



**REPUBLIC OF KENYA**

**IN THE HIGH COURT OF KENYA**

**AT NAIROBI (MILIMANI COMMERCIAL COURTS) Civil Case 540 of 2009**

**GITHUNGURI DAIRY FARMERS**

**COOPERATIVE SOCIETY LIMITED ..... PLAINTIFF**

**VERSUS**

**UPLANDS DAIRIES LIMITED ..... DEFENDANTS**

**RULING**

The plaintiff/applicant instituted this suit against the defendant/ respondent on a claim based on the tort of passing off the plaintiff's get up being the packages of the milk called Fresha whole milk. Simultaneously with the filing of the suit the applicant filed the chamber summons dated 29<sup>th</sup> July 2009 under the provisions of order XXXIX of the Civil Procedure Rules seeking for an interlocutory order of injunction to restrain the defendant either by itself, its agents or directors from passing off milk packets as the goods of the plaintiff as if they were the defendant's milk until the suit is heard and determined.

Secondly the plaintiff sought for an interlocutory order of injunction against the defendant from using in the course of trade, distinctive feature of the figure of one white and brown dairy cow standing opposite a black and white dairy cow on green foreground, small blue background with white contours and borders or a get-up similar to that of the plaintiff's milk packets without clearly distinguishing such goods from the goods of the plaintiff or by any other means until the suit filed herein is heard and finally determined. The plaintiff also sought for a mandatory order of injunction in the same terms.

This application is premised on the grounds stipulated on the body thereto. It is also supported by the affidavit of James Gateru the Marketing Manager of the plaintiff sworn on 29<sup>th</sup> July 2009. According to the applicant, they started the business of processing pasteurized and homogenized milk and milk products such as ghee, butter and yoghurt in 2004. The plaintiff's major product is fresh milk which is sold in Nairobi and major outlets such as supermarkets. The milk is sold in a packet which the plaintiff took time to develop by designing the packaging. The plaintiff has also gained good will through advertisement, undertaking promotions of products and visiting supermarkets to promote the product.

The packaging material is distinctively designed bearing the figure of one white-and –brown dairy cow standing opposite one black-and-white dairy cow on a green foreground with blue background and white borders and contours (on the face of the packet) has become universally recognized and accepted by its consumers. The volume of the plaintiff's sales has increased tremendously for the last four years and the market has extended to Githunguri, Ruiru and Embakasi.

On 21<sup>st</sup> July 2009, the defendant's embarked on distributing its fresh milk in Githunguri Ruiru and Embakasi while using a packing material that closely resembles the plaintiff's. A casual glance by an ordinary person on the street and a customer accustomed to plaintiff's milk packets would easily mistake the defendant's milk for the plaintiff. The plaintiff identified its similarities as follows:-

1. One white-and-brown dairy cow (probably an Ayrshire breed) one black-and-white dairy cow (probably a Friesian breed) both in a standing position.
2. The two dairy cows standing at the centre of the face
3. The two cows are facing each other
4. They are standing against a green back-ground.
5. There is a blue background
6. On the reverse, there is green wave at the bottom
7. The green wave is split into two
8. On both faces the contours and margins are generally bordered white.

Counsel for the plaintiff argued that the tort of passing off someone's goods as if they were of another is recognized in law and a mandatory injunction should issue to compel the defendants to deliver up to the plaintiff the offending packing materials for destruction. Counsel made reference to the text book by Christopher Wadlow on the Law of Passing-Off and fair competition by misrepresentation. The learned author has described the tort of passing off in the following:-

*“The action for what has become known as ‘passing off arose in the 19<sup>th</sup> century out of the use in connection with his own goods by one trader or the trade name or trade mark of a rival trader so as to induce in potential purchasers the belief that his goods were those of the rival trader. Although the cases up to the end of the century had been confined to the deceptive use of trade names, marks, letters or other indicia, the principles had been stated by Lord Langdale MR as early as 1842 as being “A man is not to sell his own goods under the pretence that they are the goods of another man .....”*

Closer home, the tort of passing off has been recognized and dwelt with in many cases, among them the recent case of March Masters Limited vs. Rhino Matches Limited [2006] eKLR. The court granted an injunction restraining the defendants from using the word “Rhino” which was passing off as the property of the plaintiff. Counsel urged the court to look at the distinctive similarities of the two get ups and find that they are deceiving the plaintiff's customers. The plaintiff carried out a market survey and the report by Joseph Ngunjiri shows that the plaintiff's customers are being confused by the defendant's products. He urged the court to grant the orders because the plaintiffs are able to show they have a prima facie case and unless the order is granted they will suffer irreparable damage.

This application was opposed, Counsel for the defendant relied on the replying affidavit sworn on 10<sup>th</sup> August 2009 by Peter Njau Muigai the director of the defendant. Counsel submitted that the issue of whether the packing of the defendant's milk constitutes a tort of passing off the defendants products as the plaintiff's product is a matter for the trial court. However the simple comparison of the two packaging the similarity does not constitute the tort of passing off because the property which is sought to be protected by the law is in the good will of the applicants business rather than the get up. Courts have held that the law will not protect matters in common use, such as colors, numbers or letters which does not constitute property that is capable of protection. That was the holding in the case of Super Brite Limited vs. Packad Enterprises (2001) 2 EA which restated the principles to bear in mind when considering whether there is an infringements of trade marks due to a mere similarities in the get up.

According to the defendant they started selling pasteurized milk under the bland “Uplands” from the

14<sup>th</sup> of July 2009. The defendants designed their packaging based on the following salient points:-

1. The images of dairy cows on the packaging reflecting that the product was cows' milk. The chosen breeds were Arshire/Jersey and Fresian breeds which are the pre-dominant breeds in our region.
2. The green reflects the pastures on which the cattle graze and implies the freshness of the milk from the farms.
3. Our get-up has a pre-dominant light-blue reflecting the open skies/our corporate color as a distinctive feature with the brand name in bold blue circled at the top to distinguish our brand.
4. The words 'Whole Milk' is brought out in bold brown to mark the product being sold.

At the bottom the get-up has a glass of fresh milk with a continuation of the white milk to show the freshness of the milk.

The defendant therefore denied passing off their products as the plaintiffs, who are merely trying to create the monopoly and to kill competition in the business of fresh milk. Counsel further submitted that the issue of similarity on the get up can only be determined during trial. Therefore the plaintiff has not established a prima facie case with a probability of success. There is no evidence to show that the plaintiff will suffer irreparable harm. It is the defendant who will suffer the irreparable harm if stopped from selling their products. Thus the balance of conveniences tilts in favor of the respondent being the latter entrant in the business.

Having set out the summary of the background information and the rival submissions, the issue for determination is whether the applicant is entitled to an interim order of injunction based on the tort of passing off. The plaintiff is obviously not the registered owner of the trade mark, but under the provisions of section 5 of the Trade Marks Act it is provided that:-

*"No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark, but nothing in this act shall be deemed to affect rights of action against any person for passing off goods."*

Based on the above provision of the law, the applicant can institute an action for passing off goods. The issue to consider is whether the plaintiff has established a prima facie case with a probability of success. The applicant claims to have a reputation for manufacturing and selling milk under their packaging material (get up) since 2004. They claim to have extended considerable efforts to advertise and promote their products in the market thereby acquiring substantial reputation and good will in the get up of the package which is distinctively associated with their goods. The applicant has shown the growth of their sales since 2004.

I have considered the matters pleaded, the submissions and authorities cited by both parties. The principles to bear in mind when considering a claim under the tort of passing off, is the plaintiff must prove reputation of good will connected with the goods which are known by the buyers by distinctive get up or feature. Secondly, the plaintiff must prove the defendant either intentionally or not, misrepresented to the public leading them to believe that the defendant's goods are the plaintiffs. The plaintiff has also to prove that they have suffered damages because of the erroneous believe caused by the defendants' misrepresentation.

I am well aware of the decision of the Court of Appeal in the case of British American Tobacco Kenya Limited vs. Cut Tobacco Kenya Limited where the court of appeal held that there can be no property of rights in particular in the color and there can be no property in general words and description of the goods. Thus one would need evidence to show if the get up in the plaintiff's packaging is likely to deceive buying public into believing they are buying the plaintiff's products.

It is not in dispute that the applicant is the one who started trading with the milk packed as described

above earlier than the respondent. The respondent came into the market much later in July 2009. There are striking similarities on the packaging that are obvious from the features and designs. Is the respondent passing off their milk as that of the applicant? The report on the market survey annexed to the plaintiff's application confirms that there is confusion in the market. There are striking similarities between the two packaging which are likely to confuse an ordinary person who is a consumer of the plaintiffs' product. The respondent came into the market later and made packaging material that is strikingly and confusingly similar with the plaintiffs'. Although this is an issue for the trial court on the face of it, I find the two products are more probably than not causing confusion to the public and the respondents products are passing off as those of the applicant.

On the issue of the damages, the applicant has demonstrated that they have been manufacturing their products since 2004 while the respondent products are being packed by Palm House Dairies. The defendant's also claim that they are building a factory which is yet to be completed. On a balance of convenience, I am satisfied that the interim ex parte order of injunction made on 4<sup>th</sup> day of August 2009 should be confirmed as follows:-

*“That an interlocutory injunction do issue to restrain the defendant whether by itself its directors, officers, or agents or any of them from the use or in connection therewith in the course of trade of distinctive feature of the figure of one white-and brown dairy cow standing opposite a black-and – white dairy cow on green foreground, small blue background with white contours and borders or a get up similar to that of the plaintiff's milk packets without clearly distinguishing such goods from the goods of the plaintiff or by any other means until the hearing and determination of the suit.”*

The plaintiff is also ordered to issue an appropriate undertaking to compensate the respondent for damages in the event the suit fails and file it within seven days of this order. Costs of this application will be in the cause.

RULING READ AND SIGNED ON 30TH OCTOBER 2009 AT NAIROBI.

**M.K. KOOME**

**JUDGE**