REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI COMMERCIAL & ADMIRALTY DIVISION

CIVIL CASE NO. 206 OF 2013

SAFEPAK LIMITED ……. PLAINTIFF

VERSUS

POWER PLAST INDUSTRIES LIMITED ……..…….. DEFENDANT

R U L I N G

1. Before this Court is the Plaintiff's Application dated 22nd May 2013 brought under Certificate of Urgency. The Application, by way of Notice of Motion, is brought under the provisions of **Order 40 rules 1, 2 and 3** of the *Civil Procedure Rules, 2010* as well as **sections 1A, 3A and 63 (e)** of the *Civil Procedure Act* and **section 92 (3)** of the *Industrial Property Act*. The Application seeks Orders that pending the hearing and determination of this suit, an injunction be issued restraining the Defendant whether by itself, its directors, officers, employees, servants or agents or otherwise from infringing the Plaintiff's Industrial Design registered as number 646 by the Kenya Industrial Property Institute (hereinafter "KIPI"). The Plaintiff particularised its prayers as follows:

> **"(i) Infringing on the Plaintiff's protected feature of twisting vertical ribs from the top of the shoulder to the bottom of the waist.**
>
> **(ii) Manufacturing, importing or exporting, selling, offering for sale, distributing, marketing bottles or other similar products manufactured from the reproduction, imitation or infringement of the Industrial Design registered as no. 646.**
>
> **(iii) Parting with possession, power custody (other than to the Plaintiff or its agents) of or in any way altering, defacing or destroying products or moulds which are used by the Defendant to commit acts of infringement of the Industrial Design registered as number 646.**
>
> **(iv) Parting with possession, power custody (other than to the Plaintiff or its agents) of all moulds, documents, files, invoices, receipts, articles or equipment relating to the importation, purchase, manufacture, sale or supply of the infringing bottles, moulds and other products".**

2. In the grounds in support of its Application, the Plaintiff noted that the novelty in its Industrial Design which had been registered by KIPI 13th December 2011:

"lies in the pattern of twisting vertical ribs from the top of the shoulder to the bottom of the waist. This feature combined with the overall shape of the container gives the container a unique look."

The Plaintiff maintained that the Defendant's infringing bottle embodied substantially similar features as regards the twisting of the vertical ribs as above. It also maintained that the Defendant's infringing bottle was not substantially different in overall shape to the Plaintiff's registered design. However, the Plaintiff made clear that the claim for infringement was:

"restricted to the specific feature of the twisting vertical ribs from the top of the shoulder to the bottom of the waist."

The Plaintiff noted that the Defendant was manufacturing and stocking/selling bottles for sale which were a reproduction of the Plaintiff's protected Industrial Design. The Plaintiff had expended significant intellectual and monetary effort to come up with the unique features of its Industrial Design.

3. The Plaintiff's said Application was supported by the Affidavit of its Sales and Administration Manager one **Catherine Wangari Karanja** sworn on 23rd May 2013. The deponent repeated much of what had been detailed by the Plaintiff in the grounds in support of its Application. She annexed to her said Affidavit a copy of the Certificate of Registration of the Plaintiff's Industrial Design as well as photographs of the Plaintiff's bottle, the statement of novelty and the certificate of renewal. She also attached photocopies of photographs of the Defendant's bottles together with the invoices reflecting purchase of the same. Further, the deponent attached a copy of a "cease and desist" letter dated 29th January 2013 addressed by its advocates on record to the Defendant, plus a copy of the response dated 14th March 2013 received from the Defendant's advocates. The deponent went on to say that the Plaintiff had established a valuable extensive reputation and goodwill in the Industrial Design by virtue of its substantial use. The bottles were used to package water and the Plaintiff maintained that by seeking to infringe on the features of the Plaintiff's Industrial Design, the Defendant was seeking to ride on its coat tails as regards its reputation and brand equity. Ms. Karanja concluded her said Affidavit by stating that the Defendant had threatened to continue with the infringement and unless restrained, the Plaintiff would suffer irreparable harm and damage.
4. The Defendant responded to the Application of the Plaintiff by filing a Replying Affidavit sworn by one **Mary Wanjugu Ndungu** on 21st June 2013. Unfortunately, although the deponent stated that she had been duly authorised by the Defendant to swear the said Affidavit, she did not declare as to her status in the Defendant company. However, the deponent noted that the Defendant was a business competitor of the Plaintiff and that it had invested heavily in the industry both materially and in intellectual property. The deponent stated that she was the creator of the Defendant's bottles design and, in her opinion, such in no way infringed on the Plaintiff's Industrial Design No. 646 or any other. She attached to her said Affidavit a copy of her statement of inventorship made to KIPI on 19th February 2013. She also attached to the search results from KIPI which contained the comment:

"no enforceable design right on the exact bottle design."

The deponent noted that so far as the Supporting Affidavit was concerned, the actual bottle photographed as being the Defendant's was not similar to the bottles actually sold by the Defendant in the particular consignment. The deponent was of the belief that the Plaintiff had not come to Court in good faith but as part of a much wider scheme to drive the Defendant out of business by the exertion of what she termed "improper commercial pressure". She had been advised by the Defendant's advocates on record that the Plaintiff had not established a prima facie case or indeed any sort of case as against the Defendant and was therefore undeserving of the prohibitive Orders sought from this Court.

5. With the leave of the Court, the said **Catherine Wangari Karanja** swore a Further Affidavit 27th June 2013. She pointed out that it was apparent that the Defendant had applied for registration of its industrial design after having received the demand and notice from the Plaintiff's advocates dated 29th January 2013. In the deponent's opinion this showed that the Defendant was keen on unlawfully copying and utilising the Plaintiff's registered design No. 646. She went on to observe

that the Defendant had not obtained registration for its design and she had been advised that, in the circumstances, it had no legal rights in respect of its design. Further, the deponent pointed out that the design in respect of which the Defendant had applied for registration was different from the Defendant's offending bottle being the subject matter of the Plaintiff's claim herein. Finally, Ms. Karanja noted that the KIPI official who had made the comments as highlighted above had no mandate to make the same in respect of the Defendant's search. Later, in a Further Affidavit sworn on 4th November 2013, the deponent noted that the Plaintiff had instituted opposition proceedings in respect of the registration of the Defendant's design at KIPI. She had been advised by the Plaintiff's advocates on record, that Regulation 49 of the Industrial Property Regulations 2002 provided that opposition proceedings filed pursuant to that Regulation were dealt with by the Managing Director of KIPI. Infringement issues cannot be dealt with during opposition proceedings as the latter only dealt with the issue of design registrability. Infringement proceedings related to the act of a third party infringing on the rights of a registered owner of an Industrial Design. The Managing Director of KIPI did not have the mandate to deal with infringement issues under section 92 of the Industrial Property Act, a fact which was endorsed by a letter dated 10th July 2013 from the Managing Director of KIPI which was annexed to another Further Affidavit sworn by **Catherine Wangari Karanja** on the 10th July 2013**.**

6. One **Jedidah Muriithi** swore a Further Affidavit on the part of the Defendant dated 31st October 2013. The deponent referred to the Defendant's Replying Affidavit dated 21st June 2013 in which it had disclosed its application to KIPI for registration of the Defendant's bottle design. Following those disclosures, the deponent maintained that the Plaintiff had commenced opposition proceedings against the registration of the Defendant's design at KIPI. The deponent maintained that such conduct clearly demonstrated that there was no case for infringement of its Industrial Design No. 646. The deponent read mischief as regards the Plaintiff's actions the objective of which seemed to be to impede entry and/or sustenance of the Defendant's product in the market. The deponent was aware that the Plaintiff had successfully eliminated other plastic bottle manufacturers from the market by taking out similar suits as the one before Court and making claims of monopoly over the designs of its bottles. It was important for the Court to re-evaluate whether the Plaintiff was in the right forum.
7. The parties' counsel appeared before Court on the 6 November 2013 to deliver their submissions in relation to the Application dated 22nd May 2013. Mrs. Opiyo for the Plaintiff noted that section 92 of the Industrial Property Act conferred a conclusive right of usage upon the owner of an industrial design. Under that section, third parties would not be permitted to produce or reproduce the registered Industrial Design. Counsel referred to **Warsame J's** (as he then was) Ruling in **Safepak Ltd v Dynaplast Ltd HCCC No. 359 of 2007 (unreported).** She noted that the Plaintiff had expended considerable intelligence in respect of its design and the pictures which had been put before this Court were evidence of the ingenuity of such design. She maintained that the Defendant had offended the registered Industrial Design of the Plaintiff and urged the court to look at pages 8 and 9 annexed to the Affidavit in support of the Application. The statement of novelty appeared at page 10. Although the Defendant had applied for the registration of its design, such did not confer any rights under section 92 of the Industrial Property Act. Counsel referred the Court to the authority of **Apex Creative Ltd & Anor. v Kartasi Industries Ltd HCCC No. 416 of 2011 (unreported)**. She noted that the Defendant had submitted that because there were opposition proceedings to the Defendant's design, the same could not be registered. These matters are covered under **sections 86 and 87** of the *Industrial Property Act*. Opposition proceedings were filed in accordance with Regulation No. 49 of the Industrial Property Regulations. Counsel emphasised that the only issue that arose thereunder was opposition to the registration and not infringement. The Managing Director of KIPI as per his letter of 10th July 2013 at page 21 of the annexure to the Further Affidavit dated 11th of July 2013, had confirmed that KIPI only dealt with matters of registration and had no jurisdiction over infringement. Finally, counsel noted that on the issue of monopoly and unfair competition, under **section 92** of the *Industrial Property Act* the owner of an industrial design has an exclusive right thereto. Such industrial rights had been recognised under *Article 40 (5)* of the Constitution.
8. It was the submission of Mr. Kabugu that the Plaintiff had failed to meet the threshold of injunctive relief by not putting up a *prima facie* case with a probability of success. The only thing that the Plaintiff sought to protect was the twisted ring design from the top of the shoulder to the

bottom of the waist of the bottle. The design of the Defendant's bottle was completely different. It had different features on it such as gentle contours creating a totally different impression. Those contours inclined gently both to the right and to the left. There was a clear difference in design which was appreciated not only by the Defendant but also by KIPI as regards its official's comments upon the possibility of registering the Defendant's said industrial design. The other point that counsel raised was that the Plaintiff had exhibited to the Affidavit in support of its Application images of a bottle purchased from the Defendant. It was not the Defendant who had provided such photographs, they were produced by the Plaintiff and are different photographs of bottles from those exhibited as "MWN 1" annexed to the Replying Affidavit dated 21st June 2013. The dispute between the parties was as regards to 2 different industrial designs. Counsel submitted that the Plaintiff wished to take over the Defendant's design. He maintained that the Plaintiff took its scheme to the next level by filing objection proceedings to the Defendant's design even though it could be clearly seen that the latter was not in any way similar to Industrial Design No. 646. Counsel maintained that the Defendant had revealed to this Court that the Plaintiff was a dominant player in the market and wished to restrict entry into the market by other players. The court could consider that if an injunction was issued at this stage, whether the Plaintiff would suffer any loss. If anything it was the Defendant that required an injunction to stop the Plaintiff taking over its own bottle, which the latter had clearly set out to do. The Court was now being asked to look at the two designs and decide whether the Defendant's design, which is in the process of registration, is new. KIPI had carried out its examination and it was the body most qualified to do such. Finally, counsel maintained that the balance of convenience could not be in the Plaintiff's favour. The balance lay in allowing the two parties to continue in competition rather than impeding the entering into the market of one of the players.

9. Mrs. Opiyo for the Plaintiff quickly rejoined by stating that KIPI had already detailed that such resolve that the Defendant had referred to was not a resolve at all. The Defendant was confusing opposition proceedings and infringement proceedings. She noted that KIPI had yet to deliver a ruling on the opposition proceedings. The course of action before this Court was one of infringement. The Defendant, in counsel's view, had not understood the concept of intellectual property rights being protected. The question of competition in the marketplace did not arise. Counsel again referred the Court to the said Ruling of **Warsame J.** in **Safepak Ltd v Dynaplast** (supra).
10. Of the cases cited to this Court by the advocates for the Plaintiff, I did not consider that my Ruling in **Safepak Ltd v Asili Plastics Ltd HCCC No. 206 of 2013** was particularly pertinent as that determination concentrated on a Preliminary Objection relating to this Court having no jurisdiction in light of **sections 106, 113 (1) and 115 (1)** of the *Industrial Property Act (2011)*. That case did however involve the Plaintiff as the owner of the registered design referred to in this matter being Industrial Design No. 646. Further, I also did not consider that **HCCC No. 416 of 2011 Apex Creative Ltd & Anor v Kartasi Industries Ltd** was particularly relevant to the matter before me. The similarity in that suit and the one before this Court is that in both instances the Defendant was/is resisting the application for interlocutory injunctive orders of the Plaintiff based on the fact that it had applied for a patent/Industrial Design which had yet to be granted by KIPI. However, my learned brother **Ogola J.** emphasised the provisions of **sections 53 and 54** of the *Industrial Property Act* which established solid rights for the owner of a patent. Such rights included the right to preclude any person from exploiting the protected intervention by any of the acts detailed in **sections 54 (1) (a) and (b)**, **section 55** allowing the enforcement of such rights. Those sections read as follows:

> **"54. (1) The owner of the patent shall have the right to preclude any person from exploiting the protected invention by any of the following acts –**

a. **when the patent has been granted in respect of a product –**

i. **making, importing, offering for sale, selling and using the product; or**

ii. **stocking such product for the purposes of offering it for sale, selling or using the product;**

b. **when the patent has been granted in respect of a process –**

i. **using the process; or**

ii. **doing any of the acts referred to in subsection (a), in respect of a product obtained directly by means of the process.**

(2) The rights conferred on the owner of the patent under this section shall not apply to acts by third parties necessary to obtain approval or registration of a product from the Institute, for the purpose of commercializing the product after expiry of the patent".

As regards the enforcement of such rights, **section 55** of the Act is again self-explanatory. It reads:

"55. The owner of a patent shall have the right –

a. **to obtain an injunction to restrain the performance or the likely performance, by any person without his authorization, or any of the acts referred to in section 54; and**

b. **to claim damages from any person who, having knowledge of the patent, performed any of the acts referred to in section 54, without the owner's authorization.**

c. **to claim compensation from any person who, without his authorization, performed any of the inventions, claimed in the public application, as if a patent had been granted for that invention:**

Provided that the said person, at the time of the performance of the act, had –

i. **actual knowledge that the invention that he was using was the subject matter of published application; or**

ii. **received written notice that the invention that he was using was the subject matter of published application, such application being identified in the said notice by its serial number".**

11. The first East African authority that I have come across in relation to passing-off involving bottles is the Court of Appeal case of **E. A. Industries Ltd v Trufoods Ltd (1972) EA 420** as per **Spry V-P** in which the learned Judge had this to say:

"I turn now to the appeal itself. The application was brought in a passing-off action. Both parties are manufacturers of fruit drinks and the appellant company claims that the respondent company has changed the shape of the bottles it uses and the shape and design of the labels it affixes to them in such a way that they so nearly resemble those of the appellant company as to be likely to deceive.

There is, I think, no real difference of opinion as to the law regarding interlocutory injunctions, although it may be expressed in different ways. A plaintiff has to show a prima facie case with a probability of success, and if the court is in doubt it will decide the application on the balance of convenience. An interlocutory injunction will not normally be granted unless the applicant for it might otherwise suffer irreparable injury, which would not adequately be compensated by an award of damages.

The judge held that the appellant company was unlikely to succeed in the suit, as in his

opinion no reasonable ordinary shopper would be misled by the resemblances in the get-up of the two products. He went on to consider the balance of convenience.

He concluded that the appellant company would not suffer irreparable harm if an injunction were refused and that if it succeeded in the suit, it could adequately be compensated by damages. On the other hand, he thought that the respondent company would suffer irreparable harm if its products were taken off the market for the time that it will take for the suit to come to judgment".

12. However, so far as the case before me is concerned, I received the most amount of assistance from the Ruling of **Warsame J.** (As he then was) in **HCCC No. 359 of 2007**. At page 9, the learned Judge had this to say:

"In order to ascertain what the registered design is, so that it may be compared with the alleged infringement, it is necessary to examine the clown images or pictures on the two bottles. If only small differences separate the registered design from what has gone before, then equally small differences between the alleged infringement and the registered design will be held to be sufficient to avoid infringement.

In my view nothing is to qualify as a design capable of protection at all, unless it has features which appeal to and are judged solely by the eye appeal. However the eye is not that of an expert at all times. Indeed the whole purpose of a design is that it shall not stand on its own as an artistic work but shall be copied by embodiment in a commercial produced artifact. I do not mean to say that a party is entitled to reproduce by way of small alterations and/or differences a particular design instigated and registered by a party. The subsequent design must possess some features to enable a person that it is completely and substantially different from the earlier design. The design and the rights conferred by registration is to prevent the manufacture and sales of the same bottles or similar bottles from the registered design. The emphasis there is on the visual image conveyed by the manufactured article. In essence what is registered and protected is the shape, configuration and/or pattern to be applied to a particular and specific article or object. And it is the shape or configuration of the whole bottle in respect of which there is to be a commercial monopoly. It is important to note and understand that the intellectual property to be protected is in the bottle and not in the product to be put in the bottle. The customer who eventually buys the product in the bottle has no relevance to the issues for determination in this application".

Later in his Ruling the learned Judge found as follows:

"In my mind it appears the defendant incorporated some small differences which is difficult to separate the design of the plaintiff from that of the defendant. It is essential to understand that the defendant has not registered its molding to restrict the statutory protection, the plaintiff enjoys. I tend to believe that the difference in the two bottles are not substantial enough to distinguish the overall features and shape present in the defendant's bottle from the configurations and features embodied in the Plaintiff's design. Generally speaking the differences are minimal and it is difficult to notice any striking or substantial differences in the two bottles. If one undertakes a close scrutiny, it would be clear that the defendant reproduced the molding in the plaintiff's bottle with all the salient and essential features but with visually insignificant alterations. I think the incorporation into the shape, configuration and/or features of the plaintiff's molding into its molding, the defendant displayed the fears or concerns the plaintiff says it would suffer. And because of those little or insignificant differences or alteration created by the defendant, the plaintiff is entitled the statutory protection afforded to it by the law.

In conclusion and having addressed my mind to the issues raised by the plaintiff and the defendant, I am inclined to hold that the plaintiff has established the presence or existence of a right infringed by the defendant. The right infringed has the protection of the law. In my understanding the existence of a right allegedly infringed by the opposite part gives the court the duty or obligation to accord it the necessary protection given by the law. The establishment or demonstration of a right

infringed is prima facie evidence that the case of the plaintiff has a probability of success at the trial. In short I am persuaded that the plaintiff has established a prima facie case which must be heard and determined at the trial".

13. What **Warsame J.** concluded in the above case was that the plaintiff had established a *prima facie* case sufficient to warrant the granting of an interlocutory injunction pending the hearing of the suit. The Nexus of the *prima facie* case was that the learned Judge considered that the bottle of the defendant in that suit sufficiently resembled the bottle of the plaintiff in that it embraced configurations and features embodied in the plaintiff's design. However, is that the case here? In so judging there are two matters which I need to bear in mind. Firstly, the point raised by the Defendant herein that the Plaintiff wanted to take over the Defendant's design (which I doubt) but, more importantly, that the Plaintiff is a dominant player in the market and wishes to restrict entry thereto by other parties. This is somewhat borne out by the fact that the Plaintiff has brought passing-off actions as against **Dynaplast Ltd** in *HCCC No. 359 of 2007* and as against **Asili Plastics Ltd** in *HCCC No. 207 of 2013*. Secondly, that this Court is very much aware that the question of a permanent injunction will be determined after a full hearing of this suit with *viva voce* evidence brought before court as well as physical examples of the Plaintiff's and Defendant's respective products.
14. I have carefully perused the photographs of the Plaintiff's and Defendant's plastic bottle products. I am fully aware as pointed out by **Warsame J.** supra that the customer looking at the purchase of such products is not the ordinary shopper in supermarkets and shops but manufacturers of liquid products who would be looking at the "packaging" into which their products will be dispensed, marketed and sold. The ordinary shopper will more likely be looking at the labels on such packaging and the price rather than being influenced by the shape and/or pattern of the bottle product. Not so, the manufacturer of liquid products who will be adjudging the appeal of the respective parties' bottles as an overall part of the get-up of its liquid products for sale.
15. I have closely examined the coloured photographs at pages 8, 9 and 10 of the annexure to the Affidavit in the Support of the Application so far as the Defendant's bottle product is concerned. I have also examined the coloured photographs at pages 19, 20, 21, 22 and 23 of the said annexure so far as the Plaintiff's bottle product is concerned. Further, I have examined Exhibit "MWN 1" of the Replying Affidavit of the Defendant dated 24th June 2013 being a photograph of 2 bottles manufactured by the Defendant herein. Unfortunately, whether intentionally or otherwise, that photograph is in black and white. I have also looked at the registered design of the Plaintiff at paragraph 2.2 on page 5 of the said annexure being a copy of from the Industrial Property Journal No. 2011/12 dated 31 December 2011. Similarly, I have looked at the design which the Defendant has put into KIPI for registration also exhibited to the said Replying Affidavit as part of "MWN 1". To my mind, the Defendant has incorporated small differences in its product which make it difficult to separate the design of the Plaintiff from that of the Defendant. Accordingly, I would adopt a similar finding to that of **Warsame J.** in the **Safepak v Dynaplast** case as above. In my view, the Plaintiff is entitled to statutory protection as regards its bottle product. I do not consider that damages will in any way compensate the Plaintiff for any sales losses that it may incur as regards its bottle products, if a temporary injunction was put in place. In any event, any such damages would be impossible to ascertain. As a result and in the circumstances, I find that the Plaintiff is deserving of an interlocutory injunction at this stage. I find that it has made out a *prima facie* case with a probability of success in accordance with the principles expounded in the binding authority of **Giella v Cassman Brown (1973) EA 358**.
16. Accordingly I grant prayer No. 3 of the Plaintiff's Notice of Motion dated 22nd May, 2013 with costs. Orders accordingly.

DATED and delivered at Nairobi this 24th day of March, 2014.

J. B. HAVELOCK

JUDGE