REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI COMMERCIAL& ADMIRALTY COURT

CIVIL CASE NO 6 OF 2016

CITY CLOCK LIMITED……..……..……...……PLAINTIFF

VERSUS

COUNTRY CLOCK KENYA LIMITED……..……1ST DEFENDANT

BONIFACE MUANGE KITIVO……2ND DEFENDANT

RULING

1. For the determination of the Court was the application by the Plaintiff dated 14th January 2016 and filed on 15th January 2016. The application was brought under the provisions of Sections 1, 1A, 3 and 3A of the Civil Procedure Act, Section 5 and 7 of the Trademarks Act, Order 40 Rules 1 and 2 and Order 50 Rule 1 of the Civil Procedure Rules. In summary, the orders that the Plaintiff seeks are of a restrictive nature, barring the Defendants, whether by themselves, employees, agents, servants or anybody or entity from conducting advertising business on the clocks units using the name "Country Clock", which was similar to the registered trademark "City Clock", which it was contended, were confusingly and deceptively similar in set-up, get-up and appearance to the Plaintiff's clock units.
2. The application was premised upon the grounds that the Defendants were blatantly infringing and passing off their clock advertising units as the Plaintiff's, that the Defendants had started a similar business to that of the Plaintiff that had been operation for the last thirty (30) years and that the Defendants had diverted the Plaintiff's existing clients by the use of the confusingly similar advertising units and names, and had thereby, unjustly benefited from the confusion.
3. The application was supported by the affidavit of Rabari Alai deposed to on 14th January 2016. It was reiterated therein that the Applicant had been using the trademark "City Clock" as the registered proprietor in the business of hire clock and outdoor advertising. It was deponed to that the 2nd Defendant, who had been a former employee of the Applicant, had been dismissed on reasonable grounds to suspect that he had been involved with the theft of clock units and components, and that it was after this dismissal that he incorporated the 1st Defendant company offering services similar to those of the Applicant. Further, it was averred that the use by Defendants of the name "Country Clocks" was strikingly similar to the set-up and get-up used by the Applicant, and that by the use of the same, the Defendants had infringed and were passing off the advertising units as the Applicants. In the Supplementary affidavit sworn on 23rd February 2016, the Applicant reiterated the contentions in the affidavit in support of the application, and further deposed to that the Defendants were engaging in unethical and unfair business by using a name that was similar and identical to that of the Applicant. It was further contended that the 2nd Defendant, being a former employee of the Applicant, had facilitated in the infringing of the Applicant's trademark by using his good rapport with the Applicant's clients to pass off their clocks as those of the Applicant. On the allegation of confusion of the Respondents clock units and those of the Applicant, the Applicant further submitted a Second Supplementary affidavit deposed to on 25th February 2016.
4. The application was opposed by the Defendant through the Replying affidavits of Paul Muimi Mutemi and Boniface Muange Kitivo both sworn on 19th February 2016. It was contended that in so far as the Respondents were aware that the Applicant was the proprietor of the trademark "City

Clock", they were nonetheless the proprietors of the industrial design, and of which they had been issued the requisite certificates by the Registrar of Patents. Further, it was alluded to that the dispute at hand ought to have been heard and determined by the Registrar of Trademark as provided under the Trademarks Act. It was further alluded to that the Applicant was in violation of the Restrictive Trade Practices, Monopolies and Price Control Act, and by alleging infringement and passing off by the Respondents, sought a monopoly on both the use and advertisement of the impugned clock units. It was further contended that there was no similarity, phonetically or otherwise of the names "City Clock" and "Country Clock" and that the same were distinct and dissimilar. These allegations as espoused were further reiterated in the further affidavits of both deponents sworn on

5. The main issue with regards to the instant application is that the Defendants have been using a name that was so similar to that used by the Applicant over thirty (30) years, which similarity in name, it was averred, was phonetically similar to the pronunciation of the Applicant's trademark of "City Clock". Further, the Applicant's claim was predicted upon the grounds that the Defendants operated a business similar to their, that is, outdoor advertising using clock units, and that there was the likelihood of confusing members of the public and potential clients by the continued use of the name "Country Clock". Also, the Applicant had alleged that the 2nd Defendant, a former employee of the Applicant, has used his good rapport with the Applicant's clients to facilitate the infringing of the Applicant's trademark and passing of their clocks as those of the Applicant. Even though it was alleged by the Applicant that the 1st Respondent's registration of the clock units as an industrial design was irregular, those are issues not in contention in the instant matter, and as rightly considered by the Applicant, the Kenya Industrial Property Institute may more ably be accorded the opportunity to resolve that issue.
6. I have considered the dispositions made by the respective parties and the submissions made thereto. In considering the arguments and averments made by the respective parties, the Court considered the authorities cited of **PastificioLucioGarofalo SPA v Debenham& Fear Ltd (2013) eKLR** as well as the disposition of Lord Diplock in **A G Spalding Brothers v A W Gamage Ltd & Another** and Lord Oliver in **Reckitt& Coleman Products v Borden Inc. & Others (1990) All ER** on the issue of passing off and infringement. In **Reckitt & Coleman Products v Borden Inc. & Others** (supra), it was stated thus;

"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 and 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. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to belief that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quiatimet 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 source as those offered by the plaintiff."

7. However, with regards to the issue of the trademark "City Clock" and the registered company "Country Clock Ltd", the Court stood guided by the dictum of the learned Gikonyo, J in **Webtribe Ltd T/A Jambopay Ltd v Jambo Express Ltd (2014) eKLR**.
8. The Respondent contended that they were not averse to the Applicant using the term "City Clock" as the proprietor of the registered trademark. Further, it was reiterated that the term "city' and "clock" were generic terms, and that therefore, and in consideration of the case of **Webtribe Ltd T/A Jambopay Ltd v Jambo Express Ltd** (supra), was whether the Applicant's exclusive rights over the use of the trademark "City Clock" permeated over the use of the word "Country Clock" by the Respondents. In the fore mentioned case, it was reiterated thus;

"The Plaintiff's claim of infringement of their trademark is anchored on the plaintiff's claim to exclusive use of the word 'Jambo pay'. One other thing; the Plaintiff has produced a certificate showing that 'Jambo pay' is a trademark registered in Kenya in the name of the Plaintiff, but the certificate is indicated on the face of it that it is not for use in legal proceedings. The plaintiff is not

also claiming a patent or monopoly over its online payment system; what is in issue is whether the Plaintiff has exclusive rights to the use of the name 'Jambo pay' to the extent that it can claim infringement of that right by the defendant's trade name that bears the word "Jambo pay". Doubtless, a just determination of the issues herein especially of the plaintiff's right and alleged infringement of trademark does not just depend on the registration of the Trademark 'Jambo pay' by the plaintiff but includes determination of other issues such as whether the protection provided to the name "Jambo pay" by the trademark registered in favour of the Plaintiff overrides the protection of the name "Jambo pay Express Limited" secured through the registration of the name as a company; and whether the defendant's intent in registration of its trade name was to cause confusion among consumers and to capitalize in the Plaintiff's goodwill in the online payment services market. Equally, the circumstance in which the Defendant Company was registered is in the center of this suit and whether it is an infringement as alleged."

9. It has been adduced that the Applicant was registered as a company on 21st November 1984 under C. 28600 whilst the 1st Respondent was registered on 8th November 2012 under CPR/2012/88209. The trademark "City Clock" was registered for use in Legal Proceedings under Class 42, and pursuant to Section 22 of the Trade Marks Act, the registration of which expires on 27th March 2014. The Applicants have not shown, however, that they are the registered proprietors of the trademark "City Clock" which they allege has been infringed upon by the Respondents. On the other hand Country Clock Ltd was registered as a company under CPR/2012/88209 as per the CR12 Form dated 9th November 2015, with the deponent of the affidavits named as a Director of the company. There is no evidence that has been presented before the Court to show that the Applicant opposed to the registration of the Company, which opposition in any event would have been in the purview of the Registrar of Companies.
10. As such the evidence placed before the Court, is in my considered view, not sufficient to sustain the Applicant's claim for interim relief of injunction. As was reiterated in **Giella v Cassman Brown & Co Ltd (1973) EA 358**, there has to be established a *prima facie* case with a probability of success in order for the Court to consider awarding such reliefs, and further, that the applicant stands to suffer irreparable loss that may not be adequately compensated in an award for damages. However, and in the instant, the Applicant has not been able to present to the Court a claim that establishes a *prima facie* case, and which in so far as the affidavit evidence is concerned, is not sufficient to sustain the Applicant's claim. As such, it would be prudent for the Court to allow the matter to proceed to hearing in order and such that the parties may ventilate and broadly articulate the issues at hand. It was further enunciated in **Webtribe Ltd T/A Jambopay Ltd v Jambo Express Ltd** (supra) thus;

"In light thereof, the material before the court is not sufficient for the Court to issue an injunction. More reinforcing evidence is needed and the best mode of delivery is oral as well as documentary evidence. See the case of HoswellMbuguaNjuguna t/a Fischer & Fischer Marketing(High Court Civil Case No. 599 of 2010)(unreported), where it was held that in the absence of oral evidence which can be tested by way of cross examination, it would be difficult to ascertain whether a Defendant has infringed on any intellectual property rights of a Plaintiff. I therefore find that as longs as the alleged infringement by the defendant is anchored on the existence of the plaintiff's exclusive rights, the registration of the Defendant and its business ventures, and as long as the Defendant is a registered company, no prima facie case that has been established."

11. The test of damages in view of the serious nature of the issues will not be appropriate measure here. I am guided by the fundamental principle of law ''*…that the court should take whichever course appears to carry the lower risk of injustice if it should turn out to have been "wrong"*. The balance of convenience in this instance, will lie in favour of proceeding with this case on a more intrinsic test of the evidence and the law rather than issuing an injunction at this stage. See the case of **Pastificio Lucio Garofalo S.P.A v Debenham& Fear Limited** (supra). It is for these reasons therefore that the application by the Applicant is deemed unmeritorious and the same is dismissed with costs to the Respondents.

Dated, signed and delivered in court at Nairobi this 22nd day of April, 2016.

C. KARIUKI

JUDGE