



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI COMMERCIAL & ADMIRALTY DIVISION

CIVIL CASE NO. 823 OF 2010

PASTIFICIO LUCIO GAROFALO S.P.A PLAINTIFF

VERSUS

DEBENHAM & FEAR LTD. DEFENDANT

J U D G E M E N T

1. The Plaintiff is an Italian company incorporated in Naples Italy and carries on the business of importation and distribution of foodstuffs and general goods in Kenya. It is also the registered proprietor of the trade mark number KE/T/1993/040409, consisting of the trade mark “**Santa Lucia**”, registered pursuant to *Class 30, Schedule III* of the *Trade Mark Rules* made under the *Trade Marks Act, Cap 506*, (hereinafter “the Act”). The Plaintiff’s claim against the Defendant is that of passing off and trademark infringement of its trademark and products. At paragraph 10 (a) – (f) of the *Plaint* dated 2nd December, 2010, the Plaintiff lays a basis for its claim. It is stated therein;

- “(a) The Defendant is selling and has been selling from or about the year 2008 pasta products in Kenya bearing the mark “Santa Maria” which mark and/or colour of package and/or configuration and/or general appearance is identical to the Plaintiff’s pasta products bearing the name “Santa Lucia” trademark as to be likely to deceive or cause confusion to the purchasing public by mark is passing of “Santa Maria” pasta as “Santa Lucia” pasta;**
- b. The Defendant has been and is selling pasta in Kenya under the mark “Santa Maria” which trademark is similar to “Santa Lucia” trademark and is likely to deceive or cause confusion to the purchasing public;**
- c. The vending of pasta products bearing the mark “Santa Maria” by the Defendant has amounted to passing off the Plaintiff’s goods bearing the “Santa Lucia” trademark as being alike in nature under a similar, deceptive and confusingly alike mark and/or colour of package and/or configuration and/or general appearance and the goods are alike and of the same description;**
- d. The Defendant’s conduct in vending/advertising its goods bearing the mark “Santa Maria” has been deceptive as much as the same is computed to cause confusion among the purchasing public and especially amongst buyers of the Plaintiff’s goods bearing the “Santa Maria” trademark by misrepresenting that that the Defendant’s goods aforesaid are extremely alike to and extremely related with those of the Plaintiff aforesaid;**

- e. **The Plaintiff has sustained and still sustains and will continue to sustain loss and injury on account of the Defendant's continuing with its erroneous actions. Until full discovery is made, the Plaintiff cannot assert the total amount sustained by it and likely to be sustained by it emanating from the erroneous actions of the Defendant;**
- f. **Further and full particulars of passing off and all the infringements against the trademark committed by the Defendant warrant discovery nonetheless the Plaintiff seeks to recover damages or an account of profits made by the Defendant in respect of each and every ascertainable infringement against the trademark”.**

The Plaintiff's Case

2. The Plaintiff in asserting its claim against the Defendant reiterated that it is suffering and stands to suffer further irreparable damage, on the erroneous belief engendered by the Defendant and the misrepresentation made to purchasing customers, that the products with the trademark “**Santa Maria**” are similar to those offered by the Plaintiff, to its detriment. It is the Plaintiff's claim that the packaging and configuration of the Plaintiff's product is distinctive and the non-descriptive get-up has been used and associated with its products, to which most purchasers of its products associate with. It is by the action of the Defendant in using a similar packaging to the Plaintiff's, that a claim has been made against it, ostensibly with regard to the passing off and infringement of the Plaintiff's products and registered trademark respectively.
3. The Plaintiff alleged that the Defendant has adopted a get up and packaging on its product, “**Santa Maria**” that is strikingly similar to its own “**Santa Lucia**”. It is this similarity that the Plaintiff contends has been causing and is still causing confusion in the market amongst consumers who are unable to distinguish between the two brands. These actions by the Defendant unlawfully infringed on the “**Santa Lucia**” trademark and from which confusion has arisen that continues to benefit the Defendant, to the detriment of the Plaintiff's goodwill and reputation. In his testimony on 20th September, 2012 PW1 **Emile Viola**, the Plaintiff's Export Director, testified that the Defendant's actions have been detrimental to the Plaintiff Company, which has been in business in Kenya for over twenty (20) years, and has built up considerable goodwill and a reputation in the market. Even though claiming that the Plaintiff Company was a market leader, PW1 was unable to substantiate the same and failed to produce any documentation as to how he had arrived at this claim. In his testimony, PW1 also stated the entry of the Defendant's product “**Santa Maria**” into the market in or around 2008 was not a threat, initially, until a couple of years later in 2010 when the Plaintiff first realized that the Defendant company had imported the product “**Santa Maria**” vide a letter from the Kenya Revenue Authority dated 25th November, 2011 sent through the Plaintiff's local agents, Good Brands Ltd. PW1 also submitted that the colours used in the packaging of “**Santa Maria**” were not registered or indeed registerable and that its claim was only the trademark name “**Santa Maria**”. Further, PW1 claimed that the introduction of the Defendant's product “**Santa Maria**” into the market had affected the volume of sales and pricing of the Plaintiff's products, although he adduced no evidence to substantiate these claims.
4. On 6th November, 2012 PW2 **Eunice Njuguna**, the Chief Legal Officer and Assistant Regulator at the Kenya Industrial Property Institute, gave evidence on behalf of the Plaintiff, that the Plaintiff's trademark “**Santa Lucia**” was effectively registered on 23rd November, 1992. She went on to say that the trademark “**Santa Lucia**” was now a device mark that includes the colour of its packaging and not mere words. The trademark “**Santa Maria**” is only a word mark. In reference to Exhibit 2(a) of the Plaintiff's documents, she reiterated that the 3rd and 4th photographs depict a similarity in the packaging of “**Santa Maria**” and “**Santa Lucia**”, with the words placed in a similar position in the device. She further detailed that the Defendant had made an application to register its trademark “**Santa Maria**” as a device but the same was unsuccessful as it was similar to another device registered as “**Santa Regina**”. In cross examination, she testified that another product, “**Pasta Roma**” also had similarities to “**Santa Maria**” and “**Santa Lucia**” which could not be easily discerned from each other and could, almost inevitably, cause confusion.
5. **Esther Kilonzi**, the General Manager of Good Brands Ltd, the Plaintiff's duly appointed local agent and distributor of its products, testified as **PW3** and in her testimony reiterated her witness

statement dated 18th May, 2012. She testified that on or about 2010, she became aware of the brand “**Santa Maria**” that was circulating in the market that was similar to the Plaintiff’s product “**Santa Lucia**”. She produced photographs marked as Exhibit 2A, showing the Plaintiff’s and Defendant’s products placed alongside each other in a number of retail outlets that she had visited. In her statement, she stated that “**Santa Maria**” and “**Santa Lucia**” had similarities in name, label, colour, presentation and packaging which also included a similar get-up and it was with these that the Plaintiff had a problem with. She went on to state that these actions by the Defendant amounted to infringing upon the Plaintiff’s trademark and it had maliciously passed off its products as the Plaintiff’s. Further, she stated that the Defendant’s actions impugned upon the Plaintiff’s goodwill and reputation that it had cultivated over the last twenty (20) years. She also stated that, as a consequence, the price of the Plaintiff’s products had been affected and the market demand for “**Santa Lucia**” had diminished, although she did not provide concrete evidence to buttress such testimony.

The Defendant’s Case

6. The Defendant, in its Statement of Defence dated 4th February, 2011, denied the allegations made by the Plaintiff. It stated in the Defence that it is the registered proprietor of trademark number 62628 “**Santa Maria**” under Class 30, Schedule III of the Trademark Rules as per the Trade Marks Act, Cap 506, with the effective and expiration dates being 24th January, 2008 and 24th January, 2018 respectively. It denied that it had infringed and/or passed off the Plaintiff’s products or having used packaging that is undistinguishable from the Plaintiff’s. It was also the Defendant’s assertion that the words “**Santa Lucia**” are common Italian words and not distinctive to the Plaintiff and/or its products. Further, the Defendant maintained that its products have been in the market since 2008, legitimately trading its distinctive products. The same had been branded, marketed and advertised in the market and were quite distinct and could not be confused or associated with the Plaintiff’s product, “**Santa Lucia**”.
7. The Defendant, through its Managing Director, **Ratilal Dhanji Gudhka** testifying as **DW1**, stated that the Plaintiff’s and its’ product had been in the market for over two (2) years but now the Plaintiff had sought the Court’s intervention to fight off the stiff competition that the Defendant’s product “**Santa Maria**” was bringing into the market. He claimed that the Defendant’s product was doing well but, the Plaintiff had filed the instant suit against it claiming passing off and infringement of its trademark. Further, there were other products in the market of which the packaging or wrapping was equally similar. **DW1** further testified as to the difference in pricing of the products in that the Plaintiff’s Santa Lucia was retailing at Shs. 85/=, the Defendant’s Santa Maria at Shs. 77/= and Pasta Roma at Shs. 49/=. **DW1** further testified that the packaging of “**Santa Maria**” as it is now, was not the same packaging that it was using during the registration of the trademark back in 2008 and that when they tried having the same registered as a device mark, K.I.P.I denied it, ostensibly on the grounds that the same was too similar to three other products-Santa Lucia, Santa Regina and Pasta Roma.
8. The Plaintiff has brought two distinct causes of action against the Defendant being infringement of its copyright and passing off **Section 2 (1) (a)** of the Act gives the definition of a trade mark as it relates to goods as:

“In relation to goods for the purpose of indicating a connection in the course of trade between the goods and some person having the right either as a proprietor or as licensee to use the mark, whether with or without indication of the 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”.

Section 7(1) of the Act gives the effect of the registration and the rights which are conferred upon the registered trademark. The provision reads;

“Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before 1st 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 the goods or in connection with the provision 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 likely deceive or cause confusion in the course of trade or in connection with the provision 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 either 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 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 right either as proprietor or as licensee to use the trade mark or to services with the provision of which such a person as aforesaid is connected in the course of business;
 - d. cause injury or prejudice to the proprietor or licensee of the trade mark”.
9. The Plaintiff’s claim is that, as the registered proprietor of “**Santa Lucia**”, it had the exclusive right to the use of the name conferred upon it, and the Defendant’s action of using the similar name “Santa Maria” was an infringement of its copyright. It referred to the ruling in **Unilever PLC v Bidco Oil Industries [2004] 1 KLR 57** where it was held as with regards to the exclusive rights of a proprietor;

“The Plaintiff was the registered owner of the trade mark “Blue Band” and the registration gave it the exclusive right to use the trade mark in relation to margarine and anybody else who used a mark identical with or so nearly resembling that mark as to be likely to deceive or cause confusion in the course of trade in margarine would be stopped by law from doing so.’

The Court by that ruling, conferred upon the Plaintiff or claimant, as the case may be, the burden of satisfying the Court that there indeed has been an infringement upon the trade mark as relates to the provisions of **Section 7(1)** of the Act.

10. The Plaintiff’s trade mark “**Santa Lucia**” had been registered as a trade name sometime in 1992 as was attested by PW2. Prior to its registration in Kenya as a trade mark, the same was registered in Rome, Italy and also under the **African Intellectual Property Organisation (OAPI)** and the **World Intellectual Property Organisation (WIPO)**. In Kenya, it was registered as mark number **KE/T/1993/040409**. It was first registered as a trade name, and the Plaintiff, made an application sometime in 2009, to have the trade mark altered to include the get up and device that it currently uses on its packaging. The trade mark was altered on 26th August, 2011 in accordance with **Section 38 and Rules 89 to 92** of the Act. The altered trade mark is as exhibited in Exhibit 2 (a) of the Plaintiff’s List of Documents dated 21st May, 2012 at page 12. The Defendant registered its trade mark “Santa Maria” on 24th January, 2008 and its trade mark is number 62628. The same was registered as a trade name. The Court noted that DW1 stated that he had tried to register the design as is currently on the **Santa Maria** packaging but that the same was rejected for being similar to three other brands, namely Santa Lucia, Pasta Roma and Santa Regina. In essence therefore, the Defendant’s get up and design is not registered and as such is an unregistered trade mark.
11. As was reiterated in **Unilver PLC v Bidco Oil Industries** (supra) the proprietor of a registered trade mark acquires an exclusive right to its use, and the detrimental use of it by any other person, not being a licensee or having the authority of the registered proprietor for its use, would be liable to infringement of the trade mark, a common law tort. As detailed under **Section 7 (1) (d)** of the

Act, if the use of the registered trade mark would be a cause of injury or prejudice to the proprietor or licensee, the same would amount to an infringement of the copyright.

12.A closer reading of **Section 7 (1)** of the Act provides for the general conditions for an action for infringement, which include:

- “(a) the use of a sign or mark;
- b. the use of (a) without the consent or authority of the proprietor;
- c. the use of (a) in public;
- d. the use of (a) in advertising;
- e. the use of (a) in a manner likely to cause injury and prejudice to the proprietor”.

The Plaintiff contends that the Defendant, by using the trade name “**Santa Maria**”, was infringing upon its copyright, and exclusive right and use of its trade name “**Santa Lucia**”. In **Halsbury’s Laws of England, 4th Edition, Volume 48** at paragraph 85, it is stated that the infringement of a trade mark would be subject to the use (or misuse) of a registered trade mark by any other person, not being the registered proprietor or licensee thereof. The authors at the aforementioned paragraph denote:

“Subject to certain exceptions and to any conditions or limitations entered in the register, the registration of a trademark (other than a certification trade mark), if valid, gives the proprietor the exclusive right to the use of the trade mark upon or in relation to the goods in respect of which it is registered and any invasion of this right is an infringement of the trade mark. Without prejudice to the generality of the above provision, that right of exclusive user is deemed too be infringed by any person who uses a mark identical with or so nearly resembling the registered mark as to be likely to deceive or cause confusion, in the course of trade, in relation to goods in respect of which it is registered, and in such a manner as to render the use of the mark likely to be taken either (1) as being use of a trade mark; or (2) in certain cases of physical use or advertising, as importing a reference to some person having the right, either as proprietor or registered user, to use the mark, or to goods with which such a person is connected in the course of the trade.”

13.The definition of infringement, according to the foregoing reference and with regard to the provisions of **Section 7 (1)** of the Act, is given a wider meaning within its scope and reference to include the comparative use of the proprietor’s trade mark. The Plaintiff however, submits that the infringement does not solely concern the use of the trade name “**Santa Maria**” but is more concerned of the use by the Defendant, of its logo/device/get up of its packaging. The Plaintiff submitted documents at Exhibit 2 (a) Plaintiff’s List of Documents, where it showed the trade mark “**Santa Lucia**” was registered with various organisations. However, the device was not registered until 26th August, 2011 after the alteration of the trade name to include the logo and get up. In his response, DW1, the Defendant’s Managing Director since 1996, stated that at the time the trade mark “**Santa Maria**” was being registered, it had used a different get-up for its products. In his testimony he stated that:

“We registered Santa Maria as a word mark on 24th January, 2008. The goods came into the market after registration. When we started off we did not have the same packaging as we have now. The packaging [sic] is the same since we started the business in 2008. It was a misunderstanding as between me and the designer. I overlooked the registration of the packaging...my designer had given me the label but I had forgotten to register it. When I discovered that the label had not been registered, I tried to register it but it was rejected for being too familiar with three (3) other works- Santa Regina, Pasta Roma and Santa Lucia.”

DW1 does not state the date upon which he tried to register the Defendant’s packaging label. What is discernible from his statement however, is that the same was rejected ostensibly for the reason that the Plaintiff already had its trade mark registered, alongside two (2) others - Santa Regina and Pasta Roma. Tentatively, it can be assumed that the Defendant tried to register its label after 26th August, 2011. From the averments made by DW1, it can be postulated that it was not the same as it is

currently, and begs the question as to what it was before it was changed to its current get-up. The Defendant has not produced any evidence to show what such was.

14. The Plaintiff lodged its complaint on 2nd December, 2010, before the alteration and subsequent registration of its trade mark on 26th August, 2011. The claim comes prior to the registration of its altered trademark, but after its application for such alteration. Therefore, can it claim any rights as to the exclusive use of the trade mark as registered on 26th August, 2011? According to the provisions of the Act, any right that is to be enjoyed by a proprietor of a trade mark emanates from the registration of that trade mark. Under **Section 22 (1)** of the Act, it is provided that the date of registration shall be deemed to be the date which the application for the registration (or application for alteration) was made and not the date which the trade mark was registered. This therefore, means the registration of the altered trade mark would be backdated to 28th September, 2009 when the application for alteration of the trade mark was received at the Trade Mark Registry. The section reads;

“When an application for registration of a trade mark in part A or in Part B of the register has been accepted, and either-

- a. **The application has not been opposed and the time for notice of opposition has expired; or**
- b. **The application has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall, unless the application has been accepted in error, register the trade mark in Part A or Part B, as the case may be, and the trade mark, when registered, shall be registered as of the date of the application for registration, and that date shall be deemed for the purposes of this Act to be the date of registration”.** (Emphasis mine).

The application was therefore, for all intents and purposes, registered on the date the application for alteration of the trade mark was made. That date as per the documents submitted in Exhibit 2 (a) of the Plaintiff’s List of Documents at page 12 and Exhibit 3 of the Defendant’s Supplementary Documents at page 35, shows that the application for alteration of the trade mark was received by the Registry on 28th September, 2009 and advertised on 30th December, 2009. It would therefore follow that pursuant to **Section 22 (1)** of the Act, that the Plaintiff’s trade mark, as altered and having not been opposed, was deemed as registered as of 28th September, 2009. I find that the exclusive rights of a registered proprietor as provided under **Section 7(1)** of the Act, applied as of that date. The Plaintiff, therefore, had acquired the right to use the trade mark **“Santa Lucia”** in its present form as of 28th September, 2009.

15. The trade mark **“Santa Lucia”** is also registered under the international law regimes on the registration of Trade Marks, to which Kenya is a signatory. Kenya, being a signatory of both the Madrid Agreement of April, 1891 and the Madrid Protocol of 27th June, 1989, is mandated under the aforementioned Agreement and Protocol (collectively known as the “Madrid System”), to protect any trade mark designated as an international trade mark under the said system. The Act at **Section 40B**, Part VIIB defines an “international trade mark” as:

“A trade mark which is entitled to be protected in Kenya under the Madrid Agreement and the Madrid Protocol.”

16. An international trade mark is protected under the Madrid System by all the Contracting parties, not solely being the mandate of the original party or the country by which the trade mark originated. In Exhibit 2 (b) of Plaintiff’s Supplementary List of Documents at pages 10-13, is an extract from the International Register of Trade Marks, **World Intellectual Property Organisation (W.I.P.O)**, showing that the trade mark **“Santa Lucia”** was registered pursuant to the provisions of the Madrid Agreement. The date on the document is recorded as 2nd March, 2012 with the date of application for the registration as 15th March, 1993. The same was registered

under the **African Intellectual Property Organisation (OAPI)** on 7th May, 2012 with the application being filed on 23rd March, 1993. The Court was also able to access the W.I.P.O database of registered trademarks, and from the database extracted the page containing the registration details of **“Santa Lucia”** under the Madrid System for the International Registration of Marks. The effect of the international registration is provided under Article 4 (1) (a) of the *Madrid Protocol* which provides that:

“From the date of the registration or recordal effect in accordance with the provisions of Articles 3 and 3ter, the protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited directly with the Office of that Contracting Party. If no refusal has been notified to the International Bureau in accordance with Article 5 (1) and (2) or if a refusal notified in accordance with the said Article has been withdrawn subsequently, the protection of the mark in the Contracting Party concerned shall as from the said date, be the same as if the mark has been registered by the Office of that Contracting Party”.

17. As above, the Plaintiff’s trade mark was a registered trade mark under the provisions of **Section 22 (1)** of the Act, O.A.P.I and W.I.P.O and it acquired the right of protection that accrues therefrom. It is within the purview of this Court to protect the Plaintiff from the infringement of its trade mark, as designated under the “Madrid System” and by virtue of **Sections 7(1), 22(1), and 40B** of the Act. The Defendant has admitted that it only registered the trade name **“Santa Maria”** in 2008, but had then gone ahead to use similar packaging for its product as the registered get-up of the Plaintiff. The Plaintiff’s get-up was a registered trade mark, protected under the “Madrid System” and I find that the Defendant, therefore was in clear violation and contravention of the same, and culpable of infringing on the Plaintiff’s trade mark.
18. Registered trade marks are protected under common law and an infringement upon the same may be deemed as passing off, which also forms part of the Plaintiff’s claim. The grounds upon which a claim for passing off may be considered were set out in the *locus classicus* cases of **A.G Spalding Brothers v A W Gamage Ltd & Another (1914-15) All E.R Rep 147; (1915) 32 RPC 273 HL** and as referred to by the Plaintiff, **Reckitt & Coleman Products v Borden Inc. & Others (1990) 1 WLR 491; (1990) All ER 873**. In the former case, Lord Diplock laid down the essentials of a passing of action as follows:

- “(a) a misrepresentation;**
- (b) made by a trader in the course of trade;**
- (c) to prospective customers of his or ultimate consumers of goods or services supplied by him;**
- (d) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and**
- (e) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia time action) will probably do.”**

In the latter case, Lord Oliver expounded on the **“classical trinity”** that a successful claimant must prove in an action for passing off as follows:

“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 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 source as those offered by the plaintiff."

19. Further, Lord Jauncey in Reckitt & Coleman Products v Borden Inc. & Others (supra) reiterated that;

"It is not essential that the defendant should misrepresent his goods as those of the plaintiff. It is sufficient that he misrepresents his goods in such a way that it is a reasonably foreseeable consequence of the misrepresentation that the plaintiff's business or goodwill will be damaged."

The Plaintiff referred to Commissioner of Inland Revenue v Muller & Co. Margarine Ltd [1901] AC 217; [1900-1903] All ER 413, where Lord Macnaghten gave a definition of goodwill. The learned Judge reiterated;

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates."

Misrepresentation and goodwill are essential grounds that the Plaintiff needs to establish in order to succeed in a claim of passing off. Goodwill establishes the proprietary interest or right to which the trade mark and/or name is used as a conduit. It is the attractive force which brings in custom (as per Lord Macnaghten in Commissioner of Inland Revenue v Muller & Co. Margarine Ltd). It is trite law that goodwill has to be established by the proprietor of a registered trade mark, such as the Plaintiff herein, such that its claim against the Defendant may succeed. PW1 in his testimony stated that the Plaintiff Company had been established over one hundred (100) years ago and its products had been distributed in the market in many countries. These were similar to the averments made by PW2 and PW3. Goodwill may be established therefore, by the long usage of the trade mark, and thus the accruing right and interest therein. This principle was established in CDL Hotels International Ltd v Pontiac Marina Pty Ltd [2000] 1 LRC 243 referred to by the Plaintiff, where it was held inter alia:

"...in a long line of authorities, it had been established that pre-trading activities were capable of generating goodwill. Commercial realities demand so, given the considerable expenditure involved in marketing, advertising and promotion to familiarize the public with the service or product."

A similar position was adopted by the Court of Appeal of Alberta, Canada in Triple Five Corporation v. Walt Disney Productions (1994) ABCA 120 in which the learned judge postulated that indeed goodwill may be established in a claim for passing off by the exigencies and effort expended in the marketing, advertising and promotion of the goods or services of the proprietor. In this case, it is not in doubt that the Plaintiff was first registered in Kenya in 1993 and that it had been in business in other countries prior to its establishment in Kenya. After its registration in Kenya, it is presumed that it went into business and has over that period of time, expended resources in marketing, promoting and advertising its products under its trade mark. The Defendant disputed this notion by refuting that the Plaintiff had not shown any evidence that it was in business over the period prior to 28th September, 2009 when the Plaintiff filed an application for alteration of the trade mark "Santa Lucia". In my view, it would be preposterous for the Defendant, and indeed this Court, to presuppose that the Plaintiff registered the trade mark without having any intention to engage in and establish a business. The reasonable deduction that

can be inferred was that the Plaintiff has been engaging in business since the date of the original registration of its trademark and that it has in the span of over twenty (20) years established goodwill, within the purview of the determination in **Triple Five Corporation v Walt Disney Productions** and **CDL Hotels International Ltd v Pontiac Marina Pty Ltd** (both supra).

20. The second aspect that has to be established as to a passing-off action is misrepresentation. The misrepresentation must not only be established, but that the same caused or was likely to cause confusion amongst the consumers of its products in respect of the trade mark. In **Triple Five Corporation v Walt Disney Productions** (supra), both the trial Court and the Appellate Court in Canada applied the test as was held in **Mr. Submarine v Emma Foods Ltd** (1976) 34 CPR (2d) 177 as to passing-off with regard to misrepresentation as follows:

“The English authorities have, in discussing the tort of passing off, generally sought to apply the standard of the ordinary person who is presented in a commercial background with a presentation of a product or a business which, on first impression, would leave that person, who has at best a general recollection of the product or business of the plaintiff in a state of confusion as to whether the product or business of the defendant is that of the plaintiffs. The standard to be applied is not that of a person fully familiar with the detailed operations of a plaintiff and therefore capable of at once distinguishing those of the defendant from those of the plaintiff but rather that of a person who has a vague recollection or understanding of the business or product of the plaintiff and who, on being faced with that of the defendant, may well be confused or deceived as to the ownership or the nature of the goods or the proprietor of the business in question.”

21. This was the position similarly adopted by the Court in its determination in **Brooke Bond Ltd v Chai Ltd** (1971) E.A 10 again referred to by the Plaintiff. The Court applied the test propounded in **De Cardova v Vick Chemical Co.** (1951) 68 R.P.C where it was held:

“The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed or are often not placed under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and marks are remembered rather by their general impressions or by some significant detail than by any photographic recollection of the whole.”

The documents submitted by both the Plaintiff and Defendant show a remarkable similarity between the two products. In the Defendant’s Supplementary List of Documents dated 18th September, 2012 at pages 5, 6, 7 & 40 show the products “**Santa Maria**” and “**Santa Lucia**” that reveal a strikingly similar packaging that, to this Court, would be confusing to any person at first glance. At pages 28-35 in Exhibit 2 (a) Plaintiff’s List of Documents, the glaring similarity is further evidenced. There is no doubt in the Court’s mind that there would be confusion caused amongst purchasers of the two brands of products.

22. The Defendant in its submission referred this Court to the useful authority of **Weetabix Limited v Healthy U Two Thousand Ltd.** HCC No. 283 of 2006 (unreported) in which my learned brother Ochieng J. referred to both the **Brooke Bond** case and **De Cordora v Vick Chemical Co.** (both supra) before turning his attention to the finding of the Court of Appeal in **E.A. Industries Ltd. v Trufoods Ltd.** (1972) EA 420 at page 422 as follows:

“One trader does not exactly copy the labels and get-up of another, but a purchaser, at least of ordinary day-to-day goods, cannot be expected to make a careful examination of labels and packing. The degree of care which he exercises will normally be related both to the cost of the article and to his own personal interest in it. I think that practically every passing-off action is based on an assumption of some degree of carelessness on the part of customers and the question in any particular case is whether that degree of carelessness is reasonable in the

circumstances”.

23. The extent to which such confusion leads is undoubtedly the mandate of the Court. In determining the extent of the confusion or deception that has been caused by the misrepresentation, the Court needs to critically examine the evidence placed before it, to the extent of making an independent assessment without paying undue regard to any witness statements that may have been presented before the Court. In **Parker Knoll Ltd. v Knoll International Ltd** [1962] RPC 265 at 279 it was held that the Court would have to make its decision independent of favour to any witness accounts. It was held, *inter alia*:

“The proof required to establish a probability of deception is that there would be a likelihood of deception in the mind of a substantial number of persons such as the ordinary purchaser or user (of the goods or services in question) purchasing with ordinary caution. In arriving at a decision the court must not surrender in favour of any witness its own independent judgment.”

24. This was the position adopted by the Court in its determination in **Aktiebolaget Jonkoping v East Africa Match Co. Ltd** (1964) E.A 62 as put forward by the Plaintiff in which it was held by Udo Udoma C.J. (Uganda):

“As a general proposition of law, I think I am right in stating that the burden of satisfying the Court that there has been an infringement of its trademark is on the Plaintiff Company. It is for the Plaintiff Company to prove that there is a resemblance between the two marks; and that such resemblance is deceptive. It is also a well-established principle of law that it is the duty of the judge to decide whether the trade mark complained of does so nearly resemble the registered trade mark as to be likely to deceive or cause confusion in the minds of the public. From that duty the judge cannot abdicate. That was the principle enunciated by Lord Macnaghten in Payton & Co. Ltd v Snelling Lampard & Co. Ltd [1901] A.C where he said at p.311:

“...I think as I have said before that a great deal of evidence is absolutely irrelevant and I do not approve the way in which the questions were put to the witnesses. They were put in the form of leading questions, and the witnesses were asked whether a person going into a shop as a customer would likely to be deceived and they said they thought he would. But that is not a matter for the witness; it is for the judge. The judge looking at the exhibits before him and also paying attention to the evidence adduced, must not surrender [sic] his own independent judgment to any witness.”

25. The Court has had an opportunity to peruse all the exhibits placed before it and the documents in support of the claim by the Plaintiff. It is evident to this Court from these documents on record, and especially with reference Exhibits 2(a) and 3, that indeed the get-up of the two products, “**Santa Lucia**” and “**Santa Maria**” are so similar as to cause confusion among purchasers of the products. In as much as the Plaintiff attached customer complaints in its application dated 2nd December, 2010, the same would be of little significance in the Court’s determination of the extent of the misrepresentation. That being said, and in adopting the position as postulated in **Aktiebolaget Jonkoping v East Africa Match Co. Ltd** and **Parker Knoll Ltd. v Knoll International Ltd** (both supra), the Court finds that the Defendants product and brand known as “**Santa Maria**” did cause and/or was likely to cause confusion amongst purchasing customers as to the difference between it and “**Santa Lucia**”. Whether the confusion was intentional or not, the Court finds that there has been established that there was a confusion caused by the Defendant by the introduction of its product into the market (see **Reckitt & Coleman Products v Borden Inc. & Others**).

26. It is trite law that in a claim for passing-off, once misrepresentation and infringement have established, damages will be presumed. In **Orkin Exterminating Co. Inc v Pestco Co. of Canada Ltd** 50 O.R. (2d) 726 it was held *inter alia*:

“The third issue raised by the appellants is framed as follows: should damage to the property in the goodwill, if any, be presumed to have been incurred by Orkin and if so, was that presumption rebutted? ...Without damage there is no passing off. This argument is completely answered by the assertion that Orkin has suffered damage, sufficient to support a cause of action against Pestco, by virtue of its loss of control over the impact of its trade name in Ontario and the creation of a potential impediment to its using its trademark upon entering the Ontario market-- both arising from Pestco's use of the name "Orkin" in Ontario.”

Similarly in Triple Five Corporation v Walt Disney Productions (supra) it was held;

“Having found that damages have been established on findings of fact made by the learned Trial Judge, I need not decide whether damages can be presumed, goodwill and misrepresentation having been proven. I note that there are authorities which support the statement made by the learned Trial Judge. These include Draper v. Trist [1934] 3 All E.R. 513; Bow City Delivery Ltd. v. Independent Car Co. Ltd. (1972) 10 C.P.R. (2d) 51; The Noshery Ltd. v. Penthouse Motor Inn Ltd. (1969) 61 C.P.R. 207; Sund v. Beachcombers Restaurant Ltd. (1960) 34 C.P.R. 225.”

27. The Plaintiff referred the Court to the English Court of Appeal case of Draper v Trist [1934] 3 All ER 513 wherein at 526, Goddard, L.J reiterated;

“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.”

The Plaintiff, in its prayers, sought for general damages. In assessing damages in a tortious action, the Court has the discretion to determine the amount of damages, based on the assessment of the issues at hand and the circumstances of the particular case. In the instant suit, the Plaintiff's claim is predicated upon the Defendant's action of passing-off which claim it therein stated commenced sometime in 2009 after the registration of “**Santa Maria**” as a trade mark. The Defendant stated that it commenced business in 2010. Damages would therefore be assessed based on the presupposition that they accrued from the date of use of the trade mark or the user principle.

28. In Gerber v Lectra [1995] R.P.C 383, the five (5) principles applicable in the assessment of damages are set out as follows:

- “(a) Damages are compensatory only, to put the claimant in the same position he would have been in had the wrong not been sustained;**
- (b) The burden of proof lies on the claimant, but damages are to be assessed liberally;**
- (c) Where the claimant has licensed his right, the damages are the lost loyalty;**
- (d) It is irrelevant that the defendant could have competed lawfully; and**
- (e) Where the claimant has exploited his right by his own sales, he can claim lost profit on sales by the defendant he would have made otherwise, and lost profit on his own sales to the extent that he was forced by the infringement to reduce his own price”.**

What is the position as regards to assessment on damages of a claimant such as the Plaintiff who sells products (read “**Santa Lucia**”). The Canadian Court in General Tire & Rubber Co. v Firestone Tyre & Rubber Co. Ltd [1975] 1 R.P.C 203 at 824 held thus:

“As in the case of any other tort (leaving aside cases where exemplary damages can be given) the object of damages is to compensate for loss or injury. The general rule at any rate in relation to ‘economic’ torts is that the measure of damages is to be, so far as possible, that sum of money which will put the injured party in the same position as he would have been in if he had not sustained the wrong.”

29. The Plaintiff, in this instance, makes a claim for general damages at prayer (g) of its Plea, which is a discretionary award given by the Court to an aggrieved party. In as much as the award is discretionary, the Plaintiff has to show proof that it indeed suffered damage and to what extent the Court’s intervention as regards the same should be. In as much as such damages may be awarded liberally, as was in **Gerber v Lectra** (supra), other factors need to be considered by the Court as well. In the European Commission Directive on the Enforcement of Intellectual Property Rights, Article 13 sheds more light as to what the Court may consider in awarding such damages. At 13 (1) (a) it is provided that:

“Member states shall ensure that the competent judicial authorities, on application of the injured party, order the infringer, who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement.

When the judicial authorities set the damages;

a. **They shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement”.**

30. In so far as Kenya is not a member state to the European Commission, the Directive especially at Article 13 gives an insight into what the Court may consider in an award for damages. Other issues that may be considered in the award for damages include the proportion of the Plaintiff’s customers that may have been confused. To this end, the damages on the loss of profits or of sales will be assessed on sales to the number of people who may have been misled by the Defendant, but would not touch on those that may have not been confused. Assessing damages on loss of profits or sales would, in the circumstances, be untenable in the premise. The Plaintiff’s said prayer could only have feasibly been allowed if the Plaintiff had prayed for an order for an inquiry into damages, to assess and ascertain the true and real extent of the damages. With regard to the foregoing, the Court would be reluctant to award prayer (g) of the Plea, given the peculiar circumstances of the instant suit.

31. However, at prayer (h), the Plaintiff prays for an account of the profits made by the Defendant over the course of its business. An order for account is an equitable remedy and the Court has the discretion whether or not to grant the same. The basic principles for the application of accounts are well set out in **My Kinda Town v Soll [1982] F.S.R.**, **Celanese v BP [1999] RPC 203** and **Dart v Décor [1994] FSR 567**. Referred to this Court by the Defendant, the authors in **Kerly’s Law of Trade Marks and Trade Names 15th Edition, Sweet & Maxwell at paragraph 20-153, pg. 769** set out the principles as enunciated in such cases as follows:

“(a) An account is confined to the accounts actually made, its purpose being to deprive the defendant of unjust enrichment rather than to punish him;

(b) An account is addressed to identifying profits caused, in the legal sense, by the infringement;

(c) The fact that the defendant’s profits could have been made in a non-infringing fashion is irrelevant;

(d) The claimant must take the defendant as he finds him, and may not argue that the

defendant could have made greater profits by trading in a different fashion;

(e) Where only parts of the defendant's activities infringed, profits attributable to the non-infringing parts are not caused by the infringement, and the overall profits must be apportioned".

An order for the accounts therefore, in the view of this Court, would be a suitable alternative to prayer (g) as it would enable not only the Court, but also the Plaintiff, to ascertain the correct position in regards to the profits made by the Defendant subsequent to the infringement and passing-off. The Court in consideration of the foregoing authorities and in exercise of its discretion awards the Plaintiff prayers (f) and (h) of its Plaint. The Defendant is to provide the same filed in this Court within ninety (90) days of the date of this Judgement.

32. In conclusion, the Court, cognizant of the fact that the Defendant caused, whether or not intentionally or by deceit, the infringement and passing-off of the Plaintiff's trade mark and/or get-up, is to be prevented from continuing with the same. With regards to prayers (a) – (c), the Court hereby orders and issues the injunctions as prayed for in the Plaint against the Defendant. However, the Court is not inclined to award prayer (e) of the Plaint as the same has not been proven by the Plaintiff to be a substantive cause of the infringement by the Defendant. Prayers (d) and (i) of the Plaint are also allowed as prayed. As regards interest, the same shall be allowed at Court rate from the date of filing suit until payment of any sums found due as regards prayer (h) aforesaid. There shall be liberty to apply in that regard.

DATED and delivered at Nairobi this 10th day of December, 2013.

J. B. HAVELOCK

JUDGE