



**REPUBLIC OF KENYA
IN THE HIGH COURT OF KENYA
AT NAIROBI (NAIROBI LAW COURTS)**

Civil Case 936 of 2001

**BRITISH UNITED PROVIDENT ASSOCIATION.....
PLAINTIFF**

V E R S U S

**BUPA (KENYA) LTD
DEFENDANT**

R U L I N G

By an Application dated and filed on 15-04-2005, the Plaintiff sought leave of the Court to file an amendment to the Plaint first filed on 20-06-2001 in terms of the draft attached to the Application.

The application is supported by the Affidavit of one Charlene Roderman notarized before a Notary Public in London on 13-04-2005, and the grounds that –

- (1) the Plaintiff is entitled to make a claim for infringement of trade mark,**
- (2) at the time of filing the Plaint, the Plaintiff's application for registration of its trademark was pending and the claim for infringement could not be made before the mark was registered,**
- (3) the Plaintiff's trademark had never been registered and the Trademarks Act provides that the trademark when registered shall be registered as of the date of the application for registration and that date shall be deemed for the purposes of the Act to be the date of registration;**
- (4) it is necessary to make these amendments so as to facilitate the hearing and determination of all the issues and questions in dispute between the parties;**
- (5) it is in the interests of justice that leave be granted as prayed,**
- (6) the Defendant will not suffer prejudice if the orders are granted;**

The Affidavit of Charlene Roderman is to the like effect and attaches a copy of the Certificates of Registration of Trade Marks Nos: 2479 and 2480 (both registered under Class A of the Register of Trade Marks sealed and issued on 23-02-2005 and both with an effective date of registration of 2nd March, 2001 when the application were made) and an expiry date of 2nd March, 2011.

The application was opposed by the Defendant in Grounds of Opposition dated 21-04-2005 and filed on

22-04-2005, the Defendant pleads that-

- (1) the application is an abuse of the court process and ought not to be entertained by the court,**
- (2) the suit is part-heard and has all along proceeded on the basis that the Plaintiff's case is not for infringement of any trade mark, and that the intended amendment would be highly prejudicial to the Defendant;**
- (3) the belated registration of the Trade Mark was obtained as a result of non-disclosure of material facts particularly the non-disclosure that the Defendant was already incorporated under the Companies Act (Cap 486) in the name of "BUPA" Kenya Ltd and had thus acquired a monopoly of the name,**
- (4) the Defendant has applied to the Assistant Registrar of Trade Marks for cancellation of the registration of the subject marks,**

There was no accompanying Affidavit to show the Certificate of Incorporation of the Defendant (perhaps as a formality as the Defendant is sued as "**Bupa Kenya Ltd**"), but a copy of the application for cancellation of the Trade Marks would have gone some way to show the Defendant's opposition to the registration of the Trade Marks by the Plaintiff. This would not however have affected the outcome of the Plaintiff's application to amend its plaint.

In addition to the grounds of opposition filed by the Defendant, Mr. F.N. Wamalwa learned Counsel for the Defendant told the court that the Defendant was opposed to the application for leave to amend the plaint because of "*the particular circumstances of this case.*" According to this Counsel, the particular circumstances were that-

- (a) the matter is part heard,**
- (b) the suit was filed on the grounds of "passing off" and not "infringement of a trade mark" and the Defendants had proceeded on the basis of that claim, and it cannot now be said that the Defendant would not be prejudiced on a matter which the Plaintiff reprobated and was not trying to approbate;**
- (c) the Plaintiff is not registered under Kenya's Companies Act, which under Section 94 thereof makes it an offence for any person to add or use in its trade name the word "limited" unless it was first registered in Kenya.**
- (d) the footnote to the two Certificates of Registration of Trade Mark have a caveat at the foot thereof that "this Certificate is not for use in legal proceedings or for obtaining registration abroad. Upon any change of ownership of this Trade Mark, or change in address application should at once be made to the Registrar to register the charge"**
- (e) section 5 of the Trade Marks Act prohibits the institution of suit based upon an unregistered trade mark; and that as the law speaks from the date when the suit was filed, allowing the application would be validating what is not allowed in law; that the footnote was a safeguard against the retrospective effect which an amendment gives to the plaint, and that the Plaintiff is not now entitled to any amendment.**
- (f) if the Plaintiff was not a registered company in Kenya then it is an outlawed association like GEMA & ABALUYA association (IN THE 1980s)**

For all the reasons set out in the grounds of opposition, and in the submissions of its Counsel the Defendant earnestly prayed that the Plaintiff's application to amend the Plaint should not be allowed, and should be dismissed with costs to the Defendant.

I will consider the comments in reply by Miss Malik learned Counsel for the Plaintiff in the course of my consideration of these rival arguments, and perhaps commencing with those by the Defendant's Counsel.

The Defendant's first objection to the amendment is that the suit was filed on the basis of "**passing off**" **and not "infringement of a trade mark"**. This is entirely correct because Section 5 of the Trade Marks Act expressly prohibits the filing of any suit on the basis of an unregistered trade mark. The proviso thereto however permits the filing of suit on the grounds of "**Passing off**". The said Section 5 of the Trade Marks (**Cap 506, laws of Kenya**) says-

"5 No person shall be entitled to institute any proceedings 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."

The first leg of the Plaintiff's suit is thus based upon the act of passing off as the Plaintiff's application for registration of its trade mark "**BUPA**" was then pending before the Registrar of Trade Marks. The Plaintiff says as much in paragraph 5 of the Plaint dated 10-06-2001, and filed on 20-06-2001.

"5 The Plaintiff has a pending application to

register the "BUPA" name made on 1st March, 2001 at the Registrar of Trade Marks, Nairobi – Nos.2479 in class 36 and 2480 in class 42."

This was the first intimation by the Plaintiff that it had an application for registration of the trade mark "**BUPA**" and was sufficient disclosure to the Defendant to rush to the Registrar of Trade Marks to object to the registration of the Plaintiff's trade mark "**BUPA**". This is the requirement of Section 21 (2) of the Trade Marks Act. Once an advertisement has been made that an application for registration of a particular trade mark has been accepted by the Registrar of Trade Marks, any person may, within the prescribed time from the date of advertisement of an application, give notice to the Registrar of opposition to the registration. Thereafter the Section lays down the procedure for informing the applicant of such opposition, and the Applicants right to answer any such opposition to the registration of a trade mark.

The Defendant does not appear to have availed itself of this right and procedure. It may now be late in the day to say that it has applied for cancellation of the Trade Mark. In any event there is no such procedure for an aggrieved person to apply to the Registrar to cancel the registration of a trade mark. The only procedure available to an aggrieved person is that for rectification and correction of the Register as is laid down in Section 35 and 53 of the Trade Marks Act, and in either case the proprietor of a trade mark is entitled to and has a right to be heard in any such application for rectification or correction of the Register, whatever the grounds for such application including fraud in obtaining such registration (**Section 35 (3) of the Act**). There therefore appears to be no basis for the Defendant's threat that it has applied for cancellation of the Plaintiff's Certificates of Registration of Trade Marks.

The Defendant's next objection was that the Certificates of Registration of Trade Marks by the matters contained in the footnotes thereto prohibit the use of the certificates in court proceedings. This cannot of course be correct. The footnotes merely say the Certificates of Registration are not for use in legal proceedings abroad or obtaining registration abroad – which means outside Kenya. This should be obvious, the Trade Marks Act of Kenya does not apply beyond the gates of entry to Kenya. Section 46 of the Act provides that in any legal proceedings..... the fact that a person is registered as proprietor of the trade mark is **prima facie evidence** of the **validity of** not only the original registration of the trade mark, but also of all subsequent assignments and transmissions (**if any**). This ground of objection to the amendment also fails and falls by the way side of these proceedings.

The Defendant's 3rd and 4th grounds of objection to the amendment of the plaintiff were to the effect **firstly** that allowing the application for amendment to introduce a claim for infringement of the trade mark, would be lie validating what was outlawed by Section 5 of the Trade Marks Act, and secondly that the Plaintiff not being registered in Kenya is an outlawed association.

I was a little taken aback by the latter submission, that the use of the word “**Limited**” by the Plaintiff is contrary to Section 394 of the Companies Act. I think that this is a fundamental misunderstanding of the importance of that section. The section does not say that every company which is using the word “**Limited**” or caption “**Ltd**” must be incorporated in Kenya. The said section merely prohibits and makes it an offence for any person or persons to trade or to carry on business under name or title of which “**Limited**” or any contraction or imitation of that word as the last word without first being incorporated with limited liability. The Plaintiff is only suing using its corporate name of incorporation in the United Kingdom. It is not trading in Kenya. If it were it would comply with Kenya Law. This ground of the Defendant’s objection also fails.

Lastly, the Defendant objected to the amendment being permitted because the Defendants’ defence was premised upon the suit being one for passing off, and not infringement of a trade mark, that allowing the amendment to include a claim for infringement of a trade mark would be validating what the law, that is section 5 of the Act, prohibits as the claim takes effect from date of filing suit.

I think what the Defendant is saying is that since the Plaintiff did not at the time of filing suit have a cause of action under Section 5 of the Act (*for infringement of a trade mark*) at the time of filing suit, that is to say, 20-06-2001, granting the Plaintiff leave to amend its plaint now is in effect granting the Plaintiff a right of action which it did not have, and if it had, it is now barred by limitation of action, this being a tort, whose limitation of action is three years from the time the cause of action accrued.

Again this cannot be so. The answer lies in the provisions of Section 21 of the Trade Marks Act, that registration of a trade mark takes effect from the date of the application for registration, in this case 2nd March, 2001. As of the time of filing suit, on 20-06-2001, the Plaintiffs’ cause of action for infringement of trade mark had arisen, but could not be included in the plaint at the time because its application for registration of the trade mark “**BUPA**” was still pending. As the registration of a trade mark takes effect from the date of application, the Plaintiff’s cause of action accrued by operation of law as of the time of the application for registration. The grant of leave to amend the plaint to include a claim for infringement of a trade mark is not therefore a validation of any right which is not firmly provided in law. I reject the Defendant contention to the contrary.

The issue however remains, is the Plaintiff entitled to leave to amend its plaint?. I think it is. These are my reasons.

The Plaintiff’s application is premised upon the provisions of Section 3 A of the Civil Procedure Act, (**Cap 21 Laws of Kenya**), and Order VIA Rules 3 (1) 7 and 8 of the Civil Procedure Rules. Rule 8 merely provides that applications under the Order shall be made by summons although the court may permit and determine an oral application for an amendment of the plaint. The application is however made in writing pursuant to section 3 (1) of Order VIA, and the said rule invests the court with power at any stage of the proceedings on terms as to costs or otherwise as may be just and in such manner as it may direct, to allow any party to amend his pleadings.

The primary purpose for amending any pleading is to bring out all the issues which are in dispute between the parties. One of the issues is clearly whether the Defendant, being registered under the name of “**BUPA**” Kenya and the acronym “**BUPA**” being a registered trade mark of the Plaintiff is also infringing upon the Plaintiff’s trade mark. It is thus desirable, that this issue to be determined in this suit.

Order VIA, rule 3 (1) makes it clear that the court may allow any party to amend his pleadings “**at any stage of the proceedings**” which includes the trial, per Law J.A. in **FRAULKNER –VS- AGRICULTURAL DEVELOPMENT CORPORATION (1978) K.L.R. 49**. Applications for amendment in the course of trial are made orally, and are not interlocutory proceedings. The Plaintiff’s application is interlocutory as it is a formal application filed and served, and urged between the parties counsel.

As to its merits, an amendment may be made under Order VIA, rule 3 (2) although it is made after the period of limitation has expired; if the court thinks just; and by rule 3 (5) such an amendment may be

made at or in the course of, that is to say, intervals, in the trial period, even though it adds a new cause of action, if it arises out of the same facts.

Considering that the issue of registration of the trade mark was disclosed to the Defendant in the Plaintiff's Complaint, the Defendant had ample notice of the possible inclusion of a claim once the said trade mark was registered. Having secured the registration of the trade mark, I can see no justification or plausible reason for denying the Plaintiff/Applicant leave to amend its pleadings. Rule 3 (1) as stated above empowers the court to allow a party to amend its pleadings on such terms as to costs or otherwise as may be just, and in such manner as it may direct.

For the reasons given, the Plaintiff is granted leave to amend its Complaint in the manner proposed in the application. The Amended Complaint in the form attached to the application the subject of this Ruling shall accordingly be filed and served upon the Defendant's Advocates within the next 7 days, and the Defendants shall be at liberty to file a Reply thereto within ten (10) days of the date of service. The costs herein shall however be costs in the cause.

Dated and delivered at Nairobi this 16th day of March, 2006

ANYARA EMUKULE

JUDGE.