 January 2018** by **Gerald Gakuru Muchugia**, the Sales and Marketing Manager of the Defendant Company. He averred that the Defendant has never used nor passed off its items under the trademark “**VIP COLLECTION**” and has no intention of doing so. He further averred that the Defendant uses the “**VIP PREMIUM COLLECTION**” which name it has used from the year **2008**. He noted that the name “**VIP PREMIUM COLLECTION**” used by the Defendant is not a brand name and is not used for the identification of any brand of the Defendant’s products but rather the quality of the products. Similarly, it is the deponent’s belief that the Plaintiff’s use of “**VIP COLLECTION**” is for purposes of quality and not for brand identification as alleged in the Plaintiff’s application. It was also the Defendant’s position that in addition to the names “**VIP COLLECTION**” being of definition as to quality, they are also stock generic names used in common language and therefore cannot qualify as invented words as specified by law.

[7] The Defendant further contended that the get up, logo and colour scheme of their product were entirely different from that of the Plaintiff. According to the Defendant, the Plaintiff’s trade mark is for use of “**VIP COLLECTION**” in that sequence and order while the Defendant’s sequence is “**VIP PREMIUM COLLECTION**” a manifest difference to any user. It was therefore their position that in no way had they infringed on the Plaintiff’s trade mark. It was also averred that the Plaintiff and the Defendant were in constant competition for the market and their various products are known and identified by the names “**Darling**” and “**Angels**” respectively.

[8] In addition to the foregoing, the Defendant contended that the assertion by the Plaintiff that its sales turnover had dropped as a result of the Defendant’s use of “**VIP PREMIUM COLLECTION**” was a false representation of the market, which had stagnated during the periods highlighted by the Plaintiff as a result of the prolonged general elections experienced in the Country. Thus, it was the contention of the Defendant that the orders sought for in the instant application are punitive and that the Plaintiff has failed to demonstrate that they would suffer irreparable harm not easily compensable by damages. The Defendant thus urged for the dismissal of the application with costs.

[9] In response, the Plaintiff filed a Supplementary Affidavit sworn on **18 January 2018** by **Mr. Kefel**. He reiterated that the Defendant’s use of the names “**VIP PREMIUM COLLECTION**” is an obvious and flagrant infringement of the Plaintiff’s trade mark “**VIP COLLECTION**” since the word “**PREMIUM**” which the Defendant argues distinguishes the marks only qualifies and is a superlative of the word “**COLLECTION**” suggesting that the Defendant’s mark is superior. The Plaintiff denied the assertion that the Defendant started using the trade mark in the year **2008** because they would have already commenced action against the Defendant as it has done in many other cases.

[10] While acknowledging that they are competitors, manufacturing and selling the same goods, the Plaintiff’s averment is that all the products so manufactured and sold are identified by their trade names and not by the brands “**Darling**” or “**Angels**” as alleged by the Defendant. The Plaintiff reiterated that its sales had dropped due to unfair competition by the Defendant, and that it had nothing to do with the prolonged election period as suggested by the Plaintiff. The Plaintiff added that the Defendant was a perennial tortfeasor, having infringed on the trademarks of many of its products; a fact which had led to many cases being filed by the Plaintiff against the Defendant.

[11] The application came up for hearing on **19 January 2018** and the Court heard the oral submissions by the parties. Learned Counsel for the Plaintiff/Applicant, **Mr. Nyawara**, reiterated the Plaintiff’s averments both in the Plaintiff and in the two affidavits filed herein on its behalf. He pointed out that the main issue in contention herein is the use of the words “**VIP COLLECTION**”, and whether the addition of the word “**PREMIUM**” in the Defendant’s get-up sufficiently distinguishes it from the Plaintiff’s registered Trademark. He added that infringement of a registered trademark is a tort of strict liability and that all the Plaintiff needed to prove was that the Defendant had imitated the Plaintiff’s registered trademark. In support of his proposition, he relied on the cases of **Strategic Industries Ltd v Sana Industries Ltd, HCCC No. 390 of 2008**, and **Strategic Industries Ltd v Sana Industries Ltd, HCCC No. 681 of 2010**, (both being cases between the same parties herein). Counsel further relied on the case of **Group Four Security Limited v G4S Security Services (K) Limited [2006] eKLR** in support of his argument that registration of a trademark confers the right to exclusive use of the mark.

[12] In response to **Mr. Nyawara**’s submissions, Learned Counsel for the Defendant, **Mr. Chege**, was of the view that the Plaintiff’s Trademark was materially different from the Defendant’s. He submitted that the words registered by the Plaintiff were restricted to “**VIP COLLECTION**” and the same were registered in **May 2009** by which time the Defendant had been using the words “**VIP PREMIUM COLLECTION**” from as far back as **2008**. Counsel cited **Section 7 (2)** of the **Trade Marks Act** to buttress his argument that a limitation cannot be applied where the name is extended. According to Counsel, “**VIP PREMIUM COLLECTION**” is an extension of the registered name. Thus, according to **Mr. Chege**, there is no similarity in the two get-ups as to cause confusion in the minds of consumers or constitute a passing off. However, Counsel for the Plaintiff maintained the stance that **Section 7 of the Trade Marks Act** outlaws any imitation; and that the instant case was not for passing off but for infringement of trade mark.

[13] I have carefully considered the application, the grounds relied on as set out on the face of the application and the Supporting Affidavit as well as the written submissions made by **Mr. Nyawara** on behalf of the Plaintiff. Similarly, I have taken into account the Replying Affidavit filed by the Defendant and the submissions made by **Mr. Chege** on its behalf. Thus, at this interlocutory stage, the Plaintiff need only to satisfy the Court that:

[a] the conditions for the issuance of a temporary injunction as laid down in the case of **Giella vs. Cassman Brown & Co. Ltd**

[1973] EA 360 have been met.

[b] That sufficient cause has been shown to warrant the issuance of the **Anton Piller Order** sought.

On Temporary Injunction:

[14] The three conditions for the grant of a temporary injunction were well explained in the case of **Giella vs. Cassman Brown & Co. Ltd** (*supra*) It was held thus, in that case:

"The conditions for the grant of an interlocutory injunction are ...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."

[15] And in **Mrao Ltd vs. First American Bank of Kenya Ltd & 2 Others** [2003] KLR 125, Bosire, JA proffered the following prescription of what a *prima facie* case is:

"...So what is a *prima facie* case? I would say that in civil cases it is a case in 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. The evidence must show an infringement of a right, and the probability of the applicant's case upon trial. That is clearly a standard which is higher than an arguable case."

[16] In the premises, in determining whether or not a *prima facie* case has been made herein, it is instructive to revert to **Section 7(1)** of the **Trade Marks Act**, to ascertain whether sufficient cause has been shown by the Plaintiff to warrant concern. That provision reads as follows:

"Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before 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 the 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 likely 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".

[17] There appears to be no dispute that the Plaintiff is the registered owner of the Trade Mark "**VIP COLLECTION**" which was registered under the **Trade Marks Act**, as **Trade Mark No. 65629**. The Certificate of Registration, marked **Annexure GK 1** to the Supporting Affidavit, confirms that the Trade Mark was registered on **29 May 2009** and is set to expire on **29 May 2019**. It further shows that the Trade Mark was registered under Class 26 in respect of hair additions, hair pieces and braids, weaves and wigs. The registered proprietor, according to the Certificate of Registration is Strategic Industries Limited.

[18] The Plaintiff further demonstrated that, on the **6 July 2012**, it entered into an Asset Purchase Agreement with Strategic Industries Limited by which the latter sold its business assets, intellectual property and goodwill to the Plaintiff. There appears to be no dispute therefore that the assets in question include the **Trade Mark No. 65629**; and that, as of **October 2017** when the alleged infringement is said to have occurred, the Plaintiff was the registered proprietor of the subject Trade Mark. **Annexure GK 4** is a presentation of the Plaintiff's get-up, clearly showing that the words "**VIP COLLECTION**" are an integral part thereof.

[19] Similarly, there is no dispute that the Defendant, also manufactures similar products under the brand name **Angels**; and that samples of its products marked "**Annexure GK 6**" indicate that it has been using get-ups with the words "**VIP PREMIUM COLLECTION**". The contention of the Defendant is that it has used the words "**VIP PREMIUM COLLECTION**" from **2008** on various products and that these are generic words and not a brand name for which a claim for infringement may be hinged. The Defendant also supplied samples of its various get-ups as **Annexure GGM 2** and postulated that the Plaintiff's use of **VIP COLLECTION** is for purposes of quality assurance only and not for brand identification.

[20] There can be no doubt that the Plaintiff's get-up is indeed markedly different from the Defendant's. As adverted to in Paragraph 8 of the Replying Affidavit, the Plaintiff's Trade Mark constitutes a girl's face with flowing hair superimposed over the "**I**" in the word "**VIP**", while the Defendant's get-up is that of a crown with the word "**VIP**" written vertically to the right of the logo. Secondly, the colour scheme of the

"VIP COLLECTION" aspect of Plaintiff's Trade Mark is silver on black, while the Defendant's is in white and gold with a black backdrop. The other features of the get-ups are completely different. In the premises, the controversy between the parties is therefore restricted to the use of the words "VIP COLLECTION". I would accordingly agree with **Mr. Nyawara** that the issue herein is not one of passing off, but simply a question of whether or not there is infringement of the Plaintiff's registered **Trade Mark No. 65629**.

[21] In the foregoing premises, I would find the cases of **Strategic Industries Ltd v Sana Industries Ltd, HCCC No. 390 of 2008**, **Strategic Industries Ltd vs. Sana Industries Ltd, HCCC No. 681 of 2010**, and **Group Four Security Limited vs. G4S Security Services (K) Limited [2006] eKLR** to be distinguishable from the facts hereof. In **Group Four Security Limited vs. G4S Security Services (K) Limited [2006] eKLR** for instance, the marks in contest were "Group 4 Securicor" and "Group 4 Security". The Court in that case, found that the marks were so similar that the possibility of confusion was real. Similarly, in **Strategic Industries Ltd vs. Sana Industries Company Limited HCCC No. 390 of 2008**, the contest was in connection with the Plaintiff's Trade Mark "ABUJA LINES" and the Defendant's use of the words "ABUJA SHORT" and "ABUJA LONG" in its products. The Court was satisfied in that case that there was likelihood of confusion and that the Defendant was using the Trade Mark with a view to deceiving the consumers of the products marketed by the Plaintiff. **Strategic Industries Limited vs. Sana Industries Company Limited HCCC No. 681 of 2010** concerned the Trade Mark "Pony Tail", and is a final judgment as opposed to an interlocutory ruling on injunction.

[22] Hence, whereas the Plaintiff has demonstrated that it registered its Trade Mark, there appears to be no indication from the Defendant that its get-up comprising the words "VIP PREMIUM COLLECTION" is registered. All that can be gleaned from the Replying Affidavit is that the Defendant has used the "VIP PREMIUM COLLECTION" mark on various products from the year 2008. Nevertheless, there being no dispute that the Plaintiff is the registered proprietor, it is manifest that, *prima facie*, the Plaintiff has valid grounds for complaint against the Defendant, granted the provisions of **Section 7 of the Trade Mark Act**; and the fact that it obtained the rights to the Trade Mark from its predecessor, **Strategic Industries Limited**. There is no indication either that the Defendant challenged the registration of the Plaintiff's Trade Mark in 2009 or that it thereafter sought relief pursuant to **Section 35 of the Trade Marks Act**.

[23] As to whether the Plaintiff stands to suffer irreparable harm, it was submitted that the case of **Nguruman Limited vs. Jan Bonde Nielsen & 2 Others [2014] eKLR** is instructive. The Court of Appeal stated as follows in that case:

"On the second factor, that the applicant must establish that he "might otherwise" suffer irreparable injury which cannot be adequately remedied by damages in the absence of an injunction, is a threshold requirement and the burden is on the applicant to demonstrate, *prima facie*, the nature and extent of the injury...there must be more than an unfounded fear or apprehension on the part of the applicant. The equitable remedy of temporary injunction is issued solely to prevent grave and irreparable injury; that is injury that is actual, substantial and demonstrable; injury that cannot "adequately" be compensated by an award of damages. An injury is irreparable where there is no standard by which their amount can be measured with reasonable accuracy or the injury or harm is such a nature that monetary compensation, of whatever amount, will never be adequate remedy."

[24] The Plaintiff has shown that it has a *prima facie* case; and further argued that this is not just a matter of passing off; but involves statutory rights of the Plaintiff. Accordingly, although evidence was adduced to show a dip in the Plaintiff's sales, there would be no standard by which the Plaintiff's apprehended loss would be measured with reasonable accuracy, for the injury complained of is of such a nature that monetary compensation, of whatever amount, would never be adequate remedy. Regarding breach of statutory rights, here is what **Warsame, J.** (as he then was) had to say in **Joseph Siro Mosioma –vs H.F.C.K and 3 others Nairobi [2008] eKLR**, which I entirely agree with:

"On my part, let me restate that damages is not automatic remedy when deciding whether to grant an injunction or not. Damages is not and cannot be a substitute for the loss which is occasioned by a clear breach of the law. In any case, the financial strength of a party is not always a factor to refuse an injunction. More so, a party cannot be condemned to take damages in lieu of his crystallized right which can be protected by an order of injunction."

[25] On a balance of convenience, suffice it to say that the Courts, in responding to prayers for injunction, always opt for the lower rather than the higher risk of injustice; and therefore, if granting the applicant's prayers will support the process towards full hearing, then the Court should grant those prayers. This was held to be so in the case of **Suleiman –vs- Amboseli Resort Ltd (2004) 2 KLR 589** in which **Ojwang Ag. J** (as he then was) quoted **Justice Hoffman** in the English case of **Films Rover International (1986) 3 All ER 772** at page 780 – 781 in which the Learned Judge made this point regarding the grant of injunctive relief:

"... the court should take whichever course appears to carry the lower risk of injustice if it should turn out to have been 'wrong' ..."

Indeed, the balance of convenience is in favour of the Plaintiff, being the registered user of the words **VIP COLLECTION**.

On Anton Piller Order:

[26] The Plaintiff's Notice of Motion also sought, vide Prayer No. 4 thereof, that it be granted access the Defendant's premises to take an inventory of all the products bearing the name "VIP COLLECTION" or "VIP PREMIUM COLLECTION" and that an order be made for the preservation of such products at the Defendant's premises until the hearing and determination of the suit. That is a prayer for an **Anton Piller Order**, and although Learned Counsel did not address this aspect in detail, it is trite that such an order can only be made in the clearest of cases. In **Anton Piller Kg V Manufacturing Processes Ltd And Others (1976) 1 ALL ER** it was held that:

"There are three essential pre-conditions for the making of such order in my judgment. First, there must be an extremely strong *prima facie* case. Secondly, the damage, mental or actual, must be very serious for the Plaintiff. Thirdly, there must be clear evidence that the Defendants have in their possession incriminating documents or things, and that there is real possibility that they may destroy such material before any application inter parties can be made."

[27] Whereas the Plaintiff has shown that it has a *prima facie* case against the Defendant, I did not hear it say that there is some evidence in the possession of the Defendant which is at risk of being destroyed. To the contrary, the Plaintiff was able to access the evidence of the alleged infringement and annexed the same to its Supporting Affidavit as Annexure GK 6. In the same vein, the Defendant also attached copies of the logos used by it in connection with their products that bear the names “VIP PREMIUM COLLECTION”. There is therefore no danger that that evidence may be destroyed before the hearing of this suit. Indeed, at paragraph 6 of the Plaintiff’s Supplementary Affidavit, it was averred that “...the Plaintiff will have no problem at all if the Defendant stopped the use of the words “VIP COLLECTION” on its products.” This was an acknowledgement that the Plaintiff and the Defendant are in competition with each other. Thus, an Anton Piller Order at this stage of the proceedings would be pointless.

[28] In the result, the Plaintiff’s application succeeds in part; and therefore, the orders that commend themselves to me are as hereunder:

[a] That the Defendant be and is hereby restrained whether by itself, its directors, employees, agents and/or servants or anybody or entity whatsoever deriving authority under it from manufacturing, advertising, distributing and/or selling and/or dealing in any way whatsoever with products bearing the name “VIP COLLECTION” or “VIP PREMIUM COLLECTION” or any other mark which is similar to or bearing close resemblance to the Plaintiff’s registered Trade Mark Number 65629 until the hearing and determination of this suit.

[b] That costs of the application be borne by the Defendant.

It is so ordered.

SIGNED, DATED AND DELIVERED AT NAIROBI THIS 16TH DAY OF MARCH 2018.

OLGA SEWE

JUDGE