ALTERNATIVE MEDIA LIMITED……..…..……..PLAINTIFF

VERSUS

SAFARICOM LIMITED……...……..DEFENDANT

R U L I N G

On 21.05.2004, the Plaintiff filed suit and claimed that he is the author of an original artistic work consisting of the expression of the idea of an AIDS Campaign using the corporate colours of Safaricom Limited, Kencell Limited and Telkom Kenya Ltd ("the scratch cards"). The Plaintiff says in his Plaint that the fixation of the expressions were to be printed onto the said scratch cards with the following expressions:-

(a) Life is short. Protect it.

(b) Break the silence, talk about AIDS,

(c) I declare total war on AIDS.

(d) You have the right to live, don't let AIDS take it away.

(e) Choose life.

The Plaintiff says that these expressions are affixed vertically and horizontally on the left and bottom edge of the "scratch cards" and the photograph of a smiling lady with her left-hand extending at "2.00 o'clock" angle is a prominent feature in the Plaintiff's artistic work of which the Plaintiff owns the copy-right.

The Plaintiff pleads that the Defendant has infringed the copyright of the Plaintiff by reproducing or adapting the Plaintiff's copyright in their "scratch cards" by using the following:-

(a) Celebrate life

(b) We declare total war on aids

(c) Break the silence and join the global fight against HIV/AIDS.

(d) Choose life.

The Plaintiff says that these expressions are similar to his are fixed horizontally at the bottom of the "scratch card" and the photograph of a smiling male with his left hand extended at a 2.00 o'clock position is similar to his artistic work. The Plaintiff says that the Defendant has done all these acts without a licence from the Plaintiff and the defendant has therefore infringed upon the Plaintiff's copyright by distributing and selling "scratch cards" with a reproduction or adaptation of the Plaintiff's copyright.

The Plaintiff says that the Defendant copied his artistic work from samples delivered to the

Defendant by the Plaintiff at various times on 19.06.2003, the receipt of which the Defendant acknowledges. The Plaintiff also claims that the Defendant has within its control lithograph plates being articles specifically designed for making such infringing copies in the knowledge that the plates have been and are to be used to make infringing copies. For all these reasons the Plaintiff says that he has suffered loss and damage:-

(a) He has been deprived of any potential or substantial benefit in his copyright work.

(b) He has suffered economic loss

(c) His moral rights (I think he means intellectual rights) have been infringed.

(d) He has lost his right of attribution

And that unless restrained the Defendant threatens and intends to continue to infringe the Plaintiff's copyright whereby the Plaintiff will suffer loss and damage.

By an application filed simultaneously with the Plaint, under the provisions of Order XXXIX rules 2, 3 and 9 of the Civil Procedure Rules and Section 3A (of the Civil Procedure Act Cap.21, Laws of Kenya and all enabling provisions of the law, the Plaintiff has sought:-

(1) an injunction restraining the defendant (whether acting by their respective directors, officers, servants or agents, or any of them or otherwise howsoever) from infringing the copyright of the Plaintiffs artistic work, by printing, publishing and/or distributing the artistic work on their own cards pending the final determination of this suit,

(2) the costs of this application be in the cause.

The application is supported by the annexed affidavit of **Michael Joseph Adede** a director of the Plaintiff, sworn on 21.04.2004, and the grounds that:-

(a) The Plaintiffs are the owners of the copyright of the artistic work reproduced or adapted on the defendant's "scratch cards"

(b) The reproduction or adaptation by the Defendant has infringed the Plaintiff's artistic work, and,

(c) The Plaintiffs have suffered economic loss by the Defendant's infringement.

In his submission, Mr. Okulo, Counsel for the Plaintiff relied upon the Affidavit of Mr. Adede, which in essence reiterated the matters outlined above but adds that the Plaintiff's business is advertising graphic designing and media communication solutions. The Plaintiff's director also depones that he discussed his ideas and designs with representatives of the National Aids and STD Control Programme (NASCOM) and also with the Defendant's Managing Director and that they were subsequently informed in writing that the Defendant was not interested in the Plaintiff's proposal. The Plaintiff's representatives were later in May 2004 shocked and surprised to find the Defendant's "scratch cards" with a reproduction or adaptation of the Plaintiff's copyright artistic work using the expressions already referred to above. The Plaintiff's director swore that he had sent similar proposals to Kencell Communications Ltd and Telkom Kenya Ltd but they had not done anything with the proposals. The Plaintiff had therefore infringed upon the Defendant's artistic work and had deprived the Plaintiff of any potential or substantial benefit of its work, and the defendant should therefore be restrained accordingly from continued infringement of the Plaintiff's copyright.

The Plaintiff counsel referred to several cases, commencing with **Kalamazoo Ltd Vs Systems [1973] E.A. 242**. In that case, the Plaintiff had licensed the second Plaintiff to produce in Kenya accounting forms devised by it. The Second Plaintiff also produced forms to its own design. The Defendant copied

the forms, and when sued for breach of copyright contended that the Second Plaintiff was not the exclusive licencee of the First Plaintiff, that the forms were not artistic works, that their production did not involve knowledge, labour and skill so as to give them an original character……CHANAN SINGH J. construing Section 6 of the Copyright Act, (Cap.130) Laws of Kenya (repealed), held *inter alia* that (1) the forms constituted artistic work, and that the production of the forms involved knowledge, labour and skill so as to give them an original character.

This ruling was unanimously overruled on appeal **EX-SYSTEMS AFRICA LTD VS KALAMAZOO LTD and ANTOHER [1974] E.A. 21, and is not good law.**

In **SAPRA STUDIO VS TIP-TOP CLOTHING CO. [1971] E.A.** 489, another decision of Chanan Singh J., the Plaintiff firm applied for an interlocutory injunction alleging breach of copyright in respect of scarfs some bearing designs prepared by an artist residing in Kenya and some by a firm in Italy. The facts were not challenged by the other party. In granting the injunction the judge held that an injunction is a normal remedy in breach of copyright case. In discussing the matter before him, the judge referred to Halsbury's Laws 3rd Edition Vol. 8 pages 444-5 paragraph 808 – headed "Injunctions Normal Remedy – which read:-

"**The general principles upon which injunctions are granted for the protection of copyright do not differ from those upon which they are granted for the protection of other property. The nature of copyright property, however, makes an injunction a peculiarly suitable, and indeed the normal remedy."**

Paragraph 809 of the same volume deals with "Interlocutory Injunction" it says that – "if the granting of such injunction will not seriously interfere with the Defendant, it may be granted although the Plaintiff does not fully prove his title to the right alleged to be infringed or has only an equitable title, or although the quantity of the Defendant's work which constitutes the infringement has not been ascertained."

Halsbury goes on to say:-

"**An interlocutory injunction will not, however, be granted where the Plaintiff can be properly protected by the Defendant being ordered to keep an account and the Defendant might suffer irreparable injury from an injunction restraining him from publishing pending the trial, nor will an interlocutory injunction be granted if the Plaintiff has been guilty of undue delay in coming to the court or if his conduct has amounted to an acquiescence in the infringement, or there is any substantial doubt as to the Plaintiff's right to succeed."**

And in **AIKMAN VS MUCHOKI [1984] KLR 353**, a case where the directors of a limited liability company under receivership stormed and forcibly temporarily took over the management of the company, Mbo and Loresho from the receivers and managers appointed by the lenders pursuant to a debenture, the Court of Appeal reiterated the conditions for the grant of an interlocutory injunction as laid down in the cases of (1) **East African Industries Ltd vs Trufoods Ltd [1972] EA 420, (2) Giella Vs Cassman Brown & Co. Ltd. [1973] EA 358 and Nsubuga & Another Vs Matawe [1974] EA 487**. The conditions are (1) probability of success (2) irreparable harm which would not be adequately compensated for in damages and (3) if in doubt then on a balance of convenience.

In opposition to the Plaintiff's application for a temporary injunction, the Defendant filed two Affidavits, namely, a Replying Affidavit sworn on 26.05.2004, and filed on 27.05.2004, and a Further Affidavit sworn on 8.06.2004 and sworn on the same day. Both Affidavits are sworn by Nzioka Waita, the Defendant's Manager, Legal Services Unit Mr. Alibhai, Counsel for the Defendant in his submissions drew the court's attention to paragraphs 10, 11, 18, 19, 20, and 21 of the Replying Affidavit, and it is necessary to set these out to appreciate their full import to the determination of this application:-

10. The printing of AIDS awareness message on the new Safaricom scratch cards is in furtherance of Safaricom's corporate social responsibility programme and is only intended to be in

the public interest. Safaricom is not making any money from the printing of the messages on these scratch cards and is rather spending approximately 70 cents per card more than the usual printing costs to print these messages on the scratch cards.

(1) **In further reply to paragraph 8 of the Supporting Affidavit (which carried out the allegedly offending artistic work) – Celebrate Life. We declare total war on AIDS break the silence and join the global fight against HIV/AIDS choose life)", the scratch – cards referred to was only developed in December 2003 by Tequilla, a local advertising and design company used to design our scratch cards, who were briefed to design new cards with messages promoting AIDS awareness and these new cards are completely and totally different in design layout, background and are completely original works created for use by the Defendant Company in the ordinary course of its business.**

18. An injunction against the distribution and sale of the new Safaricom scratch cards would cause irreparable substantial harm and loss to Safaricom because these are the only Kshs.250/= scratch cards being released into the market at this point in time and also because the Kshs.250/= scratch card accounts for about 60% of our average daily sales which in monetary terms translates to a revenue of approximately Kshs.33,000,000/= (net of Value Added Tax and Excise Duty) on an average day from that denomination card alone.

19. We have ordered 6,000,000 of these cards from the printer and have already released 4,000,000 of the consignment. Of the 4,000,000 cards received, 1,444,694 cards have been sold, 1,855,306 cards are in the warehouse and 1,000,000 cards were being cleared at Customs as at 24.05.2004.

20. Any order preventing the sale of the new scratch cards would be disastrous for Safaricom as it would have to bear the approximately Kshs.33,000,000/= daily losses until it is able to receive new cards which we are informed by our printers can only be in the second week of June 2004 (now past).

21. I verily believe, that the Plaintiff would not be able to indemnify us against such losses should it be found at the hearing that the new cards do not infringe on their copyright, if any, and further, such order would cause us such loss of goodwill and consumer confidence that there is real danger that the losses in the long term would exceed the merely financial astronomical losses that would be suffered in the short term.

22. Conversely, Safaricom is the premier telecommunication provider in the country and would be able to meet an award of damages if any are awarded to the Plaintiff at the hearing of this suit."

In the Further Affidavit of Waita, the Defendant's Manager Legal Services Unit the deponent avers in paragraphs 3 & 5 that the Plaintiff had appropriated the Defendant's existing designs developed by Tequila an advertising firm, except for the picture of a lady in one card, and the AIDS Awareness message in substitution of the Defendant's slogan "committed to supporting Kenya's Environment." This deponent further avers that the Defendant receives numerous proposals and that proposals which are not accepted are destroyed. The Defendant's new scratch cards are not copies of the Plaintiff's proposals. Finally this deponent avers that the Plaintiff's claim of suffering economic loss is baseless as the Plaintiff had offered to pay the Defendant "a fee" if the Defendant accepted the Plaintiff's proposals on the Defendant's scratch cards.

Mr. Zul Alibhai Counsel for the Defendant expressed difficulty in encapsulating the Plaintiff's claim for copyright in respect of the slogans set out in paragraph 3 of the Plaintiff's Supporting Affidavit within the various categories set out in the Copyright Act 2001 (No.21 of 2001). There was no averment in the Plaint alleging that works infringed upon are either artistic or literary works. The idea on the Aids Campaign is not evidence of a slogan. Nor is a lady with extended arm an artistic or literary piece of work. The Defendant had not used any of the words stated by the Plaintiff in paragraph 4 of the Plaint. The sentiment may be the same but the words are different.

There is nowhere in the Plaintiff's documents where the expression "We Declare Total War Aids" is

used The artistic work is now a man, a male, with an arm extended to the left. Mr. Alibhai submitted that ideas and slogans, are not eligible for copyright, certainly not as artistic nor literary work upon which there was no plea in any event. The Defendant's counsel submitted that according to the affidavit of Nzioka Waita, filed on 8.06.2004, the cards complained about are original cards designed by the Defendant's own designers which the Plaintiff had taken and added "*a smiling lady*" with a raised arm to the left and aids logo and fist "*crushing*" the words "AIDS" to the left in respect of the Kshs.250/= scratch card, with regard to the Kshs.500/= scratch card, the Plaintiff has taken the Defendant's original design, with either the sun rising or setting on a tree, with a white crescent , and superimposed upon it an AIDS logo to the left hand side of the scratch card with the words – "Break the Silence. **Talk about AIDS" life is short as this card protect it"** and a fist "crushing" the words AIDS. The words "Committed to Supporting Kenya's Environment" are retained as in the Defendant's original cards. The Plaintiff's second kshs.250/= proposed card exhibited as "MJA 2(a)" at the top is a face of a smiling lady on the left side of the card, with the words "**Life is short protect it"** and a fist crushing the words "**AIDS"** and the words "**your have a right to live. Don't let AIDS take it away. Choose life."** The background of a receding morning mist over a rugged mountain with patches of snow and the crescent of the Defendant is visibly retained. The Defendant's current Kshs.250/= scratch card, the Defendant's Counsel submitted is totally different from the Plaintiff's proposed two designs, Counsel also told the court that about the only thing or aspect the Plaintiff may complain about is the AIDS logo. I do not think so. An examination of the Plaintiff's exhibit "MJA 2"(a) reveals the following remarkable similarities to the Defendant's current Kshs.250/= scratch card:-

(1) the sum of Kshs.250/= is depicted on top left hand corner of the card – unlike all other scratch cards of the Defendant for Kshs.250/=, Kshs.500/=, Kshs.1,000/=, Kshs.2,500/= and Kshs.5,000/= in which the said denominations are inserted about the middle way of the card. This figure is in exactly the same position as in the Plaintiff's proposal, "MJA 2 (a).

(2) The wording "air-time" on the left arm with a scarf or some cloth hanging loose on the shoulder and a little blurred face and chin above the words "We declare TOTAL WAR (in red), AIDS in a shield bounded at the top of it with sheaths/leaves of spear tongues on either side are identical with that of the Plaintiff.

(3) The dancing or celebrating life pair on the right with the lady holding her arm on a man's face are identical with those of the Plaintiff; Exhibit "MJA (a) (2)".

(4) The picture of the man smiling and waving his right hand in a celebration mood is identical with that of the Plaintiff, "MJA(2)(a)".

(5) The red beads worn around the man's neck appear identical with those of the Plaintiff's design.

(6) The expression "celebrate life" is identical with that of the Plaintiff.

(7) The words at the bottom of both the Plaintiff's and the Defendant's cards are identical. They are "Break the silence and join the global fight against HIV/AIDS Choose life."

I would only discern two differences in the design:-

(1) the Defendant's man has had his left arm "chopped off" (in a figure of speech only) and,

(2) the raised arm of the Plaintiff's design has been replaced with a picture of a circle with a cell-phone inserted inside the circle and the words "stop phone crime" along the top inside the circle.

Counsel for the Defendant reluctantly conceded this point when he said – "**the only thing the Plaintiff can complain about is the logo AIDS."** However, none of the Defendant's previous original **scratch** cards in the denominations of Kshs.250/= or Kshs.500/= or Kshs.1,000/=, or Kshs.2,500/= or Kshs.5,000/= and attached to the Further Affidavit of Nzioka Waita have the art work in the current

Kshs.250/= scratch card.

Counsel for the Defendant cited not less than 14 authorities in this matter. I have already expressed my view on the definition of artistic work, and no more need be said on it. Halsbury's Laws of England, 4th Edition Vol.9(2), paragraph 406 entitled – Interlocutory Injunctions – says:-

"**It is often of importance for a Plaintiff to obtain immediate protection from a threatened infringement of his copyright. In such a case he should apply for an interlocutory injunction for the purpose of preserving his rights from further interference pending the trial of the injunction. The normal principles for the granting of interlocutory injunctions apply. The Plaintiff must show that there is a serious issue to be tried and, for this purpose, the court should not try to resolve disputes on affidavit evidence or difficult questions of law. If damages would be an adequate remedy for the Plaintiff and the Defendant is in a position to pay, an interlocutory injunction should not be granted. Conversely, if damages would be an adequate remedy for the Defendant and the Plaintiff would be able to pay them then interlocutory injunction should be granted. If damages would not be an adequate remedy for either party, the court should attempt to assess whether the grant or the withholding of an injunction is likely to cause the greater harm and act accordingly."**

As this stage of the proceedings, the court is merely dealing with the interlocutory application, and is not dealing with long and complex issues of whether words complained of are artistic, or merely titles or slogans. These are matters which lend themselves to argument at the trial of the action. Citations from "The Modern Law of Copyright and Designs Vol.I 3rd Edition by Laddie, Copinger & Skone James on Copyright and Intellectual Property Law, by Paul Morret, on whether or not drawings or ideas are subject to copyright are matters to be canvassed at the trial if the action were to arrive there. The case of Francis Day & Hunter Ltd. And Another vs Bron (trading as Delmar Publishing Co.) And Another [1963] 2 ALL.ER. 16, SINANIDE VS LAMAISON [1922- 1928] 44 TLR 574, EXXON and Others Vs Exxon Insurance Consultants International Ltd [1981] ALL ER.241, and Donoghue vs Allied Newspapers Ltd. [1937] ALL ER503 fall into the same category. They go to the complex issues of law which can only be determined upon hearing of evidence adduced at the hearing and the parties representatives (witnesses) subjected to rigorous examination and cross-examination.

The Plaintiff's Plaint and application do not unfortunately sound in either "artistic" or "literary work" in terms of the Copyright Act, 2001, and in particular in the definition of "artistic work". However, in my understanding of the definition of artistic work, the Plaintiff's work in respect of scratch card for Kshs.250/= (Exhibit MJA 2 (a)) would be one complete piece of artistic work and would for this reason alone entitle the Plaintiff to bring an application for the purpose of what Lord Halsbury calls – "**preservation of his rights from further interference pending the trial of the injunction.**" This is in accordance with the first principle laid down in the case of Giella vs Cassman Brown & Co. Ltd [1973] EA 358, that the applicant for an injunction must establish a *prima facie* case with a probability of success. This alone would not however in the circumstances of this case entitle the Plaintiff to the equitable remedy of injunction even if it was only interlocutory.

The second principle established by the Giella case for the grant of an interlocutory injunction is that the Plaintiff would suffer irreparable harm which would not be compensated in damages. Considering this very point in the case of MUREITHI VS CITY COUNCIL OF NAIROBI [1979] LLR 12 (C.A.K.). Madan JA (as he then was) cited with approval the speech of Lord Diplock in the case of American Cynamid Co. Vs Ethicon [1975] 1 ALL ER.504, at page 506. Where he said:-

"**The object of the interlocutory injunction is to protect the Plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved, in his favour at the trial……. if damages in the measure recoverable at common law would be adequate remedy and the Defendant would be in a financial position to pay them, no interlocutory injunction should normally be granted however strong the Plaintiff's claim appeared to be at that stage."**

In the case of National Bank of Kenya Ltd Vs Shakali & Another [1997] LLR 51 (C.A.K.),the Court of Appeal allowed an appeal by the appellant Bank and set aside an order for a permanent injunction made by the Superior court. Again, Madan JA stated that (the principles considered by the court for the grant of a mandatory injunction are also based upon the ratio decidendi of the decision in the cases of Giella vs Cassman Brown & Co. Ltd. (supra) and Abel Salim & Others Vs Okongo & others [1996] K.L.R. 42 in which latter case specific performance of an agreement to grant a lease was sought. The court discharged the *ex-parte* injunction upon an *inter partes* hearing. On appeal the predecessor Court of Appeal (in agreement with judge) per Mustafa JA said at page 498:-

"**I will deal with the question of irreparable harm if the injunction is not granted. In this case the Plaintiff's had no possession of the premises when the suit was filed, the third Defendant had. In my opinion, the Plaintiffs were in fact suing for a breach of contract of lease, and I cannot say why, if they were successful, they could not be adequately compensated by award of damages……"**

Omolo JA put it this way:-

"**One of the principles set out in the well known case of Giella Vs Cassman Brown Co. Ltd. (supra) is that an injunction, will only issue where it is shown that damages will not be an adequate remedy" and again on the same page 5:-**

"…..**The question of finally finding whether or not there was a contract between the parties and if there was what terms ought to be implied in the contract was not to be determined on affidavits. All a judge has to decide at that stage is whether there is a *prima facie* case with a probability of success. A *prima facie* case with a probability of success does not, in my view, mean a case which must eventually succeed."**

In all these, the first point to note is that the Plaintiff acknowledges in his pleadings that his business is "advertising graphic designing and media communications solutions." Perhaps the only aspect the Plaintiff may be said to carry out independently, that is, in the sense of original work is probably designing. The other aspect of the Plaintiff's business must of necessity depend upon the goodwill of other parties who choose to carry out their messages through the art and skill of the Plaintiff. In other words it is not work that is necessarily available and continuous the break of which will immediately and adversely impact upon the prosperity of the Plaintiff's business. It is not a loss which can immediately be quantifiable. It is therefore a loss if established, which can be compensated in damages by the Defendant who in this case has sworn and acknowledged to have enormous income and no amount of reasonable compensation if the Plaintiff were successful in its suit, would threaten its business as would an injunction, even a temporary one, at this point in time.

The third principle established by the Giella case is that where the Court is in doubt whether or not to grant an injunction, it should decide the issue on the balance of convenience. In the AIKMAN VS MUCHOKI case (supra) Kneller Ag. JA said at page 360:-

"**The balance of convenience did not fall to be considered but if it had then clearly it was in favour of halting the three respondents in their tracks and restoring the receivers and managers to their rightful position."**

In view of my finding that the Plaintiff if successful in its suit can be compensated in damages, the issue of the balance of convenience does not strictly fall for consideration. However for the avoidance of doubt the balance of convenience would undoubtedly fall in favour of the Defendant not because it is a big man or a big corporation but because of the larger public interest or role which telecommunications plays in a country's economy, that where there is an alternative remedy to compensate an aggrieved party which has a *prima facie* legitimate claim, the larger public interest will also prevail.

The Defendant is a public utility provider of telecommunications. It provides cellular-telephone services commonly known "mobile telephone service" to over one million subscribers. Its services are prepaid. It has printed and distributed over a wide network in the country over 6 million scratch-cards

60% of which are in the denomination of Kshs.250/= (the offending card) currently in circulation. Apart from the enormous cost of physically, and electronically retrieving these cards from the agents (who are said to be literally scattered in every nook and creek where the Defendant's network is available) there is even greater (dare I say) irreparable harm and loss not only (to the Defendant's credibility as a premier telecommunication's provider), but also revenue to the Defendant (and the Government in lost tax revenues), which the Plaintiff would neither be able to indemnify the Defendant or pay in damages. There is also a veritable likelihood of major adverse effect upon the county's communications. The balance of convenience would thus fall with the Defendant.

The upshot of all this is that the Plaintiff has established a *prima facie* case with a probability of success in respect of the Kshs.250/= denomination scratch-cards only. The Plaintiff is however not entitled to an injunction even an interlocutory one because such loss or damage which the Plaintiff may suffer as a result of the Defendant's unlawful act may if the Plaintiff were eventually successful in its action, be adequately compensated in damages and which damages the Plaintiff would be unable to indemnify the Defendant if the injunction were granted to the Plaintiff.

The Plaintiff's application dated 21.05.2004 and filed on the same day is therefore dismissed. However as the Plaintiff has been partially successful in this matter, costs for this application only shall be awarded to the Plaintiff. There shall be orders accordingly.

Delivered and dated at Nairobi this 21st day of July, 2004.

ANYARA EMUKULE

JUDGE