



REPUBLIC OF KENYA
IN THE HIGH COURT OF KENYA
AT NAIROBI (MILIMANI COMMERCIAL COURTS)

Civil Case 572 of 2008

ENG KENYA LIMITED..... PLAINTIFF

VERSUS

MAGNATE VENTURES LIMITED.....DEFENDANT

RULING

Before me is an application by the plaintiff filed pursuant to the provisions of **Section 3A** of the **Civil Procedure Act** seeking an injunction to restrain and restrict the defendant, either by itself or its agents or servants, from in anyway using the industrial design lodged for registration by the plaintiff i.e. Design No. Ref. 000899, pending the hearing of the application, and thereafter pending the hearing and determination of the suit. The grounds in support of the application as stated on the face of the application. The plaintiff states that it had lodged for registration an industrial design for suburb signs to be used for outdoor advertising. The said registration was made pursuant to the provisions of the **Industrial Property Act**. The plaintiff contends that the defendant is in the process of installing signs similar in design to that of the plaintiff. The plaintiff states that the continued use of the said design by the defendant would result in passing off of the plaintiff products as being those of the defendant and in the circumstances the plaintiff was bound to suffer irreparable loss and damage. The application is supported by the annexed affidavit of Phillip Muchimuti, a senior manager of the plaintiff. He swore a further affidavit in support of the application. The application is opposed. Jackson Mwangi, Christopher Njuku and Charles Momanyi, swore replying affidavits in opposition to the application. Further to the said affidavits, the defendant's counsel filed skeleton submissions in further opposition to the plaintiff's application. Both counsel cited several decided cases in support of their respective opposing positions.

At the hearing of the application, Mr. Anzala, learned counsel for the plaintiff urged the court, in the first instance, to strike out the replying affidavit sworn in opposition to the application because, in his view, the persons swearing to the said affidavits were strangers to the suit and further they had not sought leave to be enjoined to the suit. He submitted that the plaintiff had in March 2008 commenced the registration process of an industrial design of a suburban sign with the Kenya Industrial Property Institute (KIPI). He stated that prior to registering the said design, the plaintiff had conducted a search and confirmed that no design similar to the one proposed to be registered had been lodged for registration. The plaintiff was granted a go-ahead to register the industrial design; the same was published in the gazette and further published in the journal. Mr. Anzala explained that after the plaintiff commenced the registration process, on 30th July 2008 it started installing suburban sign along designated road reserves. The plaintiff was surprised when on 30th September 2008 the defendant also started installing suburban signs similar or of the same design as those installed by the plaintiff. Counsel for the plaintiff conceded that although the idea of suburban signs was not a new concept, what was new was the design introduced by the plaintiff in the market. He acknowledged that although the plaintiff did not yet have a legal right

over the design, the fact that it had already commenced registration process required by the law meant that it had substantially complied with the legal regime of registration. He maintained that the plaintiff was therefore entitled to protect the equitable right that it had acquired pursuant to the said registration process.

Mr. Anzala further submitted that the plaintiff was the creator or inventor of the suburban design. In the period of about one and a half (1½) months that the plaintiff had erected the suburban signs on the road reserves, it had created in the mind of the populace a distinct nexus between the particular design and the plaintiff that is separate from other outdoor advertisers. He submitted that the plaintiff was therefore harmed by the defendant's decision to copy the plaintiff's design and instal the same in the same area as the plaintiff. He maintained that the installation of the said suburban signs by the defendant has created confusion in the mind of the public. He submitted that the plaintiff was apprehensive that by the time the registration process was finalized, irreparable damage would have been caused to the plaintiff to an extent that it would not commercially benefit from the said design. The plaintiff was in the premises seeking the intervention of the court for the protection of its business from damage that might occur as a result of defendant's action. Specifically, the plaintiff sought the grant of a *quia timet* injunction pending the hearing and determination of the suit. The plaintiff relied on legal treatise "**The Principles of Equitable Remedies**" by ICF Spry, **Beiersdorf Ag vs. Emirchem Products Limited [2002] 1KLR 876** and **Redland Bricks vs. Morris [1970] AC 652** in support of its submission that the court should protect the plaintiff's business from suffering further detriment as a result of the defendant's unlawful acts in damaging the goodwill that the plaintiff has started acquiring in the market. He submitted that the court had jurisdiction to grant orders which would protect the plaintiff's business for now and in the future; the fact that the harm sought to be prevented may not have become a reality, should not prevent the court from granting the orders prayed. He urged the court to further issue an order compelling the defendant to remove the already installed offending suburban signs which are identical to the plaintiff's design. He prayed for the application to be allowed with costs.

Mr. Havi for the defendant opposed the application. He submitted that the affidavits filed in reply to the plaintiff's application were competent since the law did not preclude a party from filing more than one affidavit in opposition to an application. He maintained that this court lacked jurisdiction to grant the injunction sought. He insisted that the correct procedure which the plaintiff ought to followed was to seek an appropriate remedy from the tribunal established under **Section 112 of The Industrial Property Act, 2001**. He explained that the reliefs sought by the plaintiff in this application could only be granted to a registered owner of an industrial design. He was of the view that since the plaintiff had abused the procedure provided by the law, the reliefs sought in this application could not be availed to it. He submitted that the design which the plaintiff sought to protect was not a unique design but a common product available in the outdoor advertising industry. He reiterated that the defendant had been in business for more than 15 years compared to the plaintiff who was a newcomer in the market. He maintained that under the law, the plaintiff was required to establish a legal right to an industrial design which could only be established if it was proved that the design had been registered as provided by the law.

It was argued on behalf of the defendant that the two suburban signs, the one of the plaintiff and the other of the defendant, conformed to the design recommended by the Nairobi City Council; the two designs were of different colours and therefore members of the public would not possibly be confused by the design of the said suburban signs. Mr. Havi submitted that the plaintiff and the defendant were in a unique industry whose players were peculiar and were knowledgeable of their market. He maintained that the present suit had been filed by the plaintiff in a bid to push forward its agenda of dominating the market and forcing the defendant to sell its business to the plaintiff. He explained that the plaintiff had failed to establish proof to the required standard of the law. He referred to two cases in support of his submission in this regard i.e. **Sanitam Services (EA) Ltd vs Rentokil (K) Ltd [2006] eKLR** and **Unilever Plc vs. Bidco Oil Industries Ltd [2004] 1KLR 57**. He reiterated that for the plaintiff to establish its case, it must prove that the semblance is likely to deceive or confuse. He maintained that the players in the market, being sophisticated, were unlikely to be confused since the two suburban designs were clearly distinct. He urged the court to dismiss the plaintiff's application as it had failed to establish a *prima facie* case. The plaintiff had further failed to demonstrate that it had a design which has been

registered to entitle it the orders sought.

I have carefully read the pleadings filed by the parties to this application. I have also considered the rival arguments made by Mr. Anzala on behalf of the plaintiff and by Mr. Havi on behalf of the defendant. The issue for determination by this court is whether the plaintiff established a case to entitle this court to find in its favour and grant it the interlocutory injunction sought. The principles to be considered by this court in determining whether or not to grant an injunction are well settled. In **Giella vs Cassman Brown [1973] EA 358** at page 360 Spry VP held that:

“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 the balance of convenience. (E.A. Industries v. Trufoods, [1972] E.A. 420.)”

The plaintiff further sought orders of mandatory injunction to compel the defendant to remove the suburban signs already installed if the court finds that the defendant had infringed the plaintiff’s design. This court will not grant a mandatory injunction unless the plaintiff establishes exceptional or special circumstances. As was held by the Court of Appeal in **Kenya Breweries Ltd & Anor vs. Washington Okeyo CA Civil Appeal No. 332 of 2000** (Nairobi) (unreported) at page 3:

“The test whether to grant a mandatory injunction or not is correctly stated in Vol. 24. Halsbury’s Laws of England 4th Edn. Paragraph 948 which reads:

A mandatory injunction can be granted on an interlocutory application as well as at the hearing, but, in the absence of special circumstances, it will not normally be granted. However if the case is clear and one which the court thinks it ought to be decided at once, or if the act done is simple and summary one which can be easily remedied, or if the defendant attempted to steal a march on the plaintiff ... a mandatory injunction will be granted on an interlocutory application.”

In the present application, the plaintiff craves the court to exercise its discretion to grant both injunctive and mandatory orders to protect its industrial design from infringement by the defendant.

The undisputed facts of this case are that the plaintiff did make an application to the Kenya Industrial Property Institute (KIPI) for registration of its industrial design. The industrial design was created by one Roderic Molina, on behalf of the plaintiff. The Kenya Industrial Property Institute confirmed the design as unique and capable of being registered as an industrial design by its letter dated 13th March 2008. The plaintiff presented the application for registration of the industrial design to the Kenya Industrial Property Institute on 10th September 2008. The said industrial design was annexed to the application and was duly acknowledged by KIPI as industrial design application No. KE/ID/2008/000899. The said industrial design was published by KIPI in the monthly Industrial Property Journal pursuant to **Section 86 and 87 of The Industrial Property Act**.

The said notice in the journal acknowledged the fact that the design presented by the plaintiff had been accepted for registration subject to any objection being lodged with KIPI within the requisite period. In its submission before court, the defendant conceded that it had made no effort to register any design regarding suburban design. Even if the defendant were to register the said industrial design, **Section 86(3) of The Industrial Property Act** will accord priority to the plaintiff in terms of the date that it presented its design to KIPI for registration. Although the plaintiff’s industrial design has not formally registered by KIPI, it is evident that the plaintiff has put in motion the registration process to protect its industrial design. The plaintiff argued that if the court did not protect its industrial design before its formal registration, by the time the said industrial design would be registered, the plaintiff would have suffered damages that is unlikely to be compensated by an award of damages.

Section 85(2) of The Industrial Property Act protects the rights of a creator of an industrial design

in a similar manner to that of an inventor or the holder of a patent. In the present application, the defendant argued that the suburban sign of the plaintiff was not of such a unique design that it is capable of being registered as an industrial design. This court is not in a position to determine the veracity of the allegation made by the defendant at this interlocutory stage of the proceedings. What is however clear is that KIPI in its own wisdom (*and being the body mandated to administer **The Industrial Property Act, 2001***) has determined that the suburban design of the plaintiff was an industrial design capable of being accepted for registration.

I therefore hold that the plaintiff has established, on a balance of probabilities, that it has an industrial design capable of being protected by this court. It was submitted on behalf of the defendant the plaintiff ought to have filed a complaint before the tribunal established pursuant to **Section 112** of **The Industrial Property Act**. With greatest respect to counsel for the defendant, the said submission was misleading. The tribunal set up under **Section 112** of the **Act** provides an avenue for a person dissatisfied with the decision of the managing director of KIPI to appeal to such tribunal. In the present case, the managing director of KIPI has not made any decision that may be challenged before the said tribunal. What the plaintiff is seeking before this court is the protection of its industrial design that is pending registration by KIPI. The plaintiff is therefore properly before this court.

The issue for determination by this court is whether the plaintiff has made a case, firstly, to be granted the interlocutory injunction sought and secondly, to be granted the mandatory injunction. As provided by **Section 85 (2)** of **The Industrial Property Act**, the rights of a creator of an industrial design shall be protected in the same manner as an inventor whose patent has been registered. Under **Section 54(1)** of the **Act**, the owner of an industrial design, just like the owner of a patent, has a right to preclude any person from exploiting the protected invention. **Section 55** of the **Act** provides as follows:

“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, of any of the acts referred to in Section 54; and

(b) to claim damages from any person who, have 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 published 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 a published application; or

(ii) Received written notice that the invention that he was using was the subject matter of a published application, such application being identified in the said notice by its serial number.”

It was the plaintiff’s case that the defendant had installed suburban signs that were of the similar design and colour to the industrial design of the plaintiff to an extent that the said suburban signs have caused confusion in the market. For the plaintiff to establish its case, it must prove to the required standard of proof that the degree of resemblance or similarity of the suburban sign designed by the plaintiff and that of the defendant is such that it is likely to deceive or cause confusion in the minds of the public. In **Aktiebolaget Jonkoping et al vs. East Africa Match Co. Ltd [1964] EA 62**, Sir Udo Udoma CJ while considering a case of infringement of a trade mark held as follows at page 67:

“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 trade mark 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.”

In **Unilever PLC vs. Bidco Oil Industries [2004] 1KLR 57**, Onyango Otieno J (as he was then) stated at page 69:

*“As was held by Lord Cranworth LC in **Seico vs. Prevezende (5) (1 Ch. App At p. 196)**;*

“What degree of resemblance is necessary from the nature of things, is a matter incapable of definition a priori. All that courts of justice can do is to say that no trader can adopt a trade mark so resembling that of a rival, as that ordinary purchasers purchasing with ordinary caution, are likely to be misled. It would be a mistake, however, to suppose that the resemblance must be such would deceive persons who should see the two marks placed side by side. If a purchaser looking at the article offered to him would naturally be led, from the mark impressed on it, to suppose it to be the product of the rival manufacturer, and purchase it in that belief, the court considers the use of such a mark to be fraudulent.”

The second case I will refer to is the case of **Coca-cola Company of Canada, Limited vs. Pepsi-Cola Company of Canada, Limited [1942] KBD 615** where the Privy Council stated at page 616 as follows:

“The actual question for decision in the present case may, therefore, in the light of the above definition be stated thus; does the mark used by the defendant so resemble the plaintiff’s registered mark or so clearly suggest the idea conveyed by it, that its use is likely to cause dealers in the users of non-alcoholic beverages to infer that the plaintiff assumed responsibility for the character of quality or place of origin of Pepsi-cola.” ”

In its defence, the defendant stated that the design of its suburban sign was dissimilar to the one of the plaintiff. The defendant further stated that the design of the plaintiff was not of such unique character that it was capable of being registered as an original industrial design. The defendant obtained an affidavit from one Christopher Njuku, the managing director of COM 21 Limited who swore that the suburban signs of the plaintiff and defendant were of such distinct and conspicuous colours that the members of the public were unlikely to be confused or deceived. The defendant further stated that the plaintiff was a new entrant to the outdoor advertising industry that was trying to use its financial resources to muscle the defendant out from the market.

I carefully considered the arguments advanced by the parties to this application. I also perused the two suburban signs complained of. The plaintiff and the defendant are in agreement as to what constitutes a suburban sign. The defendant annexed a letter by the City Engineer of the City Council of Nairobi dated 7th April 2008 which defined a suburban sign as follows:

“Suburb signs are signs put to inform both city residents and visitors of various suburb or estates e.g. Buruburu, Otiende, Industrial Area. In short, they denote suburbs. The current concept incorporates an advertising panel measuring about 1.2 m by 1.6m with a ground clearance of 1.5m. It also has a name plate clearly denoting the suburb name on top. It is located at the entrance of an estate facing motorists such that they see it as they approach the respective estate.”

It is clear from the above description, other than conforming generally to the guideline issued by the City Council, an outdoor advertiser is at liberty to design its suburban sign so as to be distinct and different from other outdoor advertisers. In annexure ‘SK3’ of the affidavit of Stanley Kinyanjui, the managing director of the defendant, are examples of suburban signs erected by various players in the outdoor advertising industry. However, when one looks at the suburban sign of the plaintiff and the defendant, it is clear that the two suburban signs are of similar design. It was the plaintiff’s case that the defendant had copied its design by installing suburban signs similar to the ones which the plaintiff had already installed. The tops of the suburban sign of the plaintiff and the defendant are of the same blue colour. The bottoms of the signs are of different colours. Whereas the suburban sign of the plaintiff is red and contains the logo of the plaintiff, the one of the defendant is green and contain the logo of the defendant. The middle of the suburban sign is where the advertisement is placed.

On close scrutiny of the two suburban signs, it is clear that the two are similar. The plaintiff established that it designed the suburban sign. The industrial design is pending registration by KIPi under **Section 55 (c) (II)** this court is required to recognize the industrial design of the plaintiff. The defendant conceded that it had not bothered to register an industrial design. It is of the view that the said design is of a generic nature that it is incapable of being registered as an industrial design. It is evident to this court that the defendant's suburban sign is of such a design that it is similar to the one of the plaintiff and therefore meant to deceive and cause confusion to the members of public. The question that came to the mind of the court is that if the plaintiff's suburban design is of such a generic nature, why is it that no other player in the outdoor advertising industry has adopted the same and installed it as its suburban sign? It was clear to the court that the defendant deliberately designed its suburban signs to ape or mimic the design of the plaintiff so as to blunt the entry of the plaintiff into the outdoor advertising market. It was not lost to the court that the business rivalry between the plaintiff and the defendant is such that the two have extended their rivalry to the court. Several suits have been filed.

The duty of this court is however restricted to determining the rights of the parties in accordance with the law. In the present application, the plaintiff established, to the required standard of the law that it commissioned the design of a suburban sign which is pending registration by KIPi as an industrial design. The process of registration of the said industrial design is as at an advanced stage. The industrial design has been published by KIPi as required by **The Industrial Property Act** in the '**Industrial Property Journal**' of 30th September 2008. The defendant is not claiming ownership of the said industrial design of the suburban sign. It is apparent that the defendant copied the plaintiff's design with a view to causing confusion in the market before the said industrial design is formally registered. The defendant has no legal right to infringe on the plaintiff's industrial design.

In the premises therefore, I hold that the plaintiff has established a prima facie case that it is entitled to have its industrial design protected by means of a temporary injunction. Interlocutory injunction is granted in terms of prayer 3 of the application i.e. the defendant, either by itself or by its servants or agents is restrained and restricted from in anyway using the industrial design lodged for registration by the plaintiff, being Design No. Ref. 000899, pending the hearing and determination of the suit.

Mandatory injunction is hereby issued directing the defendant to bring down or remove all the suburban signs that it has erected within the Republic of Kenya that is of a similar or of the same design to that of the plaintiff and which is pending registration by KIPi as industrial design No.Ref.000899. The said suburban signs shall be removed within fourteen (14) days of today's date. The plaintiff shall have the costs of the application.

DATED at NAIROBI this 29TH day of JANUARY 2009.

L. KIMARU

JUDGE