REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA

AT NAIROBI (MILIMANI COMMERCIAL COURTS)

Civil Case 661 of 2005

PREMIER FOOD INDUSTRIES LIMITED……..……...……..... PLAINTIFF

VERSUS

AI-MAHRA LIMITED…...…….....……..…DEFENDANT

RULING

This is an application dated 28th November, 2005. It is brought under Order XXXIX Rules 2 and 9 of the Civil Procedure Rules, Section 3A of the Civil Procedure Act, Section 36 of theTrade Marks Act Cap.506 and all other enabling provisions of the Law. The application is seeking three primary orders. They are as follows:-

1) That the defendant's trade mark "**PEP-TOP"** registered as No.55633 with the registrar of Trade Marks in Class 30 (Schedule III) in respect of tomato sauce be expunged from the records of the trade marks registry.

2) An injunction be issued against the defendant restraining it, its directors employees, agents and/or servants from using the trade mark name "**PEP-TOP"** or any other name or names similar to those of the plaintiff and the logo currently used by the defendant or any other logo similar to that of the plaintiff.

3) The defendant be restrained whether acting by its directors, officers servants or agents employees or any of them or otherwise howsoever from packing selling or offering or displaying for sale any products and/or goods which bear the name "**PEP-TOP"** or bear or use the device and/or shape of labels as applied on products and/or goods manufactured and sold by the plaintiff or any similar or colourably similar to the plaintiff's.

The grounds for the application are:-

1) The defendant's trade mark name "**PEP-TOP"** (the offending mark) is identical with or strikingly similar to those of the plaintiff's trade mark names "**PEP", "PEPTO",** and "**PEPTANG"** (the plaintiff's marks) and is therefore breaching the plaintiff's trade mark rights.

2) The offending mark creates confusion amongst the public as it can and is being passed off as that of the plaintiff's.

3) The offending mark further creates confusion and misleads the public into believing that the plaintiff is also selling products and/or goods in the trade mark name "**PEP-TOP".**

4) The defendant is using the device and shape on the labels of their products and/or goods which closely resemble the device on the plaintiff's products/goods which enhances the confusion amongst the public and results in a passing off the defendant's products and/or goods as associated with those of the plaintiff's.

5) The defendant is infringing upon the goodwill and good reputation that has been established by the plaintiff hence exploiting this goodwill and denying the plaintiff any rights and interests arising therefrom.

6) The defendant's instructions on their label contain similar words, description and colour as that on the plaintiff's label, furthering the passing off.

7) The defendant by the aforesaid actions seeks to pass off its products and or goods as that of the plaintiff which infringes both upon the goodwill and good reputation established by the plaintiff in the market and further causes confusion among customers and the public in general which is consequently detrimental to the plaintiff's position.

8) It is just and equitable and necessary that the court grants the applicant an injunction in order to prevent any further infringement of the plaintiff's trade marks and abuse of goodwill or reputation by the defendant as the harm caused cannot be measured or compensated in damages.

The application is supported by an affidavit sworn by one Sundararaman Sharmajaran, the plaintiff's Operations Manager. To the said affidavit are annexed 4 exhibits. In the affidavit the grounds for the application are substantiated. The main points raised are that the plaintiff is the registered proprietor of the following trade marks hereinafter referred to as the "plaintiff's marks".

Trade Mark No.	**Trade Mark**	**Class & Schedule**	**Expiry Date**
2706	PEP	42 Schedule II	2011
2707	PEPTANG LABEL	42 Schedule II	2011
4717	PEP	44 Schedule II	2006
23632	PEPTO LABEL	32 Schedule III	2012

The plaintiff is a leading manufacturer and distributor of various consumer products which are well known in the Kenyan and East African Market to wit tomato sauces and ketchups. In or about August 2005, the plaintiff learnt that the defendant is the registered proprietor of a Trademark registration number **55633 "PEP-TOP"** in class 30 schedule III in respect of tomato sauce to subsist in the register for a period of 10 years with effect from 11.2.2004.

This Trademark is identical with or strikingly similar to those of the plaintiff's said marks and have the same pronunciation. Further that the defendant's said trade mark name, the device and shape of the label closely resemble the devise and shape on the labels on the plaintiff's products to the extent that the public is most likely to believe that the defendant's products and/or goods are manufactured by or are otherwise associated with the plaintiff's products. The plaintiff further states that the defendant's labels contain similar words description and colour as those of the plaintiff's labels. The ingredients on the "**PEP TOP"** labels are identical to the plaintiff's labels in identical orders as those for the plaintiff's. In the premises the defendant will be able to pass off its goods and/or products as those produced by the plaintiff and the similar name and label will create confusion amongst the public and/or customers by leading them to believe that the plaintiff is trading as "**PEP TOP"** which is in fact not true and is detrimental to the business of the plaintiff which has established goodwill over a period of time in respect of its trade

names, trademarks, logos and the get up, device and shape of its labels. The plaintiff contends in the said affidavit that the defendant is intentionally using a name, logo and device which are strikingly similar to that of the plaintiff and is unlawfully and unduly infringing on the said goodwill established by the plaintiff by misleading the customers and the public in general into believing that the plaintiff is trading as "**PEP TOP"** which is not true. There is also a contention that the products and/or goods sold by the defendant are of a different quality to that of the plaintiff and that the plaintiff's products are of much higher quality and the sale of any more products and/or goods by the defendant will cause great loss of reputation to the plaintiff and thereby cause irreparable loss and damages.

The defendant opposed the application and relied upon a Replying Affidavit of one Abdulrasul Swaleh Muhsin the defendant's Managing Director sworn on 7.12.2005. It is deponed in this affidavit that the mark "**PEP TOP"** is not identical with nor strikingly similar to the plaintiff's marks and does not bear the same pronunciation. To the contrary it is deponed that the said trademark is distinct and the distinction was appreciated by the Registrar before accepting the mark for registration. The defendant further contends in the said affidavit that the name "**PEP-TOP"** cannot mislead the public to believe that it is the plaintiff's or is associated with the plaintiff. According to the defendant a general look at the products shows that there exists no resemblance in shape and device between the products to warrant the plaintiff's concern. The fonts used on the trademarks names, the colour regime, the graphics and the labeling are so distinct that no reasonable person would consider the products similar. No confusion can therefore be caused. In the premises the defendant contends that it is not cashing in on the plaintiff's goodwill in respect of its trade names and marks, logos gate up device and shape of the labels.

I have perused and considered the application, the affidavits in support and the annextures. I have also considered the replying affidavit. I have also carefully considered the able submissions of the Learned Counsels and all the cases to which I was referred as well as the Law. Having done so I take the following view of this matter. The prerequisites to be established by the plaintiff were laid in the case of **Reckit & Colman Properties Ltd – vs – Borden In. (1990) 1WLR 491.** They are as follows:-

"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 association with identifying "get-up'. Secondly he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or in aquia 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."

In the case at hand, there appears to be no dispute that the plaintiff is the registered proprietor of the trade marks "**PEP, "PEPTANG LABEL", "PEPTO LABEL"** which were registered way back in the year 1992. There is also no dispute that the plaintiff is a leading manufacturer and distributor of various consumer products which are well known in the Kenyan and East African market to wit tomato sauces and ketchups. At paragraph 10 of the supporting affidavit sworn by Sundararaman Dharmarajan it is deponed that the plaintiff has established a goodwill over a period of time in respect of its trade names and trade marks, its logos and the get up device and shape of its labels. The defendant's response to that argument is a denial contained in paragraph 6 of the replying affidavit of Abdulrasul Swaleh Muhsin sworn on 7th December, 2005. A second response is found in paragraph 13 of the same affidavit where it is deponed that " *the fact that the defendant is still producing/manufacturing "**PEP TOP"** has nothing to do with the applicants loss of reputation and/or business except in so far as "**PEP TOP"** is simply superior in quality and therefore more marketable."*

In my view this latter averment suggests that the defendant acknowledges the reputation of the plaintiff but says it is not responsible for the loss of the same. In the premises I find that the plaintiff has shown on a prima facie basis that it has created a goodwill or reputation attached to the goods or services which it supplies in the minds of the purchasing public.

I have observed the defendant's Trade Mark "**PEP TOP"** and the plaintiff's mark "**PEPTANG".** The similarities at a casual glance are as follows:

The 1st two syllables are identical; they are in white against a reddish background; they slant in the same manner. The only difference is in the last two letters. The similarities in the labels are as follows: There are pictures of tomatoes below the trademark names and the words "**Tomato Sauce".** The pictures of tomatoes are redish on a yellow background. Ingredients are printed in capital letters on the left side of the labels. To an ordinary customer in my view the obvious similarities are striking and he would not easily notice the difference.

In **Parke Davis & Co. Ltd – vs- Opa Pharmacy Ltd [1961] EA 556** which was an action in passing off, the Court of Appeal held that since the first two syllables in the trade, names "***Capsolin"*** and "***Capsopa"*** were identical and there were resemblances in the containers there was a real probability of confusion and the appellant company was entitled to an injunction. That case was followed by Mbaluto J in **Beierdorf AG –vs- Emirchem Products Limited: HCCC No.559 of 2002 (UR).** In the latter case the trade mark "**NIVELIN"** was found to be strikingly similar to the trademark "**NIVEA"** and would probably cause confusion to consumers.

In **Brooke Bond Kenya Ltd –vs- Chai Ltd [1971] EA 10,** the Court of Appeal held inter alia that the general impression of the average customer is the test of passing off. In that case the appellant sued the respondent for infringing its trade marks and for passing off its goods as the appellants. The infringement consisted in using the words "Green Label". The packets used by the respondent had been changed to make them nearly resemble those of the appellant.

In the premises, I am satisfied that the plaintiff has demonstrated a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or products or services offered by it are the goods or products or services of the plaintiff.

As regards the last test as to whether the plaintiff has suffered or 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, I have found as follows:-

Sundaranaman Dharmarajan the Operations Manager of the plaintiff has in the supporting affidavit at paragraph 9 deponed that by its Trade Mark "**PEP-TOP",** the defendant will be able to pass off its products and/or goods as those produced by the plaintiff resulting in confusion amongst the public and/or customers by leading them to believe that the plaintiff is trading as "**PEP-TOP"** which is in fact not true and is detrimental to the plaintiff's business. Indeed, the affidavit further continues, some of the plaintiff's customers have enquired from the plaintiff as to whether "**PEP TOP"** is one of its products which shows confusion amongst the public and or customers. The said Dharmarajan has further deponed at paragraph 12 of the same affidavit that the plaintiff's products are of a much higher quality and the sale of any more products and/or goods by the defendant will cause a great loss of reputation to the plaintiff and thereby cause irreparable loss and damages. I have already found that the similarities between the defendant's Trade Mark "**PEP TOP"** and the plaintiff's marks raise a real probability of confusion to customers. Such confusion is likely to cause damage to the plaintiff. The plaintiff's apprehension that it will suffer irreparable loss and damages is therefore not without basis. Actual loss in my view need not be proved. In **Banme & Co. Ltd –vs- A.H. Moore Ltd (2) [1958] 2 All E.R. 113** it was held:

"**no man was entitled even by the honest use of his own name, so to descry be or mark his goods as in fact to represent that they were the goods of another person."**

I respectfully adopt these wise words and hold in the case at hand that the plaintiff has shown on a prima facie basis that to it is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of its goods is the same as the source of those of the plaintiff.

Having found as above, I have no hesitation in holding that the plaintiff has established the first and 2nd tests set out in the precedent setting case of **Giella –vs- Cassman Brown & Co. Ltd. [1973] E.A 358** to wit a prima facie case with a probability of success at the trial and that the injury complained of would not adequately be compensated in damages. Being of that persuasion, in my view the plaintiff was also

entitled to the protection provided by Section 7 of the Trade Marks Act which gives the proprietor of a Trade Mark certain rights. The section reads:-

"**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 trademark 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."**

In finding that the plaintiff has satisfied the conditions for the grant of interlocutory injunctive relief, I am alive to the fact that the plaintiff has inter alia sought the same prayers in its plaint. In my view it is not correct as argued by counsel for the defendant that this finding is a determination of the main suit at interlocutory stage. The plaintiff has in addition to the prayer for injunction sought several other prayers including declarations, permanent mandatory injunctions and general damages. In my view even if no other prayer was sought the court still has jurisdiction in appropriate cases to issue orders prayed for in the suit at interlocutory stage.

In the end the plaintiff's application dated 28.11.2005 is allowed in terms of prayers 3, 4 and 5 thereof. The injunction will be conditional on the plaintiff filing an undertaking under seal to pay damages if any to the defendant in the event that it is found at the trial that the injunction ought not to have been issued. The said undertaking to be fortified by a similar undertaking by a director of the plaintiff. The said undertakings to be filed within 7 days of today.

Costs shall be in the cause.

Orders accordingly.

DATED AND DELIVERED AT NAIROBI THIS 15TH DAY MARCH, 2006.

F. AZANGALALA

JUDGE

15/3/2006