



Paksons Enterprises Limited v Kipkoech t/a Paksons Agroveterinary Solutions & another (Civil Case 4 of 2018) [2024] KEHC 15435 (KLR) (5 December 2024) (Ruling)

Neutral citation: [2024] KEHC 15435 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT KERICHO
CIVIL CASE 4 OF 2018
JK SERGON, J
DECEMBER 5, 2024**

BETWEEN

PAKSONS ENTERPRISES LIMITED PLAINTIFF

AND

PATRICK KIPKOECH T/A PAKSONS AGROVETERINARY SOLUTIONS 1ST DEFENDANT

REGISTRAR OF COMPANIES 2ND DEFENDANT

RULING

1. The plaintiff filed an amended plaint dated 7th March, 2023 seeking judgement against the defendants jointly and severally seeking the following reliefs;
 - (a) A declaration that the 1st Defendant has infringed on the Plaintiff's trademark "Paksons Enterprises Limited" registered as Number 93308.
 - (b) A declaration that the registration of the 1st Defendant as a business name, "Paksons Agroveterinary Solutions" registration no BN/2016/427828 by the 2nd Defendant, was unlawful and therefore null and void.
 - (c) An order of mandatory injunction directed at the 2nd Defendant to expunge the name of the 1st Defendant "Paksons Agroveterinary Solutions" registration no BN/2016/427828 from its register.
 - (d) An order of a permanent injunction restraining the Defendants, whether by themselves, employees, agents, affiliates, servants, disclosed and undisclosed principals from registering in favour of the Plaintiff or any other person, advertising, marketing, trading or in any other way representing themselves in a name that contains the word "Paksons" or in any other way that is confusingly similar to the name of the Plaintiff.



- (e) A mandatory injunction compelling the 1st Defendant to withdraw any and all products, branding, articles, invoices or any other documents in its name bearing the name “Paksons” currently on display for sale in its shops and/or outlets, in the hands of its agents, employees, affiliates, suppliers and/or officer promptly and in any event within fourteen days from the date of judgment.
 - (f) General damages.
 - (g) Costs of the suit
 - (h) Interests accruing on (f) and (g) above at court rates from the date of filing the suit until payment in full/
 - (i) Any other /further relief the Honourable Court may deem fit to grant.
2. The background leading to the instant suit is as follows; The Plaintiff was registered as a limited liability company on 19th May, 2000 and engaged in supplying agricultural services and products, including veterinary services, hygienic and beauty for animals, agriculture and horticulture services, herbicides, fungicides, pesticides, seedlings and farm implements, among others. The Plaintiff applied for a trademark and was issued with the trademark “Paksons Enterprises Limited”, trademark number 93398. The trademark registration was effective 29th July, 2016 and expires on 26th July, 2026. The registration of the trademark accorded the Plaintiff with exclusive right to use of the name “Paksons” to the exclusion of all.
 3. The Plaintiff avers that sometime in 2018 or thereabouts, it discovered that the 1st Defendant was trading in the name of Paksons Agroveterinary Solutions, a name which is identical to that of the Plaintiff and which applies to products identical to those that the Plaintiff’s trademark covers. The Plaintiff avers that a search at the 2nd Defendant’s Registry indicates that the 2nd Defendant registered the 1st Defendant as a business name number BN/2016/427828 Paksons Agroveterinary Solutions.
 4. The Plaintiff avers that the word “Paksons” is well known and is distinctive of the goods and services offered by the Plaintiff and which he is licensed to deal in. The Plaintiff avers that the 1st Defendant has put up in the market and sold products under the name Paksons Agroveterinary Solutions which name is a deceptive imitation of the well known trademark of the Plaintiff and that member of the public have been led to believe that the 1st Defendants products and services are the products of the Plaintiff, therefore the 1st Defendant is ostensibly passing off as the Plaintiff.
 5. The Plaintiff avers that he has expended a colossal amount of time, money and effort in the publication, promotion and marketing of products sold under the trademark and therefore the 1st Defendant is unjustly profiting from the efforts of the Plaintiff by passing off as the Plaintiff or its affiliate.
 6. The Plaintiff avers that it approached the 2nd Defendant to expunge the name of the 1st Defendant from its register, it adamantly refused to do thereby necessitating filing of the instant suit.
 7. The Plaintiff avers that despite demand and intention to sue being issued, the Defendants have adamantly persisted with infringement of the Plaintiff’s trademark and business name.
 8. The 1st defendant filed a written statement of defence to the amended plaint dated 29th May, 2023.
 9. The 1st Defendant avers that contrary to the Plaintiff’s averments, having applied for registration of business under the name PAKSONS AGROVETERINARY SOLUTIONS in 2016 which was allowed and certificate of registration issued on 31st May, 2016 therefore the 1st Defendant had the right to use the said name to the exclusion of any other individual including the Plaintiff.



10. The 1st Defendant avers that the Plaintiff applied for his trademark on 29th July, 2016 long after Paksons Agroveterinary Solutions had been issued with a certificate of registration dated 31st May, 2016, certificate number BN/2016/427828 and now incorporated under no. PVT-Y2UL7X5L. The 1st Defendant avers that he was diligent and followed the due process in his application for registration of his business name. The 1st Defendant avers that the name he searched and presented for registration is not similar to the Plaintiff's name and that he has a right to use it to the exclusion of all the others and that the said name should remain registered.
11. The 1st Defendant avers that he has never operated as the Plaintiff as the Plaintiff and the 1st Defendant's names are very distinct.
12. The 1st Defendant avers that Paksons Agro Veterinary Solutions does not manufacture goods rather it receives products or goods already manufactured from manufacturers or suppliers and sells to customers.
13. The 1st Defendant maintains that the Plaintiff's certificate of trademark that was issued on 29th July, 2016 certificate number 93303 shows that the Plaintiff attempted to register a trade mark of a name that was already registered and in use by the 1st Defendant.
14. The matter proceeded viva voce evidence. Wesley Kipkurui Rotich (Pw. 1) stated that he is a shareholder and director of Pakson Enterprises Limited which is a family business. He stated that he recorded his witness statement dated 3rd April, 2023 and wished to adopt it as his evidence in chief and that would be relying on bundle of documents to wit authority to plead, a copy of the certificate of incorporation, a copy of the trademark certificate, a copy of the KIPI Journal dated 31st August, 2016, and a copy of the search certificate, copies of delivery notes, court orders and correspondences marked PExh. 1- 10. In the witness statement dated 3rd April, 2023 the Plaintiff reiterated the averments in the plaint and reiterated the Plaintiff continues to suffer damage as a result of the trademark infringement by the 1st Defendant as aided by the 2nd Defendant.
15. At the close of the Plaintiff's case the 1st Defendant herein testified. Patrick Kipkoech (Dw. 1) stated that he is a veterinary practitioner based in Narok and that he recorded his witness statement dated 29th May, 2023 and wished to adopt it as his evidence in chief and that would be relying on bundle of documents to wit a copy of the certificate of registration, a copy of the certificate of incorporation, a copy of the search certificate and a copy of KRA Pin marked DExh. 1 - 4.
16. He stated that he is the sole proprietor of Paksons Agro Veterinary Solutions it was registered as such on 31st May, 2016 and that he was issued with a certificate of registration number BN/2016/427828 and that the business was incorporated under certificate number PVT-Y2UL7X5L by the Registrar of Companies. He stated that he was diligent and followed the due process in his application for registration of his business name after having searched and reserved the said name at the Company Registry. He stated that his company deals with the distribution of veterinary products and agrochemicals.
17. He stated that he became aware of Paksons Enterprises Limited when he was sued. He stated that he was operating under his company name at the time when the Plaintiff registered his trademark. He stated that he does not operate in Kericho and that the products he sells do not bear the name of the company, he sells products from manufacturing companies, therefore there is no likelihood that the Plaintiff can incur losses through him operating under the name Paksons, coined from Patrick Kipkoech & Sons. He stated that was paying taxes using his company.
18. On cross examination (Dw.1) confirmed that he deals with veterinary products and agrochemicals and that he is based in Narok. Dw. 1 confirmed that prior to registering his company, he exercised due



diligence and did a search at the registrar of companies and trademark. The court directed the parties to file written submissions.

19. The plaintiff filed submissions and asserted that it is the registered owner of trademark ‘Paksons Enterprises Limited’ registered as number 93308 and that the 1st Defendant is infringing on that Trademark using the word ‘Paksons’ which is a common component of the mark. The Plaintiff argued that he produced evidence that the 1st Defendant’s use of the common component of the trademark had been causing confusion and the 1st Defendant had been ostensibly passing off. The plaintiff submitted that section 7 of the Trademarks Act gave the right to the exclusive use of the trademark. The section states

“(1) Subject to the provisions of this section, and of sections 10 and 11, the registration (whether before or after 1st January, 1957) of a person in Part A of the register as the proprietor of a trade mark if valid gives to that person the 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 trade mark or a registered user thereof using by way of permitted use, 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, and in such manner as to render the use of the mark likely to-

- (a) be taken either as being used as a trademark.
- (b) be taken in a case in which the use is upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as licensee to use the trademark or goods with which such a person is connected in the course of trade.
- (c) be taken in a case where the use is use at or near the place where the services are available for acceptance or performed or in an advertising circular or other advertisement issued to the public or any part thereof, as importing a reference to some person having the right either as proprietor or as licensee to use the trade mark or to services with the provision of which such a person as aforesaid is connected in the course of business;
- (d) cause injury or prejudice to the proprietor or licensee of the trademark.” The Plaintiff relied on the case of Landor LLC and Wpp Luxembourg Gamma Sarl v Wagude Lui t/a Landor & Associates & 2 others [2019] eKLR where Justice Tuiyot in finding that the Defendant’s infringed on the Plaintiff’s case using the common word ‘Landor’, observed that ‘Looking at the language used in Section 7, I would have to agree with Counsel for the Plaintiffs that actual deception or confusion need not be proved. It is enough to show that deception or confusion is likely. Nonetheless, there will be occasions when it will be necessary to prove actual deception or confusion. For



instance, where the Plaintiff seeks damages for the infringement. Actual deception or confusion can inform the Damages to be awarded.”

20. The Plaintiff contended that the import of registration of a name that infringes on a Trademark is that the proprietor either changes the name or the Registrar of Companies expunges the same from the Register, he relied on section 58 of the *Companies Act*, 2015 and argued that the registrar to direct the offending name to be changed, the said section states as follows; “(1) The Registrar may direct a company to change its name if it has been registered by a name that is the same as or, in the opinion of the Registrar, too similar to— (a) a name appearing at the time of the registration in the Registrar’s index of company names; or (b) a name that should have appeared in that index at that time.”
21. On the issue of damages, the Plaintiff submitted that Courts have settled on the sum of KES 5,000,000/= as the appropriate damages to award in instances of infringement of a trademark. He relied on the holding of Lady Justice Maureen Odera in *Premier Food Industries Limited v Triclover Industries (K) Limited* [2021] eKLR where she held that: I have considered the authorities cited by the Plaintiffs in support of their claim for damages. In my view it would be fair to assess general damages at Kshs. 5 million. The Plaintiff therefore urged this court to assess damages at above KES 5,000,000/= noting the continuing infringement and the fact that the Defendant was afforded ample time to remedy the infringement and noting that the same has been ongoing unabated for more than 5 years now.
22. The 1st Defendant filed submissions contending that he followed the due process in his application for registration of his business name after having searched and reserved the said name at the Company Registry and he should therefore be absolved from any blame and not penalised for use of the subject name as a result of the registration of the business name/trade mark by both entities.
23. The 1st Defendant contended that he does not manufacture goods rather he receives products or goods already manufactured from manufacturers or suppliers and sells to customers and therefore he was not capable of passing off the said products as those belonging to the Plaintiff.
24. I have considered the application and submissions by the parties and find that the following issue (s) are ripe for determination; whether there is a trademark infringement in respect to word “PAKSONS” which is a common component of the mark, thereby causing confusion to members of the public and whether the Defendant has passed off and/or attempted to pass off their products as those of, sourced from or associated with the Plaintiffs.
25. On the issue as to whether there is a trademark infringement in respect to the word “PAKSONS” which is a common component of the mark, thereby causing confusion to members of the public. It is imperative to point out that registration of trademarks and business names are undertaken by two independent entities that is the Kenya Industrial Property (KIPI) and the Companies Registry respectively. The two bodies are independent of each other, none of the bodies checks with the other body on the availability of a name before it is registered and this is the origin of the conflicting rights in the business names and trademarks.
26. The above notwithstanding, it is not in dispute that the Plaintiff is the registered Proprietor of the Trade Mark “Paksons” and that the registration of the Trade Mark accorded the Plaintiff with exclusive right to use of the name “Paksons” to the exclusion of all. It is not in dispute that there is a glaring similarity between the registered Trade Mark of the Plaintiff and the business name of the 1st Defendant, and that the 1st Defendant sells veterinary products and agrochemicals products over which the Trade Mark is registered and that the use of the name “Paksons” by the 1st Defendant is likely to confuse the relevant market. However, the 1st Defendant put up a formidable defense arguing



that he was operating under his company name at the time when the Plaintiff registered his trademark and therefore this Court is enjoined to consider the Defence of prior use which is codified in section 10 of the *Trade Marks Act* which states that “Nothing in this Act shall entitle the proprietor or a licensee of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior—

- (a) to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his; or
- (b) to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his, whichever is the earlier, or to object (on such use being proved) to that person being put on the register for that identical or nearly resembling mark in respect of those goods under subsection (2) of section 15”.

27. On the issue as to whether the Defendant has passed off and/or attempted to pass off their products as those of, sourced from or associated with the Plaintiff. The Plaintiff argued that the word “PAKSONS” is well known and is distinctive of the goods and services offered by the Plaintiff and which he is licensed to deal in, whereas, the 1st Defendant contended that he does not manufacture goods rather he receives products or goods already manufactured from manufacturers or suppliers and sells to customers and therefore he was not capable of passing off the said products as those belonging to the Plaintiff. Having considered the arguments by both parties, it is the finding of this Court, given the fact that the 1st Defendant does not manufacture, he is not capable of passing off products as those belonging to the Plaintiff.

28. Consequently, action by the amended plaint dated March 7, 2023 is found to be without merit. It is hereby ordered dismissed with no orders as to costs.

DELIVERED, SIGNED AND DATED AT KERICHO THIS 5TH DAY OF DECEMBER, 2024.

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J.K. SERGON

JUDGE

In the Presence of:-

C/Assistant – Langat

No Appearance

Mr. Odhiambo holding brief for Madowo for Plaintiff

