REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

COMMERCIAL & TAX DIVISION – MILIMANI

CIVIL CASE NO. 380 OF 2010

MABATI ROLLING MILLS LTD...PLAINTIFF

VERSUS

MAISHA MABATI MILLS LTD...DEFENDANT

RULING

By an application by Chamber Summons dated 26th May, 2010, and taken out under **Order XXXIX Rule 2** of the **Civil Procedure Rules; Trade Mark Act** and the inherent powers of the court, the Plaintiff seeks from the court the following orders –

(1) (Spent)

(2) (Spent)

(3) That pending the inter parties hearing of this application, the court do issue an order restraining the Defendant whether acting by its Directors officers, servants, agents or otherwise howsoever from passing off iron sheets not of the Plaintiff as iron sheets of the Plaintiff by the use of the mark Maisha Mabati or any other colorable imitation of the mark Mabati Maisha or otherwise howsoever;

(4) That pending the inter-parties hearing of this application, the court do issue an order restraining the Defendant whether acting by its Directors officers, servants, agents or otherwise howsoever from infringing the registered trade mark No. KE/T/2008/062668,

(5) That the court upon hearing of the parties to this application inter-parties, be pleased to issue

an order restraining the Defendant whether acting by its Directors, officers, servants, agents or otherwise howsoever from passing off iron sheets not of the Plaintiff as iron sheets of the Plaintiff by the use of the mark Maisha Mabati or any other colourable imitation of the mark Mabati Maisha or otherwise howsoever pending the determination of this suit;

(6) That the court, upon hearing the parties to this application inter parties, be pleased to issue an order restraining the Defendant whether acting by its Directors officers, servants, agents or otherwise howsoever from infringing the registered trade mark No. KE/T/2008/069668 pending the determination of this suit;

(7) That the court be pleased to grant any such or further order which is fit and expedient in the circumstances of this suit.

(8) That the Plaintiff bears the costs of this application.

The application is supported by the annexed affidavits of MAHESH CHAVDA, JOSEPH KITHUKU KITONGA, TARUNKUMAR M DESAI, VIPINCHANDRA A PATEL and LAWRENCE NDIRANGU WAHOME and is based on the grounds –

(a) That the mark "Maisha Mabati" in use by the Defendant, by reason of its resemblance to the mark "MABATIMAISHA" is likely to be taken, and has in fact been taken, by the trade and public as the mark "MABATIMAISHA" or as another mark of the Plaintiff.

(b) That further, the continued use of the Maisha Mabati by the Defendant is calculated to deliberately cause deception and confusion as aforesaid.

(c) That the Plaintiff is and was at all material times the registered proprietor of the registered trade mark No. KE/T/2008/068688 consisting of the words "MABATIMAISHA" registered in Class 6 of the International Classification of Goods and Services, that is steel flat sheets and profiled sheets and coils with effect from 31st January 2008.

(d) That the said registration is and was all material times valid and subsisting, and will continue in effect until 6th June, 2018.

(e) That the Defendant's have infringed the Plaintiff's said registered trade mark "MABATISMAISHA" and, unless restrained by the Honourable Court, threaten and intend to continue to infringe the said registered trade mark.

(f) That the Defendant threatens and intends to continue the acts complained of.

(g) That if this application is not heard forthwith and the orders sought granted, the Plaintiff shall suffer injury and irreparable harm.

The application is opposed through the replying affidavit sworn by
Kaushik Pandit, a Director of the Defendant/Respondent herein in which he deposes that the Plaintiffs trade mark "MABATIMAISHA" was fraudulently, illegally and improperly acquired as –

(a) The said mark was sought by the Applicant in January, 2008 after it became known to the Applicant that the Respondent was about to enter the corrugated, flat and related iron and steel sheets business which was dominated by the Applicant;

(b) The said mark was registered when the Applicant had not developed any product which it could market using the said mark;

(c) The said mark was obtained from the trade name of the Respondent herein which fact was in the knowledge of the Applicant;

(d) That the said mark usurped the trade name of the Respondent which was not brought to the attention of the Registrar of Trade Marks;

(e) The said mark was composed of red and blue colours which were the corporate colours of the Respondent herein and which colours the Respondent had been using since 2007; and;

(f) The Applicant did not use the said mark for a considerable period of time after registering the same.

With the leave of the Court, the parties filed written submissions through their respective Counsel. After considering the pleadingsand the submissions of Counsel, I note that the conditions for the grant of interlocutory injunctions are clearly stipulated in **GIELLA v. CASSMAN BROWN & CO. LTD. [1973] EA 358.** The first of these is that an Applicant must show a *prima facie* case with a probability of success. The basic facts of this case are fairly clear. The Applicant has been in the roofing iron sheet business for more than 30 years, over which it has developed various products under different trade names which are all registered under the **Trade Mark Act (Cap. 506).** In that context, the Applicant is the registered proprietor of the registered Trade Mark KE/T/2008/062668 consisting of the word "MABATIMAISHA" with effect from 31st January, 2008. That registration will continue in effect until 31st January, 2018.

At the same time, it is also the Applicant's case that from a date unknown to the Applicant, the Respondent has been selling iron sheets in Kenya under the mark "MAISHA MABATI", and the said iron sheets have no connection with the Applicant. The Applicant therefore contends that the Respondent has infringed its Trade Mark and passes of its own goods as those of the Applicants.

On the other hand, the Respondent Company, which was initially registered as Athi River Steel Rolling Mills Limited, changed its name to MAISHA MABATI MILLS LTD. in 2007. A copy of the Certificate of Change of Name dated 9th February, 2007 is attached to its replying affidavit. That change of name was effected to facilitate the Respondent to enter the business of manufacturing, distributing and/or selling corrugated and/or flat iron sheets, a business which had been monopolized by the Plaintiff for 30 years. On that basis, the Respondent's case is that upon the Applicant learning of the Respondent's intention to enter the corrugated iron and steel sheets business, the Applicant cunningly rushed to register "MABATIMAISHA" as a Trade Mark and it was registered on 31st January, 2008.

No doubt the Trade Mark name adopted by the Applicant and the Respondent's business name are very similar, and the parties admit as much. The end result of this similarity is to confuse the market so much so that a person wishing to buy the goods from one of the antagonists might end up buying the goods of the other party. Accusations and counter-accusations have been traded through the pleadings. As indicated herein above, the Respondent particularly imputes against the Applicant serious allegations of

fraud and attempts to misuse Government Officials in a bid to influence such Officials. Its bottom line is that the Applicant's Trade Mark was obtained by unfair and fraudulent means, while the Respondents continue to use their legitimate business name under which they are registered. Suffice it to observe that in the case of **ASSABWALLA v. KHADIJA BINT GAFOOR & ORS. [1962] EA 571** the Court of Appeal held that the bona fide user by a man of his own name was protected by the law, whether he traded under that name, or whether he used it as a trade mark in respect of his goods, and that a person will not lose that protection merely because confusion may result from the use by that person of his own name. That which applies to a human person applies equally to a Company which is a legitimate legal person in its own right. A Company is in law entitled to use and carry on business in its registered name unless it can be demonstrated that in so doing, it is not acting bona fides.

Given that the Respondent's change of name into 'MAISHA MABATI MILLS LTD." was effected before the registration of the Applicant's Trade Mark, **Section 14** of the **Trade Marks Act** becomes relevant. That **Section** prohibits the registration of any deceptive matter in the following words –

"No person shall register as a Trade Mark or part of a Trade Mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a Court of justice, or would be contrary to law or morality, or any scandalous design."

Surprisingly, the Registrar of Trade Marks registered the Applicant's Trade Mark "MABATIMAISHA" in 2008 when the Respondent's name, "MAISHA MABATI MILLS LTD." had already been registered, and it was quite obvious that the two would cause confusion in the market. Against these observations, I doubt that these rival claims can be settled by the affidavit evidence presently on record. It will take some oral evidence to clear the air as to how these two "MABATI" giants came to use names which are so similar as to cause members of the public to buy products of the one thinking that they were buying those of the other. In the same breath, the allegations by the Respondents that the Applicant's Trade Mark was obtained fraudulently requires to be probed to the bottom before one comes to terms with the conflict between the Applicant's Trade Mark and the name of the Respondent. The Registrar of Trade Marks would need to be called upon to shed some light as to how the Applicant's Trade Mark got to be registered when there was a Company sharing a similar name. I am therefore in doubt that the Applicant has established a *prima facie* case with a probability of success against the Respondent.

The second condition to be satisfied is that an interlocutory injunction will not normally be granted unless the Applicant might otherwise suffer irreparable injury which would not adequately be compensated by an award of damages. I note from paragraph 7 (c) of the plaint that the Applicant states –

"The Plaintiff is unable to give particulars of all the infringements committed by the Defendant until after discovery herein, but will seek to recover damages or an account of profits in respect of each and every such infringement."

This is followed by paragraph 8 (a), (b) , (c) and (d) in which the Applicant sets out certain sums of money which the Respondent allegedly made from the alleged passing off of the Applicant's goods as those of the Respondent. In a nutshell, the Applicant's contentions in paragraphs 7 and 8 of the plaint suggest that the Applicant could be compensated by way of damages.
Finally, the third condition is that if the Court is in doubt, it will decide an application on the balance of convenience. As I have already expressed a doubt, I find that the balance of convenience in this matter lies in maintaining the status quo as prevailing today pending the hearing and determination of the suit itself.

Being of the above persuasions, I decline to grant the injunctive orders which have been sought pending the hearing of this case. Costs in the Cause.

It is so ordered.

DATED and **DELIVERED** at **NAIROBI** this 10th day of February, 2011.

L. NJAGI

JUDGE