



**REPUBLIC OF KENYA**

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

**COMMERCIAL AND TAX DIVISION**

**CIVIL SUIT NO. 133 OF 2018**

**ABSA KENYA LIMITED.....APPLICANT**

**- VERSUS -**

**BARCLAYS BANK OF KENYA.....DEFENDANT**

**RULING**

1. **ABSA KENYA LIMITED, the plaintiff** herein has filed this case against **BARCLAYS BANK OF KENYA LTD, the defendant**. The plaintiff by its plaint pleaded that it was the exclusive holder and owner of the Trade mark '**ABSA**'. That the said trademark was registered as a **trade mark no 61266** under the **Trade mark Act Cap 506**. It was further pleaded in the plaint that the defendant placed adverts in the newspapers stating that it would seek approval of the regulators and share holders to change its holding name from **Barclays Africa Group Ltd** to **ABSA GROUP LTD**. The plaintiff pleaded that the defendant violated and infringed its registered trade mark and thereby made profits while the plaintiff's company made losses.

2. By the prayers in the plaint, the plaintiff seeks, amongst others, prayers for permanent injunction to restrain the defendant from using its trade mark **ABSA**; also seeks declaration that it is entitled to all the profits made by the defendant from the year 2012, when the defendant began to use the trade mark **ABSA**; and a declaration that the plaintiff is entitled to the difference in price of the defendant's shares traded at Nairobi stock exchange from **2nd March 2018**.

3. The plaintiff by its interlocutory application by **Notice of Motion** dated **5th April 2018**, seeks the following prayers:

*'that pending the hearing and determination of this suit, this honourable court be pleased to issue a temporary injunction restraining and/or barring the defendant from using, representing, infringing, advertising or in any manner whatever the trade mark and the name **ABSA** or its derivatives deductives, corollaries devices and/or auxiliaries in Kenya or in any other place or at all.'*

**PLAINTIFF'S CASE IN BRIEF**

4. The affidavit in support of the Notice of Motion was sworn by the plaintiff's director **EDWARD JAMES NJOROGE NJUGUNA**. In that affidavit, the deponent gave the background of the plaintiff, that the plaintiff began to operate a business before its incorporation in the year 2005. When it began its business, it was offering the services of cleaning and sanitation to its clients for gain; that as the business grew the plaintiff obtained and has maintained a website since **13th September 2005**, with the domain name of **Kenyaweb.com**; that the plaintiff was incorporated in the year 2006; the plaintiff also registered the name **ABSA** under the Trade mark Act and was given **trade mark no 61266** on **25th May 2007**. The deponent also stated how on **2nd March 2018** he saw a full page advertisement by the defendant in the Daily Nation Newspaper which advertisement detailed how the defendant intends to change its name. The deponent stated that the defendant's proposed change of name had negatively affected its business, whereby the plaintiff had received cancellation of lucrative transactions due to confusion created by the defendant's intentions.

**DEFENDANT'S CASE IN BRIEF**

5. The evidence on behalf of the defendant was presented by affidavits of **PAUL KINYANJUI NDUNGI**, the defendant's company secretary. He too gave the background of the defendant. He deposed that the defendant was incorporated in 1978 to provide banking and financial services to private customers, corporates, financial institutions and government clients. The defendant was licenced by the Central Bank of Kenya to provide banking and financial services in Kenya. The deponent stated that it is therefore clear that the defendant is in a different business to that of the plaintiff. The defendant in 2016 underwent several changes in its shareholding structure which resulted in changes of its corporate name to **ABSA Group Ltd**. That the **ABSA** group is an African financial service provider and is also the holding company of numerous subsidiaries such as **ABSA BANK LTD (SOUTH AFRICA)** and other subsidiaries currently operating under the name of **BARCLAYS** in several African countries, one of them being in Kenya. That **ABSA** is an abbreviation of **Amalgamated Bank of South Africa** and has been used by **ABSA** subsidiaries for **26 years**. That **ABSA BANK LTD (SOUTH AFRICA)** is a registered proprietor

in Kenya of the trade mark **ABSA** under class 36 which is the class for Banking and Financial Services Industries.

## **ANALYSIS AND DETERMINATION**

6. When a party approaches the court seeking interim interlocutory orders, the court is always required to exercise a delicate balance in the consideration of the evidence presented by the parties in such an application. The court cannot make final determination on issues of facts which facts are presented in disputed affidavit evidence. This indeed was the holding in the case of **MBUTHIA VS JIMBA CREDIT FINANCE CORPORATION & ANOR [1988]KLR1**. In that case the Court of Appeal stated as follows:

***“The correct approach in dealing with an application for an interlocutory injunction is not to decide the issues of fact, but rather to weigh up the relevant strength of each side’s propositions. The lower Court Judge in this case had gone far beyond his proper duties and made final findings of disputed affidavits.”***

7. With the above caution in mind, I shall proceed to consider the rival submissions made by the parties.

8. The plaintiff seeks interim interlocutory injunction order. The plaintiff as was held in **Giella vs Cassman Brown & Co. Ltd** has three conditions to meet. They are:

***i. An applicant must show prima facie case with a probability of success;***

***ii. The applicant must show it will suffer irreparable injury; and***

***iii. The applicant has to show the balance of convenience favours the granting of injunction orders***

9. The plaintiff has relied on **Section 7 (1) for Cap 506** and **Section 56 (1) (a) (b)** and **Section 57 (1) of the Company’s Act**. **Section 7 of the Cap 506** provides that a registered trade mark if valued, gives to its holder exclusive right to use the trade mark in relation to those goods or in connection to the provision of any services. That right is infringed when the trade mark which is identical or so nearly resembles the registered trade mark is used by a person not being the proprietor of that trade mark or the registered user with the permission of the trade mark holder.

10. The plaintiff also relied on **Section 56 and 57 of the Companies Act**. **Section 56** relates to inappropriate use of a company name that is associated with a particular company or name similar to the registered company. **Section 57 of the Companies Act** prohibits the registrar to register a company name which is the same as one appearing in the index of companies names.

11. It is however, important to point out that the plaintiff had a remedy under **Section 58 of the Companies Act** to seek the Registrar of Companies to direct a change of name where there is similarity with an existing name. The plaintiff’s reliance on the Companies Act particularly **Section 56 and 57** was premature having not sought the directions of the Registrar.

12. I have considered the evidence adduced by the parties, their submissions and their authorities. Having done so, I find that the certificate of registration of the plaintiff’s trade mark **ABSA** being trade mark no **61266** annexed to the plaintiff’s supporting affidavit has the following words:

***“this certificate is not for use in legal proceedings or for obtaining registration abroad.....”***

13. Those words in the plaintiff’s certificate were considered in the case **LORDS HEALTHCARE LIMITED VS SALAMA PHARMACEUTICALS LIMITED [2008]eKLR** where the court stated:

***“for the purposes of this application, it is apparent that the plaintiff’s claim to infringement of their trademark is anchored on the plaintiff’s claim to exclusive use of the word ‘Budecord’. While the plaintiff has produced a certificate showing that ‘Budecord’ is a trademark registered in kenya in the name of the plaintiff, that certificate is indicated on the face of it that it is not for use in legal proceedings. The certificate cannot therefore be relied upon by this Court to invoke Section 7 of the Trademarks Act in favour of the Plaintiff.”***

14. I need to state that I am in agreement with that holding. When a document clearly states that it should not be used in legal proceedings, it cannot be used in this case.

15. That is where the plaintiff’s on prima facie basis case fails, on the first condition of **Giella Case (supra)**. The plaintiff without the benefit and the use of that certificate in this proceedings fails to show a **prima facie case** with probability of success. In making this findings I am not in doubt and accordingly there is no basis of considering where the balance of convenience lies.

16. The Court of Appeal in the case **Kenya Commercial Finance Co Ltd vs Afraha Education Society [2001] 1EA** at **page 89** held that the conditions laid down in **Giella case (supra)** have to be considered sequentially. This is what the court of appeal held:

***“The sequence of granting an interlocutory injunction is firstly, that an applicant must show a prima facie case with a probability of success if this discretionary remedy will enure in his favour; secondly, that such an injunction will not normally be granted unless the Applicant might otherwise suffer irreparable injury; and thirdly, when the court is in doubt, it will decide the application on the balance of convenience – see Giella vs Cassman Brown and Co Ltd [1973] EA 358 at 360 letter E. These conditions are sequential***

so that the second condition can only be addressed if the first one is satisfied and when the court is in doubt then the third condition can be addressed.”

17. The plaintiff having failed to demonstrate a **prima facie case**, this court will not proceed to consider whether the plaintiff has demonstrated that it will suffer irreparable injury if the orders are not granted nor will the Court consider where the balance of convenience lies. This is in keeping with the **Kenya Commercial Finance Co Ltd (supra)** as stated above.

18. Contrary to what the plaintiff submitted in this case the defendant did annex to its further affidavit, in this matter, certificate of registration of trade mark **ABSA** dated **11th April 2018** and which certificate has the following words:

**‘certificate for use in legal proceedings or to obtain registration abroad’.**

19. It is such a certificate that the plaintiff should have presented to this court to enable this court place reliance on it. The plaintiff did not.

20. Accordingly the **plaintiff’s Notice of Motion** dated **5th April, 2018** is hereby dismissed with costs to the defendant.

**DATED, SIGNED and DELIVERED at NAIROBI this 13th day of June 2018.**

**MARY N. KASANGO**

**JUDGE**

**Ruling read in open court in the presence of**

Court Assistant.....Sophie

.....for the Plaintiff

.....for the Defendant