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

Civil Case 247 of 2007

OSHO CHEMICAL INDUSTRIES LTD……..……PLAINTIFF

VERSUS

AGRICHEM & TOOLS LTD……..…….……..1ST DEFENDANT

JOHN K. MUHIA ……...…….……..2ND DEFENDANT

RULING

The plaintiff is and was at all material times the registered proprietor of the trade mark No.58802 registered on 9th March, 2006 consisting of the word ***AGROFEED*** registered in class one (fertilizer). It is alleged that the trade mark has been effective and valid since its registration on 9th March, 2006. It is also alleged that the plaintiff is a well known manufacturer, distributor and seller of an agricultural fertilizer known as ***AGROFEED*** which it has manufactured, distributed, marketed widely and extensively and sold in Kenya for the last 9 years. And it continues to so manufacture, distribute, market and sell the said ***AGROFEED***.

It is also contended that prior to the registration of the trade mark, the plaintiff had used the name Agrofeed as its trade name for its products for 8 continuous and interrupted years, therefore has established a tremendous goodwill because it was in exclusive use of the same. Further, the name and trade mark that is to say Agrofeed has become known in the trading and business world and to the general public as signifying, the plaintiff agricultural fertilizer exclusively. And that the trading and the business world has come to associate the plaintiff with the said fertilizer therefore the plaintiff has acquired a substantial reputation and goodwill in and by use of the said business name and trade mark.

It is the contention of the plaintiff that on or about December, 2006 it came to its knowledge that the 1st defendant was manufacturing, packing, distributing and actually selling an agricultural fertilizer by the name **AGRIFEED**. It is the case of the plaintiff that the name **AGRIFEED** is so strikingly similar to the name Agrofeed hence the same is an infringement of the plaintiff's trademark. It is also contended the name **AGRIFEED**, its packaging and general appearance of the finished product is deceiving, confusing and misleading to the general public and the plaintiff's customers. The Plaintiff avers that **AGRIFEED** is named, packaged and designed so as to pass it off as the product of the plaintiff. And the particulars of the passing off by the 1st defendant is indicated as;

(i) the named AGRIFEED is so similar to the plaintiff's Trade mark and business name AGROFEED as to confuse, mislead and deceive the plaintiff's customers and the general public;

(ii) AGRIFEED's ingredients are similar to those of AGROFEED;

(iii) AGRIFEED is designed to discharge similar functions as AGROFEED;

(iv) The packaging and labeling of AGRIFEED is strikingly similar to that of the plaintiff's AGROFEED;

(v) AGRIFEED contains similar words, descriptions and colours as those on the AGROFEED.

It is also the case of the plaintiff that the 1st defendant's conduct has been actively aided by the 2nd defendant who was previously employed by the plaintiff and who left employment on 13th July, 2005. It is contended that at the time of his employment to the plaintiff, 2nd defendant had an unlimited access to the plaintiff's formula and ingredients for ***AGROFEED*** which he has now unlawfully passed on to the 1st defendant, his current employer. As a result of the allegations contained hereinabove the plaintiff has filed an application dated 14th May, 2007 seeking the following orders:

1. THAT this application be certified urgent and the same be heard ex parte in the first instance;

2. THAT pending the hearing and determination of this application, the defendants whether by themselves, their servants and or agents or otherwise howsoever be restrained from doing the following acts or any of them, that is to say manufacturing, selling, offering for sale, supplying, distributing or displaying for sale the product known as AGRIFEED,

3. THAT pending the hearing and determination of this application, the defendants whether by the themselves, their servants and or agents or otherwise howsoever, be restrained from revealing or disclosing the formula and the ingredients for the manufacturer of the products known as AGROFEED and AGRIFEED to any person and or party,

4. THAT pending the hearing and determination of this suit, the defendants whether by themselves, their servants and or agents or otherwise howsoever from doing the following acts or any of them, that is to say manufacturing, selling, offering for sale, supplying, distributing or displaying for sale the product known as AGRIFEED,

5. THAT pending the hearing and determination of this suit, the defendants whether by themselves, their servants and or agents or otherwise howsoever, be restrained from revealing or disclosing the formula and the ingredients for the manufacturer of the products known as AGROFEED and AGRIFEED to any person and or party,

6. Costs of this application be provided for.

The application is supported by the grounds on its face, the supporting affidavit sworn on 14th May 2007 and further affidavit sworn on 23rd August, 2007 by **Mr. Manoj Shah** who is the managing director of the plaintiff company who depones as follows: That ***AGROFEED*** is recognisable and is recognized by its get up and general appearance. And that the plaintiff has incurred and will continue to incur massive and wide-ranging losses and substantial market loss as a result of the defendants' actions. He also contends the acts and conduct of the defendants were at all times and even now calculated to deceive, mislead and confuse and have in fact deceived, misled and confused the trading and business world and general public into believing that the 1st defendant's fertilizer **AGRIFEED** is the plaintiff's fertilizer ***AGROFEED***.

Further that the said trading and business world and the general public has been misled, deceived and confused to buy the 1st defendant's said fertilizer believing it to be the plaintiff's fertilizer ***AGROFEED*** to the detriment of the plaintiff's business. The deponent also contends by its said acts and conduct, the 1st defendant seeks to pass off **AGRIFEED** as ***AGROFEED*** which not only infringes upon both the plaintiff's trade mark and trade name but also seeks to legally and unjustifiably share in ***AGROFEED's***

goodwill and market share which the plaintiff has painstakingly and patiently established over a period of 9 long years.

The application is opposed by the replying affidavit of Mr. Shiraz **Nazir Karmali** sworn and filed on 20th July, 2007. The replying affidavit of the 2nd defendant **Mr. John K. Muhia** sworn and filed the same date and a supplementary affidavit by **Shiraz Nazir Karmali** sworn and filed on 2nd November 2007. The case of the 1st defendant is that the plaintiff's subject product is named, labeled, advertised, marketed, distributed and sold as **NEW AGRO FEED PLUS** "wherein the word **AGRO** and **FEED** are separated and thus each is distinct from other". These two different names as clearly appear from a casual perusal of the sample label marked 'MKS3' on the supporting affidavit of 14th May 2007. It is contended by the defendants that the plaintiff maintains that it has registered a trade mark known as ***AGROFEED*** (one word) and not **AGRO FEED** or **NEW AGRO FEED PLUS** which is what the plaintiff is marketing therefore, the plaintiff's case is erroneously founded on a name ***AGROFEED*** which it has registered but which it does not employ or use in any of its products/goods, services whatsoever. It is further contended that the 1st defendant has proved that the get up of the two products is miles apart and that the allegations and apprehensions by the plaintiff that its customers and general public have been deceived or are likely to be deceived have no foundation in law or in fact as these are premised on mere speculations.

I have considered the application, the affidavits in support and the replying affidavits by the defendants. I have also taken into consideration the written skeleton submissions by the learned counsels for the parties and all the cases attached and/or referred by the said advocates to their written skeleton submissions. The starting point is if the plaintiff is to succeed, it must demonstrate and/or establish the principles laid down in the case of **RECKIT & COLMAN PROPERTIES LIMITED V BORDEN INC. & OTHERS [1990] 1WLR 491** where it was held;

"**First (the plaintiff) must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by associating with the identifying "get-up".**

Secondly, he must demonstrate misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe 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 *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 as the source of those offered by the plaintiff."

It is clear that the plaintiff owns a registered trade mark for the product ***AGROFEED*** and the certificate of registration is effective from 9th March 2006. The plaintiff as the registered proprietor of the trade mark ***AGROFEED*** can claim to have exclusive rights of its use. Indeed no complaint has been shown to have been lodged with the registrar of trade marks by the 1st respondent in objection to the registration of the mark. Indeed by a letter dated 9th October 2006 annexed to further affidavit of **Mr. Manoj Shah** shows that the registration of the 1st defendant's mark was rejected. However, the 1st defendant states that they are strangers to allegations of refusal of their name for registration. In paragraph 4 of the supplementary affidavit by **Shiraz Nazir Karmali** he states as follows:

"**THAT I have personally and severally visited the offices of the Registrar of Trade Marks even as recently as September and October 2007 to follow-up on the contents of the Registrar's letter to us dated 27/01/06 and further to establish the bonafides of the purported "refusal" of 09/10/06 and have been advised by a Mr. H. K. Karanja which I verily believe to be truth THAT:-**

(i) Our application for registration of a Trade Mark herein is still pending for determination;

(ii) The letter of 27/01/06 (my exhibit "ATL -1") still stands.

(iii) The purported letter of 09/10/06 which is neither signed nor authenticated is NOT their

document.

(iv) It is not clear where the Plaintiff/applicant could have obtained a seemingly "original" thereof which would ordinarily be meant for the 1st Defendant.

(v) The alleged letter of 09/10/06 is not genuine but fake and invalid. The Institute is investigating the circumstances of the alleged letter and will revert to the 1st Defendant in due course and also regarding the application for Registration herein.

It is the case of the plaintiff that the use of the name identical to its registered trade mark by the defendant is likely to cause confusion or slightly to cause confusion by either the get up or the words on the product. And that anybody else who uses the mark identical with or so nearly resembling its mark is likely to deceive or cause confusion in the course of trade. The defendant has confirmed that it has been selling and distributing a liquid foliar agricultural fertilizer known as **AGRIFEED** with effect from October 2005 whereas the plaintiff has manufactured and sold ***AGROFEED*** for the last 9 years. The plaintiff contends that the defendant had been copying its products, names and that it must be protected from the acts and omissions of the defendants.

On the other hand the 1st defendant states that the plaintiff is aware that the defendants' products are patently different and distinct from the products sold by the plaintiff. And in paragraph 8, 9 and 10 of the replying affidavit by **Mr. Shiraz Nazil Karamali** he states;

8. THAT the practice in agrichemical industry in which the litigants are players is that the Plaintiff's Salesmen knew or ought to have known as early as October 2005 through the 1st Defendant's print and electronic media adverts, handbills/brochures, shelves on retail outlets, general interaction, diligence, intelligence or otherwise howsoever that the 1st Defendant was Supplying AGRIFEED + LIQUID FOLIAR FERTILIZER 12:10:10+TE. The 1st Defendant has invested heavily, intensively and extensively in the manufacture, marketing and sale of its said product in Kenya.

9. THAT it has been a long-standing, cherished and acceptable trade practice/custom in the agrochemical industry (wherein the parties are players) for Companies such as the 1st defendant to derive trade/brand names for their different products from use or partial use of their Company names e.g. Agrigrow, Agristick, Agrifeed, etc from M/s Agrichem & Tolls Ltd (1st Defendant).

10. THAT the field of foliar fertilizers has over the years witnessed healthy and necessary competition from inter-related and/or similar products albeit by different manufacturers and of varying efficacy e.g. Booster, Bayfolan, Farmphoska, Nutrifeed, etc of which Agrofeed is a replica.

In view of the above admissions, can it be rightly stated that the 1st defendant's products are strikingly, patently, logically, and unequivocally different/distinct and/or distinguishable from the plaintiff's products. The 1st defendant says that the bottle of the plaintiff is crome shaped while that of the 1st defendant is round shaped. The colour for the 1st defendant is jungle green while that of the plaintiff is blue. As a result it is contended that the two products are diametrically distinct and prima-facie incapable of deceiving, confusing, misleading any right thinking consumers or general public as alleged by the plaintiff.

It is also contended by the 1st defendant that it has not received any complaints of its customers being duped by confusing the two products. Therefore, it is not true that the 1st defendant has passed of any of their products as that/those of the plaintiff or infringed upon the plaintiff's trade mark as alleged.

In this case the plaintiff is the registered proprietor of the trade mark subject of this dispute and the registration gives the plaintiff the exclusive rights to use the said trade mark in relation to the fertilizer industry and anybody else who use a mark identical with or so nearly resembling the mark of the plaintiff

is likely to deceive or cause confusion in the course of trade in fertilizer industry. And as such, the law would protect a party whose right has been infringed by the acts and omission of the opposite party. The duty of satisfying the court that there has been an infringement of trade mark is on the plaintiff, whose obligation it is to demonstrate that there is a resemblance between the two marks and that such a resemblance is deceptive. It is on strength of that demonstration, that the court would determine whether that resemblance of a registered trade mark exists as to be likely to deceive or cause confusion. See the decision of **Onyango Otieno J** as he was then in **HCCC No. 1447 of 1992 Bidco Oil Industries**.

I appreciate that, the degree of resemblance necessary is not capable of definition and all that a court can do is to say that no rival trader can use a trade mark so resembling that of a rival so as to confuse or deceive the respective customers of the two companies. The law is also that the likelihood of confusing or creating deception in two products with similar features is not disproved by putting the two marks side by side and demonstrating how small the chance of error in any, seen by a customer who places his order for goods with both products before him. In essence the eye is not an accurate recorder of visual details and that differences in two products produced by two rival companies cannot be said to be different, distinct and or distinguishable by general impressions or by some significant features missing in one of the products.

The 1st defendant acknowledges that it had started manufacturing and selling the subject product sometimes in 2005 while it is undisputed that the plaintiff has been engaged in the manufacture, sale and distribution of the product it complains the 1st defendant is infringing upon for over 9 years. It is therefore clear that the plaintiff may have belt up an old reputation in the product subject of this dispute. And the 1st defendant has clearly admitted that as a result of what it calls a longstanding, cherished and acceptable trade practice and/or custom in the agrochemical industry that it borrowed and/or derived its trade mark and/or the brand names for its different products from companies like that of the plaintiff which are involved in the same business. Without being conclusive, I do not think such an argument holds water. And if that such an argument is allowed to stand and/or flourish the purpose of invention and innovation would be prejudiced. I therefore think the acts of the 1st defendant prima facie constitutes an infringement and it can be rightly stated that such act has a real probability of confusing customers which confusion is likely to cause loss and/or damage to the plaintiff. I do not think such damage would be adequately compensated by an award of damages.

In conclusion, I am satisfied that the applicant has demonstrated a misrepresentation committed by the 1st defendant to the members of the public leading or likely to lead, the public to believe that the goods of products by the 1st defendant are the goods or products of the plaintiff. Such danger is likely to result in confusion and may give the 1st defendant an advantage which it is not entitled. The law is that, a party cannot be allowed to benefit from his own wrong. I have observed that the name **AGRIFEED** is so strikingly similar to the name ***AGROFEED*** as to be an infringement of the plaintiff's trade mark. The name **AGRIFEED** its packaging, and general appearance is deceiving and misleading to the general public and the plaintiff customers. One can be tempted to say that **AGRIFEED** is named, packaged and designed so as to pass it off as a product of the plaintiff. It is for that reason that the plaintiff has contended that the acts and conduct of 1st defendant were at all material times and are even now calculated to deceive, mislead and confuse and have in fact deceived, misled and confused the trading and business world and the general public into the believe that the 1st defendant's fertilizer **AGRIFEED** is the plaintiff's fertilizer ***AGROFEED***. It is therefore my humble opinion that there is sufficient similarities in the two names as to properly cause confusion to consumers particularly when it is appreciated that the two products are used for similar or the same purpose.

The 1st defendant is a new entrant as far as the use of the name ***AGROFEED*** or **AGRIFEED** is concerned. The 2nd defendant was a former employee of the plaintiff and the product **AGRIFEED** was lodged into the market three months after he joined the 1st defendant as an employee. In my humble view, the 1st defendant had opportunity and freedom to chose any other name for its products so that it does not cause unnecessary anxiety and confusion in the minds of consumers as to which product he or she is buying. The law gives protection against a situation that creates confusion and deception in the

market, especially where one acknowledges that it has used designs, marks and brand name similar or close to that which is to be in the exclusive use of another party. No party is required in law or is entitled to use the name or a mark of another in marketing his goods and such representation would be given adequate protection in law. In short I am satisfied that the plaintiff has fulfilled or has established all the requirements in the grant of an injunction. My finding is that the case of the plaintiff falls within the perimeters of the test set out in **Giella vs Cassman Brown**.

In the premises the application dated 14th May, 2007 be and is hereby allowed. Costs shall be in the cause. And in view of the peculiar circumstances in this case, I think the dispute should be determined on priority basis, therefore, I direct parties to resolve all pre-trials within the next 30 days and thereafter list the suit for hearing within 60 days from today.

Dated, signed and delivered at Nairobi this 13th day of June, 2008.

M. A. WARSAME

JUDGE