



REPUBLIC OF KENYA
IN THE HIGH COURT OF KENYA

AT NAIROBI

CIVIL CASE NO. 327 OF 2010

EAST AFRICA METAL WORKS LTD.....PLAINTIFF
VERSUS
UNIQUE SUPPLIERS.....1ST DEFENDANT
SHAFFIQ ABDALLA.....2ND DEFENDANT
ALTAFA ABDALLA.....3RD DEFENDANT
STAINLESS STEEL PRODUCTS LTD.....4TH DEFENDANT
MINESH CHANDARIA.....5TH DEFENDANT

RULING

The application before me is a Chamber Summons Application dated 17th May, 2010 seeking various injunctive orders against the Defendants. It is supported by the Supporting Affidavit of Mohamed Amin sworn on 14th May, 2010 and his further Affidavit of 7th July, 2010, respectively. In its written submissions dated 26th November, 2010, the Plaintiff indicated that prayer Nos. 1-5 of that application had been rendered superfluous with passage of time and the only prayers the Plaintiff was now seeking was Prayer Nos. 6 and 7 which read :-

“6. THAT there be a temporary injunction restraining the Defendants, their servants and/or agents from infringing upon, using or continuing to use the trademark Number KE/T/1997/023658 comprising the word UNIHUT and or any variations/derivations thereof or otherwise howsoever, to procure business orders using the said mark, to manufacture goods, expressly and/or ostensibly to inter alia, pass off the Plaintiff’s products and/or services, to misrepresent themselves as the Plaintiff’s agent and or enabling, assisting, causing, procuring or authorizing others to do any of the acts aforesaid or interfering with the Plaintiff’s business whatsoever pending the hearing and determination of the suit.

7. THAT the costs of the application be provided for.

The Plaintiff’s case is that, the Plaintiff is established in Kenya undertaking the business of, inter alia, manufacture and distribution of metal portable buildings and related articles, that it is the registered proprietor of Trademark No. KE/T/1977/02/3658 UNIHUT registered under classes 6 and 19 of the Trademarks Act Cap 506 Laws of Kenya, that the Plaintiff is a reputable and established Company and a major player in the market for its products and services, that as the registered proprietor of the trademark it has the sole and exclusive right to carry on its business under its stated name and trade under its logo/trademark without interference, that the ownership of the trademark has not been disputed, the Plaintiff produced a Certificate for Use in Legal Proceedings which showed that the trademark was registered on 22/2/77 to expire on 22/2/2018, that it had come to the Plaintiff’s knowledge that the 1st Defendant with the assistance, design and connivance of the 2nd and 3rd Defendants had illegally and

without colour of right procured business orders using the said mark and that the 4th Defendant had under the direction of the 5th Defendant proceeded to manufacture goods, expressly and/or ostensibly pass off the Plaintiff's products and/or services, that the purporting trading by the Defendants under the said name has resulted in massive confusion among the Plaintiff's customers who associate the trademark and/or brand name in question with the Plaintiff, that the Defendants action is mala fides and intended to pass off and have actually passed-off the Plaintiff's products and services to misrepresent themselves as the Plaintiff's agent and to unlawfully disrupt the Plaintiff's business.

Mr. Swanya learned counsel for the Plaintiff cited the cases of **Match Masters Ltd –vs- Rhino Matches Ltd (2006) and Premier Food Industries Ltd –vs- Mahra Ltd (2006)** in support of his clients case that the use of a mark resembling that of the Plaintiff is an infringement of the Plaintiff's trademark and that the Plaintiff had established a prima facie case entitling it to an injunction.

The 1st, 2nd and 3rd Defendants filed a Replying Affidavit sworn by Shaffiq F. Abdalla on 25th June, 2011 and written submissions dated 7th February, 2011. Relying on the said Replying Affidavit and submissions, Mr. Chege, Learned Counsel for the 1st to 3rd Defendants submitted that his clients had not infringed the Plaintiffs trade mark, that the Plaintiff was guilty of material non-disclosure, that the background of the dispute was a tender advertised by the Administration Police Training College on 19/6/09 in the Daily Nation newspaper for the supply of Uni-Huts, that the 1st Defendant and the Plaintiff participated in the said tender whereby the 1st Defendant won, the Plaintiff was bitter because it lost the tender, that the Plaintiffs trade mark comprises of a house and the word UNIHUT yet the tender was for the supply and delivery of Uni-Huts, that the documents tendered and relied on by the Plaintiff showed only the use of the words Unihut, that the 1st Defendant upon winning the tender contracted a company known as Mosoco Traders Ltd to prepare the Unihuts, that the 1st Defendant had in 2006, contracted the Plaintiff to supply Unihuts and there was no any objection on infringement of its trademark, that the word Unihut is a general name and if the Plaintiff wanted the exclusive use of the same it should have registered the same separately as a patent, that his firm had written to the Plaintiff's a letter on 4/3/2010 seeking the particulars of the Plaintiff's trademark but that was never responded to, that the Plaintiff had allowed other parties, to wit, the Administration Police, General Service Unit and the National Youth Service to use the word Unihut, that although the 1st to 3rd Defendants have disclosed that the Unihuts in question were manufactured by Mosoco Traders Ltd, the Plaintiff had not taken any action against the said company. Finally counsel submitted that the Plaintiff had not demonstrated that it will suffer any loss that was irreparable and he therefore urged the court to dismiss the application.

On his part Mr. Rimui, learned Counsel for the 4th and 5th Defendants opposed the application relying on the Replying Affidavit and Supplementary Affidavit of Minesh Chandaria filed on 28th June, 2010 and 12th August, 2010, as well as his written submissions filed on 14th December, 2010, Counsel submitted that the Plaintiff had failed to establish a prima facie case with any probability of success as against his clients, that there was no evidence produced to show that the 4th and 5th Defendants were involved in the manufacture of the steel huts known as UNIHUT, that the 4th and 5th Defendant had denied in their Affidavits ever making any products and pass them off as the Plaintiffs, that the photograph produced as "MA2" by the Plaintiff in its Further Affidavit contained nothing to show that it was taken at the 4th Defendants premises, that the Plaintiffs trademark is a logo showing a circular metal hut with a word UNIHUT written underneath, that the Defendants have not manufactured advertised, sold or dealt with services containing the said trademark or mark of a similar nature, that the Plaintiff had not proved or established that the Defendants had passed off or represented any of their goods or services as being manufactured or sold by the Plaintiff, that at no time did the Defendants represent to the public that any goods they were offered belonged to the Plaintiff, that the Plaintiff did not have any industrial design registered over the circular metal huts so as to claim a right of exclusive use thereof, the 4th and 5th Defendants produced "Exhibit 'MC2'" being a letter from the Kenya Industrial Property Institute which confirmed that as at 21/01/2010, there never existed a design of a metallic structure of a shape of a hut registered in the Plaintiff's name or any other party, that therefore any entity could manufacture and deal with such metallic huts provided it never used the mark UNIHUT underneath or thereabout, that the Plaintiff had acquiesced to the use of the name UNIHUT and its derivative word Uni-hut which have

since gained common usage, that the Kenya Police, General Service Unit, National Youth Service, Administration Police, Kenya Civil Aviation Authority amongst others commonly use housing structures commonly referred to as Uni-huts,

The 4th and 5th Defendant produced adverts by the said authorities as “MC1”, “MC10”, MC3” wherein the said name of Uni-huts was used, that the name Uni-hut had now acquired notoriety in usage and cannot be reserved for the Plaintiff’s exclusive use, that the Plaintiff has not come to court with clean hands and its application should fail, that the 4th Defendant is in the business of manufacturing steel products and injecting it would cripple its operations, that damages can compensate the Plaintiff, and finally that the balance of convenience tilts in favour of rejecting the application.

Counsel relied on the cases of **AK TIE BOLAGET JONKOPING VULCAN INDSTRICKS FABRIKSAKTIEBOLAG – VS- E.A. MATCH CO. LTD (1964) E.A. 62** in support of his argument that the burden lay with the Plaintiff to prove that there has been an infringement of its trademark, he also referred the court to the case of **SUPA BRITE LIMITED –VS- PAKAD ENTERPRISES (2001) 2 EA 563** on the principles applicable in a passing off case, Counsel therefore urged the court to dismiss the application.

I have considered the Affidavits on record, the written as well as oral submissions of counsel. I have also considered the cases referred to by the respective parties.

This is an application for injunction and the principles applicable are well settled. The Court of Appeal for Eastern Africa set the threshold in the case of **GIELLA –VS- CASSMAN BROWN 91973) EA 358 at Pg. 360** thus:-

“The conditions for the grant of an interlocutory injunction are now, I think well settled in East Africa. First an applicant must show a prima facie case with a probability of success. Secondly 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. Thirdly, if the court is in doubt, it will decide an application on a balance of convenience.” (underlining mine)

The Plaintiff’s case is that it is the registered proprietor of a trademark No. KE/T/1977/023658 UNIHUT registered under classes 6 and 19 of the Trade Marks Act Cap 506, Laws of Kenya. In paragraph 9 of the Plaint, the Plaintiff pleaded, inter alia, that:-

“.....during the first quarter of the year 2010, the 1st Defendant with the assistance of or the design, connivance or scheming of the 2nd and 3rd Defendants, illegally and without just cause and or colour of right, procured business orders using the said mark, and the 4th Defendant acting under the direction of the 5th Defendant proceeded to manufacture goods expressly and/or ostensibly to inter alia pass off the Plaintiffs products and/or services, to misrepresent themselves the Plaintiff’s business and/or operations.....”

Accordingly, it is the Plaintiff’s case that the 1st to the 3rd Defendant did procure business using the Plaintiff trademark registered as No. KE/T/1977/023658 UNIHUT and secondly that the 4th Defendant under the direction of the 5th Defendant had manufactured products which they passed off as belonging to the Plaintiffs.

In **AKT.JONK – VULCAN –VS- E.A. MATCH CO. LTD (1964) E.A. 62 at page 67** Udo Udoma CJ stated:-

“As a general position of law, I think I am right in stating that the burden of satisfying the court that there has been an infringement of its trade mark is on the Plaintiff Company. It is for the Plaintiff to prove that there is a resemblance between the two marks and that such resemblance is deceptive.” (underlining mine)

Accordingly, it is upon the Plaintiff, on a prima facie basis at this stage to establish that its trademark has been infringed by the 1st to the 3rd Defendant. In the said **AKT.JONK – VULCAN** case the Court held:-

“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.”

In that case, the Court cited with approval the dictum of Lord MacNaghten in the House of Lords in **PAYTON & CO. LTD –VS- SNELLING LAMPARD & CO LTD (1901) AC at 311** wherein it was stated:-

“I think as I have said before the Judge looking at the exhibits before him and also paying attention to the evidence adduced must, not surrender his own independent Judgment to any witness.”

Accordingly, it is for this court to examine the marks complained of and determine if the two marks in dispute have a resemblance which are likely to deceive or cause confusion.

The Plaintiff has produced a copy of the certificate for use in legal proceedings issued by the Assistant Registrar of Trademarks dated 29th June, 2010. The said certificate shows that in or about 1977 the Plaintiff was registered as the proprietor of trade mark No. 23658 under Section 22 and rule 60 of the Trade Mark Act. The Trade Mark consisted of a hut and the word UNIHUT underneath. The same was registered under classes 6 and 19 the same being for metal building materials, transportable buildings of metal, portable buildings and sectional buildings. The Plaintiff also produced as exhibit “MA2” a Certificate of Renewal dated 8th September, 2008 renewing the said trademark for 10 years from 22nd February, 2008. On the fore going therefore, I am satisfied that the Plaintiff was and is still the registered proprietor of the trademark NO. KE/T/1977/023658 which mark is a hut and the word UNIHUT beneath the hut.

It is the Plaintiff’s case that on the first quarter of 2010, the 1st to the 3rd Defendants infringed that mark. The Plaintiff produced exhibits “MA3” and “MA4”. The exhibit “MA3” is an invoice No. 20865 dated 10/3/10 by the 1st Defendant addressed to the Administration Police Commandant for a quantity of 70 number of “UNIHUT ROUND 4.41 DIAMETER” The said invoice refers to LPO No. 0779039. I did not see that LPO.

Exhibit No. “MA4” on the other hand is an LPO by the Administration Police dated 14/4/10 which is very faint and it is with much effort that one can discern what it relates to. Being the best evidence before me I noted the following: - the same is addressed to the 1st Defendant. At the column of description of goods it is written:-

“Please supply UNIHUT ROUND No. 70 4.41 M DIANI.”

On the foregoing evidence, can “MA 3” and “MA4” aforesaid be said to be an infringement of the trademark of the Plaintiff?

As I have already stated, the exhibits produced before the court are of a very poor quality to enable the court to do any meaningful comparison. however, I have endeavoured to do the comparison and the result is that, the Plaintiff’s mark consists of a hut and the word UNIHUT underneath it. From the exhibit produced it is difficult to discern if the hut is of metal, wood, grass or whatever material. However, from the classes under which it is registered, one can easily discern that the hut is metallic. The offending mark is the invoice by the 1st Defendant which has the word UNIHUT. ROUND 4.41M DIAMETER. There is no mark of a hut.

Can the use of the word UNIHUT for any of the materials dealt and/or services offered by the 1st to 3rd Defendant be an infringement of the Plaintiff’s mark? Section 7 of the Trade Marks Act Cap 506 provides:-

“7. (1) Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before or after 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 be likely to 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,.....” (underlining mine)

To my mind, the operative words in that Section are ***“uses a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade.....”***

The Plaintiff’s trade mark is both a hut and the word UNIHUT. The same is for metal buildings materials, transportable buildings of metal, portable buildings and sectional buildings. What the 1st to the 3rd Defendant used is the word UNIHUT in their invoice. It has not been alleged that they produced or supplied materials under the said classes 6 and 19 with the words UNIHUT emblazoned thereon. To my mind, since the word UNIHUT was registered together with a devise of a HUT, its usage alone may not constitute an infringement of the Plaintiff’s Trade Mark.

Indeed, the 4th and 5th Defendants swore in the Replying Affidavit of MINESH CHANDARIA of 28/6/2010 in paragraph 10 thus:-

“10. That in any event the Plaintiff sat on his right as the UNIHUT mark is widely used to refer to the steel huts used as housing units by the Administration Police, General Service Unit and National Youth Service. Annexed hereto and marked as exhibits “MC1(a)” (b) and (c) are true copies of Tender Notices for the supply and delivery of Tented and Uni-huts.”

This is a statement made on oath. Although the Plaintiff subsequently filed a Further Affidavit on 9th July, 2010, the Plaintiff never rebutted that assertion. To the contrary, Mohammed Amin, the Plaintiff’s managing Director clarified in his Further Affidavit sworn on 7/7/2010 in paragraph 6 thereof thus:-

“6. THAT it is clear from the Certificate for Use in Legal Proceedings aforesaid that the Plaintiff’s trade mark “UNIHUT” consists of both the word “UNIHUT” as well as a devise depicting the “UNIHUT.”

To my mind therefore, the use of the word UNIHUT must be used in conjunction or together with the devise to constitute an infringement of the Plaintiff’s trade mark. It’s use separately and without reference to any particular products, goods and/or services of the Plaintiff cannot constitute an infringement.

Looking at exhibits “MA3” and “MA4” the invoice and LPO as juxtaposed with either “MA2” (the certificate of Renewal) thereof or exhibit “MA1” (the Certificate for Use in Legal Proceedings) in the Further Affidavit, I see nothing therein that is deceptive. To my mind, therefore, the use of the word UNIHUT independently of the devise will not be deceptive to constitute an infringement.

In the case of **Match Masters Ltd Vs Rhino Matches Ltd (2006)** eKLR relied on by the plaintiff, the plaintiff’s trademark in that case was the word “RHINO” and a logo depicting the devise of a Rhino in yellow and orange colours – The defendant was held to have infringed that trademark when it sought to trade in its matches under the brand name “NDOVU” but with the words “RHINO” boldly emboldened and emblazoned on the packaging of the match boxes and using the similar colours to those of the plaintiff.

In our case, the plaintiff’s trademark is the word UNIHUT beneath a devise of a metallic Hut. None of the defendants have been alleged to deal in goods that are similar to those of the plaintiff; i.e. metallic huts emblazoned with the word UNIHUT and if they have no evidence was produced to establish that fact. In my view, therefore, the plaintiff has, failed to establish a prima facie case with any probability of

success.

The Defendants did raise the issue of material non disclosure by the Plaintiff. They averred that the dispute herein arose as a result of the tender for UNI-HUTS advertised by the Administration Police in June, 2009 in which both the 1st Defendant and the Plaintiff participated. That the 1st Defendant won and the Plaintiff lost. That thereupon the 1st Defendant caused the Unihuts to be manufactured by a company called Mosoco Traders Ltd. That this suit was brought because of the Plaintiff's bitterness in losing the said tender.

The Plaintiff did not answer this allegation directly. It only stated that it is true that the Plaintiff has successfully participated in tendering to supply its goods to the government of Kenya. It never denied that this suit was actuated by its loss in the subject tender by the Administration Police.

In my view, a party who seeks equity MUST do equity. Such a party must disclose all material particulars constituting its claim. It is clear that, the Plaintiff failed to disclose to the court that in or about June, 2009 a tender was floated by the Administration Police for the supply of inter alia, UNIHUTS, that the Plaintiff and the 1st Defendant participated, that it transpired that the 1st Defendant upon winning the tender supplied to the Administration Police the Unihuts tendered for, that it is the use of the word UNIHUT by the Administration Police and the 1st Defendant in its invoice that constituted an infringement of the Plaintiff's trade mark which led to the filing of the claim. Failure on the part of the Plaintiff to disclose these facts in my view constitutes material non-disclosure on its part, which is fatal to its application for injunction.

The second limb of the Plaintiff's claim is that the 5th Defendant had assisted the 4th Defendant to manufacture goods, expressly and/or ostensibly pass off the same as those of the plaintiffs. The 4th and 5th Defendants have in paragraphs 1, 5 and 7 of the Replying Affidavit denied that fact.

In the case of **Reckitt and Colman Ltd Vs Borden Inc and others [1990] IWLR 59** the court laid down the test on passing off action as: -

***“(1) the principles of the law of passing off were well established in that no man was to sell his goods as those of another; that the elements which a plaintiff had to prove were:-
a) That he had acquired a reputation as goodwill connected with the goods or services he supplied in the mind and such goods or services were known to the buyers by some distinctive get-up or feature;
b) That the defendant had whether or not intentionally made representations to the public leading them to believe that the Defendants goods and services were the plaintiff's and
c) That the plaintiff has suffered or in a quia timet action was likely to suffer damage because of the erroneous belief engendered by the Defendants misrepresentation and that all the three elements were questions of fact.”***

This was approved and applied by Ringera J (as he then was) in the case of **Supa Brite Ltd vs Pakad Enterprises Ltd (2001) EA 563** relied on by the 4th and 5th Defendant. In the **SupaBrite Ltd** case (**supra**), Ringera J, stated at pg 571.

“I am of the opinion that like in the case of personal reputation, evidence of goodwill must, whether at interlocutory stage or final hearing of a suit be offered by members of the public and not the subject of the reputation himself or the trader and his consultant as the case may be.”

The learned Judge proceeded to hold that the plaintiff in that case had not established a prima facie case as it had only offered evidence of goodwill through its Managing Director and Consultant.

In the case before me, the only evidence offered was the one in the Affidavit of Mohammed Amin sworn in 14th May 2010 wherein in paragraphs 7 and 8 wherein he stated: -

“7. THAT the plaintiff is a reputable and well established company and has been a major player in the market for their products and services.

8. THAT the purported trading by the Defendants under the said name has resulted in massive confusion among the plaintiffs customers who associate the trademark and or brand name in question with the plaintiff.”

I do associate myself with the dictum of Ringera J (as he then was) in the **Supabrite Ltd Case (supra)** and hold that goodwill and reputation must be established by direct evidence of independent persons other than the person ascertaining the claim. In my view, what the Plaintiff produced in paragraph 6 and 7 paraphrased above cannot be said to establish the reputation of the plaintiff in the goods under question. An affidavit of one of the alleged customers would have sufficed on this issue. I am not therefore satisfied that the plaintiff has established a prima facie case that it has acquired a reputation of goodwill with the use of the word **UNIHUT** among the public and that the consumers wishing to buy a metallic hut are likely to be misled into buying any of the Defendants goods as those of the Plaintiff.

In any event, can the evidence on record be said to be sufficient to prove or establish that the 4th and 5th defendants had passed off goods as those of the plaintiffs? I think not. Apart from the bare averments in the plaint and Affidavits, the only other evidence produced by the plaintiff is a photograph exhibited as “MA1” to the Further Affidavit of Mohamed Amin. That exhibit is a black and white photograph of one presumably round metallic hut with two vehicles packed beside it. At the background are go-downs. It is alleged that the photograph was taken at the 4th Defendant’s premises. The 4th and 5th Defendants have denied that fact on the basis that there is nothing to show that the location is the 4th Defendants premises. The location or the L.R Number of the alleged premises is neither shown in on the photograph nor sworn to in the Affidavit. I agree with Mr. Rimui, Counsel for the 4th and 5th Defendant that there is nothing to connect them with that photograph. Further, apart from the metallic hut, the word UNIHUT is not present in that photograph.

Accordingly, I have come to the conclusion that the Plaintiff has not established a prima facie case with any probability of success.

As regards damages, in paragraph 10 of the plaint, the plaintiff has stated that due to the actions of the Defendants, it has suffered and will continue to suffer loss and damage. The plaintiff has not stated what sort of damage it will suffer if the injunction sought is not granted. My view is that in an injunction application, it is for the plaintiff to show the nature and extent of loss to be suffered and show whether such damage is compensable or not. In the case before me, the nature and extent of the loss to be suffered has not been specifically shown in the affidavits of Mohammed Amin or in the submissions. I cannot infer the same.

In any event, however, having arrived at the conclusion that no prima facie case with any probability of success has been established, I am of the view that under the prayer for accounts sought in prayer (d) of the plaint, damages would be an adequate remedy.

On the balance of convenience, it will be to unnecessarily overburden the Defendants with an injunction since it has been shown that the plaintiff has been operating without any problems since 2009 whilst the name of **UNIHUT** was being used by amongst others, the Administration Police, the General Service Unit and the National Youth Service. To my mind therefore, the balance of convenience tilts in favour of refusing the injunction.

Accordingly, the Plaintiff’s application dated 17th May, 2010 is dismissed with costs.

Dated and delivered at Nairobi this 30th day of November 2011.

JUSTICE A. MABEYA