# REPUBLIC OF KENYA

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

**CIVIL CASE NO. 12 OF 2018**

**ROYAL MABATI FACTORY LIMITED.....PLAINTIFF**

**VERSUS**

**IMARISHA MABATI LIMITED.....DEFENDANT**

**RULING**

Royal Mabati Factory Ltd hereinafter referred as the plaintiff company commenced proceedings in this court by way of a plaint dated 8th May 2018. In the plaint the plaintiff company prayed for various declarations including one for a permanent injunction restraining the defendant company Imarisha Mabati Ltd in restraining them from infringement of trademark, industrial designs were by way of advertising, packaging, distributing, marketing or in any way availing to the public its produce by use of industrial designs and trademarks.

The Plaintiff Company alongside the main suit was an accompanying certificate of urgency and a notice of motion dated the same day. Seeking temporary injunctive orders in terms of prayer 3 & 5 of the motion under Order 40 Rule 1, 2, 3 and 9 of the Civil Procedure rules.

In support of the application is an affidavit sworn by Dominic Wamugi Njenga and the grounds on the face of the notice of motion. The case for the plaintiff company according to the plaintiff company business development executive Mr. Njenga the plaintiff company was incorporated in Kenya on or about 2015. That the plaintiff company set up business of manufacturer, supplier and distribution of roofing products including colour coated roofing iron sheet. That in their business development the plaintiff company applied and was duly registered proprietor of industrial designs number 917, 921, 920, 922 and 919 which apply on colour coated iron sheets products it has also been disputed that the plaintiff company products include **Trademarks Royal Box profile and Royal Classic tile** registered under Trademark Numbers 89074 and 97336.

According to the plaintiff company their trademark and industrial designs are sought and have come to be distinctively identified with the plaintiff. That therefore has given them exclusivity well known by customers and consumers who patronize their roofing products. That the plaintiff has statutory protection of all the products under the registered Trademarks and Industrial Property Designs Act.

That as a result of the quality of their products the plaintiff has sold under its trademark and industrial design throughout the country. This has given rise to high sales and revenue turnover over a period of time. The plaintiff director further deposes that wide advertisement in all forms of print media to inform the public has been undertaken using the registered Trademarks and designs since its inception.

In their major complaint the plaintiff avers that the defendant company have infringed their trademark on iron sheets by advertising and embodying similar features identical to the plaintiff's. That the said infringement by the defendant company offers for sale iron sheets and tiles which are a direct replica of the plaintiff's company protected designs and marks.

That if the defendant company continues with the infringement it could be confusing the customers with a product purely conceptualized by the plaintiff. As a result, the plaintiff prays for an injunction to protect its rights and interest pending the hearing and determination of the suit.

The defendant company in its reply dated 28th May 2018 opposed the notice of motion and averments in the replying affidavit sworn by Elisha Kiprono Mitei. According to Mr. Mitei, the company has been in operation manufacturing iron sheets of different shapes and colours. He deposed that there is nothing unique about iron sheets produced in Kenya as alluded to by the plaintiff company to warrant the complaints raised in the Plaint and their accompanying affidavits. The defendant further averred that their products have any similarities in terms of trademarks and designs as stated by the plaintiff.

That in filling this suit the plaintiff has not disclosed material facts relevant to the claim to warrant this court grant interlocutory injunction. According to the defendant there are other manufacturers of iron sheets in the company and yet they have not been enjoined in this suit.

**Submissions by the Applicant**

Mr. Mburu learned counsel argued and submitted that the Trademarks and Industrial designs are duly registered under the Industrial Property Act No. 3 of 2001. In support of his submissions learned counsel recited and placed reliance on section 84 (1), 85, 86, 87, 92 and 105 of the Act. On the other hand, on trade infringement learned counsel cited section 8 and 9 of the Trademarks act cap No. 6 of the Laws of Kenya. Learned counsel contended that the applicant is a duly registered member of both Trademark and Industrial design.

Learned counsel submitted and argued that the requirements for grant of an injunction as stated in **Giella Versus Cassman brown and Mrao Versus First American Bank and 2 others Civil Appeal No. 39 of 2002** have been met in this application. Mr. Mburu urged this court to find that there exists a prima facie case for grant of an injunction.

Mr. Bundotich learned counsel for the defendant company submitted that this is one case which the burden of proof for injunctive orders has not been discharged by the plaintiff. In his view learned counsel contended that if any harm would be established the plaintiff can be compensated by way of damages. Further learned counsel submitted that there can be more existence of an exclusive design only reserved by the plaintiff on products like iron sheets which are also manufactured by other companies besides the Plaintiff. In support of his contention learned counsel urged this court to rely on the provision on the Trademark and Industrial Property Act of Kenya and the case of **Juice Bottle** in the name of **Malplast Industries Ltd.** In his final submissions learned counsel contended that there is no merit in the notice of motion seeking interlocutory injunctive orders, lacks merit. In the event the court finds existence of a breach at the trial of the main suit the plaintiff can be compensated by way of damages.

I have considered the arguments and submissions by both counsels the various affidavits and annexures in support of their respective positions has also been taken into account.

**Analysis and Resolution**

I have endeavored to set out the brief background of the case.

In the instant application it is expedient to give an overview of the applicable provisions of the law. The first reference will be the trademark Act Cap 506 of the Laws of Kenya. When one reads the provisions of the act what comes to the fore is the letter and spirit of the Act. The cardinal principle is to encourage fair trade, foster competition but also protect traders from unjustifiable damage of another under the guise of competition.

In respect to trade marks its worthwhile to understand the definition of mark. The relevant section 2 defines:

***"a mark as a distinguishing guise, slogan, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any contention thereof whether rendered in two dimensional or three-dimensional form 2 (a). the Trademark means a mark used or proposed to be used"***

> **(a) In relation to goods for purposes of indicating a connection in the course of trade between the goods and some person having the right either as a proprietor or as a registered user to use the mark, whether with or without any indication of identity of that person or distinguishing goods in relation to which the mark is used or proposed to be used from the same kind of goods connected in the course of trade with any person.**
>
> **(b) Section 7 provides for exclusive right to use the trade mark in relation to those goods or in connection with the provisions of any services. The same section deals with a mark which is identical or deceptional similar to that of the plaintiff in respect of the same goods or services and in a such manner that is likely that such a use is taken as being an infringement. This amounts to an infringement.**

Secondly, the relevant Act in this area is the Industrial Property Act No. 3 of 2001: The Act defines Industrial Property rights to mean:

> ***"Industrial Property Rights means Rights under patterns, certificates of utility models and include technovation and registration of Industrial designs issued under this Act. Further Section 4 defines industrial designs to means any composition of lines or colours or any three dimensional for a prudence of industrial or handcraft".***

The centrality of this application is anchored on the above statutory provisions. The importance and the usage of these trademarks and Industrial designs have found their way into the jurisprudence developed in various caselaw. One such case is the judgement in the case of **Hindustan Embroidery Mills PUT Versus K. Ravindra and Company 1974 Bomb LR146**. the court said:

> ***"It is not the practice to consider the validity of the registration of a Trademark on a motion for interlocutory injunction taken out by the person who has got the mark registered in his name. while a mark remains on the register (even wrongly) it is not desirable that others should imitate it".***

It is but correct to say that a trademark in relation to goods and services normally conveys to public or the origin or quality of the goods. That in away makes the proportion to acquire a reputation of his business over time. For these reasons reputation of business is distinctively identified by its own trade mark under the act Cap 506 of the Laws of Kenya. The protection of such infringement is by way of passing off. That is the main principle in the case of **ICC Development (International Ltd Versus ARVEE Enterprises 2003 26 PTC 245** where the court held:

> ***"A man may not but his own goods under the pretense that they are the goods of another man"***

In **Erven Warnik Beshton Venn OOtschap & Another Versus Town End & Sons Hull Ltd & another 1979 AC 73)**. The House of Lords identified five characteristics to create a valid cause of action for passing off:

**(1) Misrepresentation**

**(2) Made by a trader in course of business**

**(3) To prospective customers of his or which are consumers of goods or services supplied by him.**

**(4) Which is calculated to injure the business or goodwill of another trader, which can reasonable before sensible and which causes actual damage to a business or goodwill of the trader by which the action is brought or in quick time action will probably do so".**

Given this background the question to be answered is whether the plaintiff has satisfied the threshold issue of grant of interlocutory injunction. The conditions for grant of an injunction are well settled in Kenya as illustrated in the cases of **Giella Versus Cassman Brown 1973 EA 358 Mrao Ltd Versus First American Bank of Kenya, American Cyanamid Versus Ethicon Limited 1975 1ALL ER 504.** The court of appeal has also reaffirmed those principles in the case **Paul Wanjau and Gachuki the Falony Co. Ltd and 2 others 2016 EKLR**. As stated by these courts as the conditions precedent to be met before a court of equity can exercise discretion to grant the relief are as follows:

**(1) whether the applicant has established a prima facie case to be tried at the hearing of the substantive suit.**

**(2) If the first test is not met whether the applicant is likely to suffer irreparable harm not compensable by way an award of damages if the relief is denied.**

**(3) whether the balance of convenience and the inadequacy of damages does not clearly favour either party to the dispute.**

**The first test is whether plaintiff/applicant demonstrated existence of a prima facie case**

In a legal proposition aimed at opening up the traditional pigeon to the traditional principles on grant of injunction as stated in ***Giella Versus Carssman Brown, Mabeya J. went further to hold as follows: in the case of JAN BOLDEN NIELSEN VERSUS HERMAN PHILIIPUSSTEYA ALSO KNOWN AS HERMANNUSPHILLIPUS STEYN & 2 OTHERS (2012) EKLR where he observed as follows:***

***"I believe that in dealing with an application for an interlocutory injunction, the court is not necessarily bound to the three principles set out in the Giella Versus Cassman Brown case. The court may look at the circumstances of the case generally and the overriding objective of the law. In Suleiman Versus Amboseli Resort Ltd (2004) eKLR 589 Ojwang Ag. J (as he then was) at page 607 delivered himself:***

***"……counsel for the defendant urged that the shape of the law governing the grant of injunctive relief was long ago in Giella Versus Cassman Brown, in 1973 cast in stone and no new element may be added to that position. I am not, with respect, in agreement with counsel in that point, for the law has always kept growing to greater levels of refinement, as it expands to cover new situations not exactly foreseen before. Justice Hoffman in the English Case of Films Rover International made this point regarding the grant of injunctive relief (1986) 3 All ER 772 at page 780-781: "A fundamental principle is that the court should take whichever course appears to carry the lower risk of injustice if it should turn to have been "wrong" …."***

The approach mentioned above in Jan Bolden (Supra) is that the court should take whichever course seems likely to cause the least irremediable prejudice to one party or the other.

I am therefore required to examine what on the particular facts on this case the consequences of a ruling on injunction are likely to be on one hand on the plaintiff and upon the respondent on the other hand.

My role at this stage is to ensure that I do not embark on a journey resulting that of in depth analysis meant to be of a trial of the suit. This is indeed so given the fact that at this stage I have been presented with a rival affidavit evidence. I consider resultation of any disputes in the affidavit evidence and any difficult queries of the law to be a preserve of the main action.

It is also a principle of law that in exercising discretion for grant of interlocutory injunction the court should take the approach that appears to carry what I can call a lower risk of injustice to either of the parties in the suit. I am therefore guided by the above principles in determining whether or not the applicant notice of motion on interlocutory injunction should be granted pending the hearing and determination of the main suit. It would be therefore necessary in a brief summary to conduct an analysis on each of the element to be applied as stated in the authorities cited elsewhere in this discussion.

In the present case the plaintiff/applicant has pleaded in the plaint dated 8th May 2018 interalia that is a duly registered proprietor of Industrial designs referenced as Number 917, 921, 920, 922 and 919 in respect of its products.

Secondly, the plaintiff has contended that he is a proprietor of registered Trademarks which entails him the use of such words, or marks in the marketing of the products so manufactured and sold the consumers.

In essence the plaintiff is alleging that he has a legal right protected and governed by the statutory products being the trademarks Act 506 and the Industrial Property Act No. 3 of 2001.

The existence of this legal right is a matter that cannot be resolved through the contested affidavit evidence which has not been tested through cross-examination to resolve any variances. The existence of the rights and its infringement by the defendant are matters certainly to be dealt with at a final judgement of this court. At this interlocutory stage the court's in exercise of discretion has to weigh the competing interests and the rights for both parties. In considering the affidavit by the plaintiff, the plaint filed and subsequent rejoinder by the defendant together with annexures it is clear that as at 8th May 2011 there exist a legal right that is worthy of protection by the court. I see this issue on infringement of registered Trademark and Industrial designs to be a serious question to be tried at the tiral of the substantive suit.

From the affidavit evidence and discrepancies from both the plaintiff and the defendant. The true position of the facts which this court has relied on is that they are competitors in the same Industry. It appears from the supporting affidavit as disputed in paragraph 12, 3, 14, 15, 16, 20 the defendant has threatened, elected or violated existence of a legal right in issue which is sought to be protected when parties retaliate their positions at the main trial.

I derive considerable comfort for this position from the persuasive decision of the **Supreme Court of Nigeria in the case of Obiya Memorial Hospital VAG Federation 1987 3NWLR** where the court held as follows:

> ***"When an application for an interlocutory injunction to restrain a defendant from doing acts alleged to be violation of the plaintiff's legal right is made upon contested facts, the decision whether or not to grant an interlocutory injunction has to be taken at a time when hypothesis the existence of the right or the violation of or both is uncertain and will remain uncertain until final judgment is given in the action. It was to mitigate the risk of injustice to the plaintiff…. the period. The uncertainty could be resolved that the practice arose of granting him relief by way of interlocutory injunction".***

Are these principles which can be applied in Kenya? In my view the answer is yes.

It is quite clear that both countries anchor their jurisprudence on English common law. The real dispute before the supreme court of Nigeria was a consideration on the interlocutory injunctive relief and the principles to be applied. I therefore respectively agree with this principle as applicable in the matter under discussion. As such I am of the holding that the plaintiff has established a prima facie case and a serious dispute with the defendant to be tried in the main suit.

> **The second issue is whether in the circumstances the nature of the injury is such that its irreparable one which can never be adequately compensated by way of an award of damage**s.

The general principle of law in this regard is that the court of equity would only grant interlocutory injunctive relief where an award of damages for injury or harm is said to be inadequate. The court in the American Cyanamid case re-stated the principle in the following language on inadequacy of damages.

> ***"If damages in the measure recoverable are common law could be adequate remedy and the defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted, however strong the plaintiff claim appeared to be are at that stage".***

The meaning or irreparable harm was further defined by the **Supreme Court of Canada in RJR – Macdonald** in the following passage:

> ***"it is that which either cannot be quantified on monetary terms or which cannot be cited, usually because one party cannot collect damages from the other pointedly the court then gave examples. Where one party will be put out of business by the court's decision where one party will suffer permanent market loss or irreversible damages to its business reputation or where a permanent loss of natural resources will be the result when a challenged activity is not enjoyed".***

in **Halsbury's laws of England, third Edition volume 21, paragraph 739 page 352** – put the definition on irreparable injury:

> ***"As Injury which is substantial and could never be adequately remedied or atoned for by damages, not injury which cannot possibly be repaired and the fact that the plaintiff may have a right to recover damages is no objection to the exercise of the jurisdiction by grant of injunction, if his rights cannot be adequately protected or vindicated by damages. Even where the injury is capable of compensation in damages, an injunction may be granted, if the in respect of which relief is sought is likely to destroy the subjected matter in question. (Emphasis supplied)"***

See also the cases of **Paul Gitonga Wanjau v Gatenty Factory Company Ltd & 2 Others 2016 eKLR, Kenya National Union of Nurses v. The County Government of Mombasa & 2 others 2015 eKLR and Pancar Enterprises Ltd v. Lioobi & 2 Others 2014 eKLR.**

The manner in which the court goes about exercising discretion on equitable remedy under this test has also been discussed in various caselaw. In order to buttress the arguments in support of this application, a look at the legal proposition in some of the cases will be relevant. In the case of **Olympic Sports House Ltd School Equipment Centre Ltd 2012 eKLR** the court held interalia.

> ***"The defendants action breached Section 7 of the Act and that contravention could only be prevented by way of an injunction" Breach of Section 7 is a breach of the law which cannot be compensated in damages***.

Further in the case of **Kanorero River Farm Ltd and 3 Others v National Bank of Kenya Ltd 2002 2 KLR 207**. The decision by **Ringera J.A** as he then was held at page 216 as follows: ***"No party should be allowed to ride roughshod on the statutory rights of another simply because it could pay damages." Finally, the learned Judge in Waithaka v Industrial and Commercial Development Corporation 2001 KLR 374 as he then was stated as follows inter-alia on this issue:***

> ***"If the adversary has been shown to be high handed or oppressive in its dealings with the applicant this may move a court of Equity to say: Money is not everything at all times and in all circumstances and don't you think you can violate another citizen's reports only at the pain of damages"***

In the instant application, I have reviewed the affidavit evidence and the oral submissions by both counsels. At the hearing the action which the plaintiff/applicants sought to prevent by an injunction will address the following: Whether the trademarks and industrial designs are identical or similar. Secondly whether such trademarks or industrial designs have been used by the defendant in relation to identical or similar goods or to the determent of the plaintiff. Thirdly whether the identity or similarity between the trademarks and industrial designs is likely to cause confusion to customers as to the source of origin of goods or services.

In my view, as I addressed the first issue on a prima facie case the facts as discussed from the affidavits and pleadings do endorse the well-established legal position held in the cited cases that where a breach involves a recognized legal right in a statute the plaintiff may suffer irreparable harm which will not be compensated by an award of damages if an order of injunction is withheld.

**The test on a balance of convenience**

The **House of Lords in the American Cyanamid** case defined the balance of convenience and held:

> ***"That the objective of the injunction was to protect the plaintiff against injury resulting from the violation of his legal rights for which he could not be adequately compensated in damages recoverable from the defendant if he were successful at the trial. Alternatively, the plaintiff's need for protection had to be against the defendant's need to be adequately compensated by the plaintiff's cross-undertaking in damages if the defendants were prevented from exercising his legal rights and the matters were resolved in the defendants favour at the trial".***

Having dealt with the two issues, this analysis would be incomplete without touching on the principle in respect of the balance of convenience, the approach under this principle as mentioned in the conditions set out and stated in **Giella Versus Cassman Brown Co. Ltd (Supra).** The basic principle is that whichever course the court takes, in analyzing the existence of prima facie or irreparable harm, when a double then a balance of convenience be resolved to one party or the other.

In the present case the plaintiff/applicant application has alleged that some of the provisions of the Trademark Act and Industrial Property Act have been or are being contravened by the defendant in relation to his business and person.

At an approximate time, the court has to consider securing the enforcement of any of the provisions of the statutes aforementioned to the protection of the plaintiff right to Trademark or Industrial designs.

What this court has gathered so far from the material filed is that it appears just and convenient that an interlocutory injunction does issue to prevent prejudice or further threat to infringement until the final determination of the main dispute. In the light of the foregoing, I find that the balance of convenience would tilt in favour of the plaintiff in this application.

In light of the foregoing and the relief being sought being an equitable nature and on the face of the affidavit evidence together with the annexures I exercise discretion to entitle the applicant interlocutory injunctions. This is in line with the principles in the cited cases which lays down the legal threshold for grant of injunction.

As a result, the notice of motion dated 8th May 2018 succeeds in terms of prayer No. 3 & 5 in favour of the applicant as against the defendant. The cost of this application awarded to the plaintiff.

**Dated and delivered this 22nd day of June, 2018.**

**.....**

**R. NYAKUNDI**

**JUDGE**

**Representation:**

Mr. Mburu for the plaintiff present

Mr. Bundotich for the defendant - Present

Court Assistant: Mr. Kiarie