



**REPUBLIC OF KENYA**

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

**COMMERCIAL & ADMIRALTY DIVISION**

**HCCC NO.549 OF 2015**

**ROK INDUSTRIES LIMITED.....PLAINTIFF**

**VERSUS**

**ANNUM TRADING COMPANY LTD.....DEFENDANT**

**RULING**

1. Although the Notice of Motion dated 3<sup>rd</sup> November 2015 had been argued before Kariuki J., the Good Judge did not determine it and instead on 8<sup>th</sup> April, 2016, directed as follows:-

29. “I have observed and noted that there are objections pending before Kenya Industrial Property Office or Kenya Industrial Property Institute before the Registrar of Trade Marks. Before the court can rule on the application herein, the Court will require the Registrar of Trade Mark to make report to court on the complaint over Trade Mark herein within 30 days.

30. The Court will therefore fix a date for the filing of the same report which will be preceded by the investigation of complaint herein by the Registrar of Trade Marks”.

2. Things have since moved on and on 5<sup>th</sup> July 2016 the Assistant Registrar of Trade Marks in a written communication to ANNUM Trading Company Ltd(the Defendant) informed it that its opposition had been deemed as withdrawn under Rule 52A of the Trade Mark Rules. Annexed to a further affidavit sworn by Nimesh Gala on 2<sup>nd</sup> November 2016, on behalf of the Plaintiff, is a certificate of Registration of Trade Mark for Trade Mark “UNO” as Trade Mark No. 84175 in favour of the Plaintiffs. The Certificate is dated 8<sup>th</sup> July 2016. The stage was then set for the final disposal of the Motion of 3<sup>rd</sup> November 2015.

3. The substantive prayer in the Motion seeks the following prayers:-

3. THAT pending the hearing and determination of this suit, a temporary injunction be issued restraining the defendant whether acting by its directors, officers, servants, employees and/or agents or otherwise howsoever from

a) Infringing and/or interfering in any way with the Plaintiff’s registered trademark “SUMO” Premium Candle.

b) Passing off Premium Non-Drip Candles not of the Plaintiff as Tropical Non-Drip Candles and Premium Candles of the Plaintiff.

c) Manufacturing, selling, offering for sale and distributing counterfeit Tropical Non-Drip Candles and Premium Candles in a get-up whose, colour of packaging, colour of packaging, colour of text in packaging, product information, and description, and general appearance are similar to the Plaintiff's product.

d) Manufacturing, selling, offering for sale and distributing Tropical Non-Drip Candles and Premium Candles under the disputed Trademark UNO.

e) Parting with possession, power of custody (other than to the Plaintiff or its agents) of all documents, files, invoices, receipts, articles or equipment relating to the manufacturing, selling, offering for sale and distributing counterfeit Tropical Non-Drip Candles and Premium Candles in a similar get-up as the Plaintiff's product.

4. By a Plaint presented on 5<sup>th</sup> November 2015, the Plaintiff prides itself as the designer, manufacturer, packager, distributor and vendor of high quality premium non- drip fully refined paraffin wax candles under the Brand name "SUMO". It also alleges to have established considerable goodwill and reputation in the Brand name.

5. By the time of presentation of the Plaint, the Plaintiff was the registered proprietor of the Trade Mark TMA 70950 class 4 SUMO Premium candle. This was pursuant to a Certificate of addition to or Alteration of Registered Trademarks dated 13<sup>th</sup> May 2015.

6. The Plaintiff complains that the Defendant has infringed on the Plaintiff's proprietary rights in SUMO premium candles by manufacturing, package and selling candles under a similar brand name and with phonetic resemblance to the Plaintiffs registered Trademark.

7. It has been averred that the Plaintiff had applied for registration of the Trademark UNO and thereafter obtained approval from Kenya Industrial Property Institute and allocated TMA No.84175. That application has since been successful and the Defendant issued with a Certificate of Registration of Trade Mark dated 8<sup>th</sup> July, 2016.

8. The particulars of infringement are set out in paragraph 9 of the Plaint. These will be discussed further in the course of this Ruling. The Plaintiff prays for Judgment as follows:-

a. A permanent injunction restraining the Defendant whether by themselves or acting through their agents, servants and or employees from infringing and /or interfering in anyway with the Plaintiff' registered trademark TMNA No. 70950 Class 4 SUMO Premium Candle.

b. A permanent injunction restraining the Defendant whether by themselves or acting through their agents, servants and or employees from manufacturing, selling, offering for sale and distributing counterfeit non-drip tropical candles in a get-up whose, colour of packaging, colour of text in packaging, product information, and description, and general appearance are similar to the Plaintiff's product and/or under the brand name "UNO".

c. An order for:

i. The delivery to the Plaintiff of, or destruction on oath, of all infringing products of non-drip tropical candles which would otherwise offend against the provision of the foregoing injunction.

ii. The delivery of all documents, printed or written matter, labels and packaging relating to the manufacture, importation, purchase, distribution, selling or offering for sale of all the products falling within the provisions of prayers (a) and (b) above.

d. An order that the Defendant discloses the names and addresses of all those by whom it has been supplied and to whom it has supplied products falling within the provisions of prayers (a) and (b) above, together with sales and quantities so supplied and the price thereof.

e. An enquiry as to damages or alternatively at the Plaintiff's option an account of profits made by the Defendant as a result of the aforesaid infringement by the Defendant and an order for payment of any sums found due together with interest thereon at court rates.

f. The costs of this suit together with interest thereon at court rates from the date of Judgement until payment in full.

g. Such other and further relief as this Honorable Court may deem just and fit.

9. In a Statement of Defence and Counterclaim filed on 10<sup>th</sup> December, 2015, the Defendant denies the Plaintiffs claim and states that it is the proper owner of the Trade mark and name UNO. It blames its former Director/Official who now works with the Plaintiff for trying to register the said name unlawfully in favour of the Plaintiff.

10. It is averred for the Defendant that it has been using the name UNO for its goods since 2011 and it is the Defendant which is supplying counterfeit goods and guilty of passing off.

11. The Defendant claims to have a goodwill and reputation in respect to UNO candles and argues that it would be unlawful to allow the Plaintiff to register a trademark or allow business in the Trade Name UNO.

12. In the Counterclaim the Defendant seeks the following prayers:-

a. The Plaintiff's suit be dismissed with costs.

b. That a permanent injunction do issue restraining the Plaintiff, its servants and agents from manufacturing, importing, offering for sale, displaying for sale or in any way dealing with "UNO" candles.

c. The plaintiff be restrained from passing its candles as those of the defendant

d. General damages for the tort of passing off

e. The costs of the counter-claim be awarded to the defendant.

f. Any other relief the court deems fit to grant.

13. In the affidavit in support of the Application, one Nimesh Gala rehashed the contents of the Plaint and sought to provide evidence in support of the Claim and Motion now before Court. The Defendant on the other hand opposes the Motion through Grounds of Opposition dated 24<sup>th</sup> November 2015 and a Replying Affidavit of Nihir Girish Patani sworn on 24<sup>th</sup> November 2015. The contents of the rival affidavits shall be considered in the Courts rendition.

14. The claim by the Plaintiff is for infringement of a Trade Mark as well as passing off.

15. The Trade Mark UNO NO.84175 is now registered in favour of the Plaintiff under Certificate of Registration of Trade Mark dated 8<sup>th</sup> July 2016. The Mark covers, inter alia, Candles and wicks for lighting. Section 7(1) of the Trade Mark Act provides as follows:-

"Subject to the provisions of this section, and of sections 10 and 11, the registration(whether before or after 1<sup>st</sup> 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 those goods or in connection with the provisions 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 be likely to deceive or cause confusion in the course of trade or in connection with the provisions 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 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 a 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 righth either as proprietor or as licensee to use the trade mark or to services with the provision of which such a person as a foresaid is connected in the course of business.
- d. Cause injury or prejudice to the proprietor or licenses of the trade mark.

16. The right of proprietorship of a Trade Mark emanates from the registration of a Trade Mark. The date of registration is deemed to be the date which the Application is made (See Section 22(1) of the Act and Pastificio Incio Garofalo S.P.A (k) Vs. Debenham & Feer ltd [2013]eKLR). In the instant case the Plaintiff's application was dated 21<sup>st</sup> August 2014. Indeed the Certificate of Registration is explicit that the effective date of registration is 21<sup>st</sup> August 2014 and expires on 21<sup>st</sup> August 2024.

17. The certificate was issued to the Plaintiff as the Registrar had deemed an opposition by the Defendant as withdrawn as the Defendant had not followed through its opposition by filing the requisite Statutory Declaration in time or obtaining extension of time for doing so.

18. Following the issuance of the Certificate of Registration for the Trade Mark UNO under Trade Mark No.84175, the Right of Proprietorship of the Trade Mark, it would appear, vests in the Plaintiff and its continued use by the Defendant may amount to an infringement. The issuance of the Certificate of Registration to the Plaintiff puts it at a vantage point. More so because, so far, the Defendant has not challenged the validity of the Registration.

19. Would the continued use of the Trade Mark by the Defendant amount to passing off?

20. There are three elements to the Tort of passing off and these were explained by Lord Oliver of Allymerton in **Reckitt & Colman Products Ltd vs. Borden Inc & Others**[1990] ALL EL 873 at page 880 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 probe in order to succeed. These are three in number. 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 labeling or 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. Second, 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 on 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. Third, 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 goods or services is the same as the source of those offered by the Plaintiff".

21. Even as I turn to consider whether the Plaintiff has established these elements, on a prima facie basis, I must heed the caution sounded by the Court of Appeal in **CUT TOBACCO KENYA LTD VS. BRITISH AMERICAN TOBACCO LIMITED** [2001]KLR 36 when it said,

"What the learned Judge did, as pointed out earlier, was to apply the standard or burden of proof applicable in a full hearing at a trial when he decided that the alleged similarities in the "get-up" of the two packets were calculated, by the appellant, to deceive. On that, with respect, the learned judge erred. He went too far in deciding a temporary injunction application as the issue before him was of fact or facts and deciding such an issue in an interlocutory application may and does hamstring the trial court".

22. The evidence put forward by the Plaintiff is that since its inception in the year 2011, it designed, manufactured, packaged and distributed a non-drip fully refined paraffin wax candles. The candles were sold under its brand name SUMO which was a registered Trademark Trade mark No.70930 class 4 (Candle) in favour of the Plaintiff. The Certificate of Registration of Trade Mark shows that the Certificate was issued on 10<sup>th</sup> September 2011 but with an effective Date of 30<sup>th</sup> March 2011.

23. Through an application for addition to or Alteration of the Trade Mark, the Plaintiff became the registered owner of the Trade mark SUMO Premium Candle 8 pcs Non-drip candles through a certificate dated 13<sup>th</sup> May 2015. Importantly, the effective Date of Registration was deemed as 8<sup>th</sup> August 2014. (see Section 22 of the Act)

24. The Plaintiff says this of the Mark and get-up of its product:-

8. THAT ROK specifically decided that SUMO Premium Candles would be packaged in a clear transparent sealed plastic bag, with the mark of the candle to be in a dominant cobalt blue colour and the descriptive parts of the product at the back of the packaging to also be in cobalt blue colour. The letters of the brand name were to be in white in block letters against a cobalt blue background. Annexed hereto and marked collectively as "NS3" are true colour copies of photographs of the ROK's product.

9. THAT the decision to package the non-drip Candles in such packaging was to ensure that customers were able to see the quality of the candles depicted by the whiteness of the candles and the quality of the wick attached to the candle.

25. Annexed to that affidavit are letters from some of its customers who write to confirm that the get up and mark have come to be associated with the Plaintiff. Shown to this Court, as well, are advertisements in the print media of 10<sup>th</sup> August 2014, 24<sup>th</sup> August 2014 and 7<sup>th</sup> September 2014 which carries pictures of the Plaintiffs products with the mark, and get-up as described above.

26. This would have to be compared with the evidence of the Defendant which alleges that it has been manufacturing candles since 2004 but did so and supplied them in the name UNO for over two years as of 24<sup>th</sup> April 2014(the date of the affidavit of Nihir Girish Patani). The evidence presented in that affidavit is that through an application presented to The Kenya Industrial Property Institute on 22<sup>nd</sup> August 2014,it applied to add Candles to the Trade Mark UNO TM NO.76296. It would seem that the said application has now been upset by the Registration of Trade Mark NO.84175 in favour of the Plaintiff. Further, what was not shown to Court was any evidence that, since 2011, or in any event before use of the Plaintiff of the controversial get-up (other than use of the name 'UNO'), the Defendant had used the impugned get

up.

27. From the evidence so far presented in the Plaintiff's suit, the Court holds that the Plaintiff has established, prima facie, that it has a reputation for the Get-up or 'Trade Dress' (as the Americans would say) of the product it produces under the Registered Trade Mark No.70950.

28. So as to establish misrepresentation by the Defendant, the Plaintiff displayed a letter dated 8<sup>th</sup> January 2015 from a customer Kingo Candy Ltd which partly read,

***"...SUMO Candles are now a household brand name whereby customers are requesting the product from its name. But recently we have come to know that there is another brand "UNO" which resembles exactly like SUMO and creating confusion in the minds of customers".***

29. The Court was asked by the Plaintiff to find that there are similarities between its Get-up product and that of the Defendant. These are set out as follows:-

In the front:

- i. Transparent sealed plastic packaging
- ii. Cobalt Blue colour font
- iii. Cobalt Blue colour candle in the middle of the packaging
- iv. '8PCS' indicated in transparent font against a cobalt blue oval background.

At the back:

- i. Manufacturers label in cobalt blue
- ii. Font and type-face used is identical and cobalt blue in colour
- iii. Candle specifications are identical in terms of the net weight, burning time, nominal diameter of candle, colour of candles and number of candles.
- iv. The warning label is identical word for word which reads as follows:

*'These candles are odourless, non drip, smokeless and are made of fully refined paraffin wax. Keep out of children's reach. Candles should not be placed directly on combustible materials like curtains & dried flowers. Place candles in holders or coasters. Extinguish candles gently to avoid wax spillage'.*

30. Even without making any detailed comparison between the two, the Court finds that it is Common Ground between the Plaintiff and the Defendant that one product can be confused for the other. Just as the Plaintiff complains that the Defendant is guilty of passing off, so does the Defendant in its Defence and Counterclaim. That second element of misrepresentation is therefore not difficult to establish.

31. The third element is whether the Plaintiff is likely to suffer Damages. This Court is persuaded that at this interlocutory stage it should adopt the approach that if the goodwill of a man's business has been infringed by passing off, then the law presumes that damages may result therefrom. In this regard the observation of Goddard L.J. in Draper vs. Trist [1934]3 ALL ER 513 at page 526 is useful,

*"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.”.

32. The Court is satisfied that the Plaintiff has made out a prima facie case with a probability of success as required by the 1<sup>st</sup> test in **GIELLA VS. CASSMAN BROWN**[1973] EA 358 which sets out the conditions for the grant of an Interlocutory Injunction. But even then it may not be deserving of the order of injunction sought unless the other two test are satisfied ie,

i. That 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.

ii. If the Court is in doubt, it will decide the Application on balance of convenience.

33. The nature of injury that the Plaintiff may suffer, if this Court does not grant an injunction, is undoubtedly monetary. Ordinarily therefore, this Court would be disinclined to grant the plea for Interlocutory injunction. But the other circumstance is that, through registration, the Plaintiff is now the proprietor of Trade Mark No.84175, and to allow the Defendant continued use of the impugned ‘Get-up’ would be to allow and countenance an infringement of a Trade Mark protected by Statute. That would be to allow or countenance contravention of Statute. For that reason I would hold that this is one instance when an order of injunction is merited notwithstanding that Damages may eventually be adequate compensation. This Court would not be alone in taking a firm stand that a Defendant should not be permitted to continue retaining a position of advantage acquired or perpetrated by breach of law or statute (see for example Ringera J. in **Kanorero River Farm Ltd & 3 others vs. National Bank of Kenya Ltd** [2002] 2 KLR 207.

34. The outcome is that I allow prayer 3 of the Notice of Motion dated 3<sup>rd</sup> November 2015 with costs.

**Dated, Signed and Delivered in Court at Nairobi this 13<sup>th</sup> day of April, 2017.**

**F. TUIYOTT**

**JUDGE**

**PRESENT;**

Kiragu h/b Rimui for Plaintiff

N/A for Defendant

Alex - Court Clerk