



**REPUBLIC OF KENYA**

**IN THE HIGH COURT OF KENYA AT NAIROBI**

**COMMERCIAL & TAX DIVISION**

**CIVIL SUIT NO.463 OF 2015**

**PREMIER FOOD INDUSTRIES LIMITED.....PLAINTIFF/APPLICANT**

**VERSUS**

**TRICLOVER INDUSTRIES (K) LIMITED.....DEFENDANT/RESPONDENT**

**JUDGMENT**

1. **PREMIER FOODS INDUSTRIES LIMITED** (hereinafter “**the Plaintiff**”) instituted this suit by way of their **Plaint** dated **22<sup>nd</sup> September 2015**. In the said **Plaint** the following orders were sought:-

- (i) **A permanent injunction do issue restraining the Defendant, its servants, employees, representatives and/or agents from erroneously selling, vending, manufacturing, distributing or otherwise the sale from retail, wholesale and any other points of sale of Clovers Lime Juice Cordial or offering for sale or otherwise dealing in any goods alike to that of the Plaintiff.**
- (ii) **A permanent injunction do issue restraining the Defendant, its servants, employees, representatives and/or agents from using the clients trademark and/or any confusing or deceptive mark that directly or substantially is similar to that of the Plaintiff.**
- (iii) **A permanent injunction do issue restraining the Defendant, its servants, employees, representatives and/or agents from using the clients trademark and/or passing off the Defendants product in terms of its representation as that of the Plaintiff.**
- (iv) **A mandatory injunction do issue to the Defendant to remove, take down, destroy, demolish and/or withdraw all its products of Clovers Lime Juice Cordial from any retail, wholesale shops or any points of sale.**
- (v) **An order that profits earned by Defendant by wrongful use of the mark alike to that of the Plaintiff be awarded to the Plaintiff as may be found due on calculating the accounts.**
- (vi) **General damages.**
- (vii) **Interest on iv and v above**
- (viii) **Cost of the suit.**

2. The Defendant **TRICLOVER INDUSTRIES (K) LIMITED** filed a **Statement of Defence** dated **5<sup>th</sup> October 2017** praying that the **Plaintiffs** suit be dismissed in its entirety and that the costs be awarded to the Defendant. The hearing of the suit commenced before this Court on **25<sup>th</sup> March 2019**. The **Plaintiff** called three (3) witnesses in support of its case and similarly the **Defendants** called three (3) witnesses.

**THE EVIDENCE**

3. **PW1 MORRIS KIMATHI** was the Sales Manager at the **Plaintiff’s** Company. The witness relied entirely upon his written statement dated **23<sup>rd</sup> July 2018**. **PW1** told the Court that the **Plaintiff** is a leading food processing company in Kenya and has since the **1930’s** been involved in the manufacture of a variety of products which include the **PEP** Brand of products.

4. **PW1** stated that the **Plaintiff** is the proprietor owner and controller of the product known as ‘**Pep Lime Juice Cordial**’ which product has had a firm presence in the Kenyan market for thirty-five (35) years since the year **1990**. That the **Plaintiff** has expended colossal sums of

money, time and effort in publishing promoting and marketing of its brand of fruit juices and that **'PEP Lime Juice'** is a very well known brand which is distinctive in fruit drinks and fruit juices and is distributed exclusively by the Plaintiff.

5. **PW1** stated the Plaintiff is the registered proprietor of Trademark Number **74466** consisting of Trade Mark **'Pep Lime Juice Cordial'** pursuant to **Class 32, Schedule III** of the **Trade Mark Rules** made under the **Trade Marks Act, Cap 506 Laws of Kenya**. **PW1** further stated that the Plaintiffs Lime Juice product bore the following details:-

- (a) **Its white bottle top is wrapped in a white wrapper with red "PEP" logo which is slanted and it proliferates on the said bottle top.**
- (b) **The upper part of the bottle is oval shaped with elongated oval designs.**
- (c) **That the lower part of the bottle is characterized by rings round the bottle.**
- (d) **The logo comprises of a thick dark green line followed by a thin light green line which is inverted to accommodate the word "PEP".**
- (e) **The name "PEP" being at the centre of the logo is in a red background on a white print.**
- (f) **The name Limejuice in dark green being at the center of the logo.**
- (g) **Two halves of a lime placed on top of three leaves.**
- (h) **There is a splash surrounding the two halves of lime on leaves.**
- (i) **That the print out has been registered as the logo for the product "PEP LIMEJUICE CORDIAL."**

6. The witness went on to state that sometime in **March 2015** the Defendant also began to sell its product known as **"Clovers Lime Juice Cordial."** That the visual representation of the Defendants lime juice product was deceptively and craftily similar to that of the Plaintiffs lime juice which was being marketed under the trademark **'Pep Lime Juice Cordial.'** That the appearance of the Defendants product **'Clovers Lime Juice Cordial'** was likely to deceive and/or cause confusion to the purchasing public by passing off as the Plaintiffs **'Pep Lime Juice Cordial.'**

7. **PW1** told the Court that the Defendants product bore the following features:-

- (a) **Its white bottle top is wrapped in a white wrapper with red "Clovers" logo which is slanted and it proliferates on the said bottle top.**
- (b) **The upper part of the bottle is oval shaped with elongated oval designs.**
- (c) **That the lower part of the bottle is characterized by rings round the bottle.**
- (d) **The logo comprises of green background of different shades of green with dark green forming a lower and upper part of the logo, a thin line of light green immediately after the dark green part.**
- (e) **The name "Clovers" is in dark red background on a white print with a white shade line surrounding of the said logo.**
- (f) **The said log "Clovers" is at the upper-center part of the print.**
- (g) **The name Lime is in dark green being at the centre of the logo with pronounced shades of white.**
- (h) **Two halves of a lime placed on top of three leaves.**
- (i) **The colour of the product is similar to the Plaintiff's product.**
- (j) **There is a splash at the top left end of the bottle surrounding the two halves of lime on leaves.**
- (k) **The said print does not form part of what is registered for the trademark."**

**(A photograph showing the two products and their similarity in representation is presented as Document number 2 on the Plaintiff's List and Bundle of Documents filed on 25<sup>th</sup> September 2015).**

8. **PW1** went on to state that a search at the relevant registry revealed that the Defendant had its own Trade Mark in **Class 32** registered under **Number 79024** which bore features which made it distinct from the Plaintiffs registered Trade Mark logo being that the Defendants mark was set against a blue background, and that the name **'Clovers'** is in a red background made in white print and a yellow oval shape round the logo. However for reasons best known to themselves the Defendants diverted from use of its lawfully registered Trademark which

was very distinguishable from the Plaintiffs registered trade mark the use of which would have avoided the current suit. That the Defendants action in diverting from its own registered trade mark and instead using a get-up almost identical to the Plaintiffs trade mark was a calculated move designed to mislead, deceive and cause confusion in the minds of the Plaintiffs loyal clientele.

9. **PW1** accuses the Defendant of attempting to pass off its product as that of the Plaintiff through its choice of colour (red background and name in white) similar to the Plaintiffs logo and trade mark. That the Defendants continuous use of the falsified and illegal Trademark which is so similar to the Plaintiffs Trademarks is a ploy to deliberately confuse consumers thereby unlawfully obtaining benefit of the Plaintiffs good will and reputation. That the Defendants actions amount to an infringement of the Plaintiffs Trademark for which the Plaintiff now seeks redress.

10. **PW1** stated that the Defendants actions has affected the Plaintiffs market sales causing a drop in sales by approximately **16%** in the period **2013 to 2014** and a drop of approximately **25%** during the period **2014 to 2015**. **PW1** urges the Court to step in and stop the Defendants continued illegal actions so as to prevent continued losses to the Plaintiff. It is urged that the confusion caused in the market already has / or is likely to occasion prejudice to the Plaintiffs business by diverting customers from the Plaintiffs products to the Defendants products since the product of both parties are sold along the same shelf line in supermarkets and shops country wide. That if the Defendant is allowed to continue with such practices the Plaintiff will continue to sustain high loss injury and legal damage.

11. **PW2 MUTHONI KARIUKI** told the Court that she was a businesswoman running a small Wines and Spirits shop in Kasarani. **PW2** told the Court that she wrote to the **Premier Foods Limited**, a letter dated **11<sup>th</sup> March 2019** regarding the confusion created by the two brands of Lime Juice Cordial. She stated that she had on several occasions confused the Defendants brand with that of the Plaintiff.

12. **PW3 PAULINE OGAKI NYAKONI** told the Court that she was a student pursuing a **Bachelor of Commerce** in Marketing, at **Moi University**, Main Campus in Nairobi. **PW3** told the Court that she wrote to the Plaintiffs the letter dated **25<sup>th</sup> February 2019** (See Plaintiffs further List of Documents filed on **21<sup>st</sup> March 2019**). In that letter **PW3** alerted the Plaintiffs about a product under the brand name **'Clovers'** which was similar to the Plaintiffs product. **PW3** stated that she had on several occasions mistakenly purchased **Clovers Lime Juice** when she actually intended to buy **Peptang Lime Juice**.

13. **DW1 EUNICE NJUGUNA** told the Court that she was a **Registrar of Trade Marks** at the **Kenya Industrial Property Institute** (hereinafter **'KIPI'**). **DW1** explained to the Court the process by which Trade Marks are registered. That once an application for registration of a Trade Mark is received by **KIPI** a check is done to ensure that the proposed Trade Mark is not identical or similar to an already existing or pending Trade Mark. Approval is then given and a period of **sixty (60) days** is allowed for any opposition. If no opposition is registered then a Certificate whose validity lasts for **ten (10) years** is issued. In the event that any opposition to the Trade Mark is received then **KIPI** will hear and determine the dispute before the Trade Mark can be registered.

14. **DW1** told the Court that she issued and signed the **certificates for use in legal proceedings** in respect of the following marks:-

(i) **Clovers – Trade Mark No. 22092**

(ii) **Clovers (in a red background ringed with yellow) – Trade Mark No. 79204**

(ii) **Pep Lime Juice – Trade Mark No. 74466**

(iv) **Mega Lime Cordial – Trade Mark No. 76106.**

*(Copies of all the four Certificates mentioned above are contained in the Defendants Further List of Documents filed on 8<sup>th</sup> October 2018)*

15. **DW2** went on to confirm that the Defendants had applied for a search on the Mark **"Lime Juice Cordial"** vide the letter dated **24<sup>th</sup> July 2016**. **KIPI** confirmed that several other Trade Marks existed bearing the words **'Lime'** **'Juice'** and **'Cordial'** and that the term **"Lime Juice Cordial"** was **NOT** a Trade Mark exclusively held by any person and/or entity. **DW1** went on to confirm that **'Clovers Lime Juice'** and **'Pep Lime Juice'** were **BOTH** registered as Trade Marks because the words **'Clovers'** and **'Pep'** distinguish between the two products. (A depiction of the two bottles appears at page 1 of the Plaintiffs Bundle of Documents filed on **25<sup>th</sup> September 2015**).

16. **DW2 BRUCE OKOYO** told the Court that he has owned and runs a Wines and Spirits business since **2015** with outlets in two locations, **Nairobi West** and at **Imara Daima**. **DW2** told the Court that he stocks various different brands of lime juice in his shops as lime juice is often used as a mixer for alcoholic beverages. **DW2** stated that he stocks both **'Clovers'** and **'Pep'** brands and according to him the sales for the **'Pep'** brand have remained consistent even after the introduction of the **'Clovers'** brand. **DW2** asserts that the two brands are easily distinguishable by the names and that in his experience, his customers have had no difficulty in distinguishing between the two brands.

17. **DW3 MUZAHIR BHAIJEE** is the Operations Manager for **Triclover Industries** (the Defendant herein). The witness relied on his written statement dated **5<sup>th</sup> October 2017**. **DW3** stated that the Defendant is a private limited liability company, registered in Kenya, which company has since the year **1982** been trading in foods, products, cosmetics, laundry, starch etc.

18. **DW3** told the Court that the Defendant is the registered proprietor of the Trademark name **'Clovers'** which Trademark is registered as Number **079204**. That the Defendant company markets its products under its brand name **'Clovers'** which consists of the name placed against a red oval background. **DW3** insists that the Defendants products are easily and readily distinguishable from other products by its logo and name and hence cannot be confused with other products in the market.

19. **DW3** goes on to state that despite the Plaintiff and the Defendant both selling lime juice, the two companies sell their products under different names and logos. **DW3** further asserts that the similarities in the wording used on their bottles '**LIME**' '**CORDIAL**' '**JUICE**' and the device of a lemon fruit are generic in nature and cannot be exclusively claimed by the Plaintiff. That in any event the Plaintiffs registration of a Trade Mark cannot be deemed to extend to the mode of packaging and/or bottling of the lime juice.

20. **DW3** denies that the two products are confusingly similar as the products bear totally different and easily distinguishable names being "**Clovers**" for the Defendants product and "**PEP**" for the Plaintiffs product. **DW3** concludes that the Plaintiff cannot lay claim to the exclusive use of generic terms or devices but can only lay claim to exclusive use of its registered Trade Mark which **DW3** asserts the Defendant has **not** interfered with in any manner whatsoever. Therefore **DW3** prays that the Plaintiffs suit be dismissed in its entirety with costs being awarded to the Defendant.

21. Upon the close of oral evidence the parties were invited to file and exchange written submissions. The Plaintiff filed its written submissions on **28<sup>th</sup> January 2020**. The Defendant in turn filed submissions dated **27<sup>th</sup> May 2020**. Due to the interruption to Court sessions caused by the **Covid-19 Pandemic** it was not until **August 2020** that the Court was able to hear the highlighting of the written submissions. Thereafter due to a family illness which required my personal attention I have been unable to prepare the Judgment sooner. Any inconvenience caused to the parties is regretted.

### ANALYSIS AND DETERMINATION

22. I have carefully considered the evidence on record in this matter as well as accompanying documents and the written submissions filed in the matter. It is trite law that he who alleges must prove. The **Evidence Act**, places the burden of proof of any fact on the person who wishes to rely on the same. **Section 107** of the **Evidence Act** provides as follows:-

#### **"Burden of proof**

- (1) Whoever desires any Court to give judgment as to any legal or liability dependent on the existence of facts which he asserts must prove that those facts exist.**
- (2) When a person is bound to prove the existence of any fact it is said that the burden of proof lies on that person."**

23. Three issues arise for determination in this suit as follows:-

- (i) Whether the Defendant has infringed upon the Plaintiff's Trademark.**
- (ii) Whether the Defendant has been passing off its product as that of the Plaintiff.**
- (iii) Whether the Plaintiff is entitled to the orders sought in the suit.**

#### (i) INFRINGEMENT OF TRADEMARK

24. **Section 2** of the **Trade Marks Act** defines a **Trade Mark** as follows:-

**"Trade mark" means, (except in relation to a certification trade mark) a mark used or proposed to be used-**

**(a) in relation to goods for the purpose of indicating a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any indication of the identity of that person or distinguishing goods in relation to which the mark is used or proposed to be used from the same kind of goods connected in the course of trade with any person;**

**(b) in relation to services for the purpose of indicating that a particular person is connected, in the course of business, with the provision of those services, whether with or without any indication of the identity of that person or distinguishing services in relation to which the mark is used or proposed to be used from the same kind of services connected in the course of business with any other person;**

25. **Section 2** of the **Act** also defines a '**mark**' as follows:-

**"mark" includes a distinguishing guise, slogan, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof whether rendered in two-dimensional or three-dimensional form;**

A **distinguishing guise**, is defined in the **Act** thus:-

**"Distinguishing guise", in relation to goods, means the shape or configuration of containers of the goods."**

26. It is not in any dispute that the Plaintiff is the registered proprietor of the registered Trade Mark **No. 74466** which bears the use of the words '**Pep Lime Juice Cordial**' together with the device of **two halves of a lime** above three leaves, which Trademark was registered under **Class 32**. The said Trade Mark having been renewed is valid until **23<sup>rd</sup> March 2022**. A copy of the registered Trade Mark is annexed

(Annexure 'SD1') to the Supporting Affidavit dated 23<sup>rd</sup> September 2015.

27. It is also not in dispute that the Defendant is the Registered Proprietor of the Trade Mark No. 22092 which Trade Mark has also been renewed severally. A copy of the Trademark Certificate is annexed to the Statement of Defence dated 5<sup>th</sup> October 2017. Indeed DW1 a Registrar of Trademarks confirmed to the Court that KIPI did register both the Plaintiffs and the Defendants respective Trade Marks.

28. Section 7(1) of the Trademark Act, Cap 506, Laws of Kenya provides as follows:-

**“Subject to the provisions of this section and of sections 10 and 11, the registration (whether before or after 1<sup>st</sup> 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 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 trade mark;**

**(b) be taken in 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 registered user to use the trademark or goods with which such a person is connected in the course of trade;**

**(d) cause injury or prejudice to the proprietor or registered user of the trade mark”.**

29. Therefore Section 7(1) of the Trademark Act provides that registration by a person as the proprietor of a trademark if valid gives to that person the **exclusive right to use the said trademark**. Any person who not being the proprietor or registered user of a Trademark, uses a mark which is identical to or so nearly similar as to be likely to deceive or cause confusion in the minds of consumers in the course of trade or in connection with the goods or services in question is said to have infringed that trademark. In the case of **PHARMACEUTICAL MANUFACTURING COMPANY –VS- NOVELTY MANUFACTURING LTD HCCC NO. 746 OF 1998**, Hon. Justice Aaron Ringera (as he then was) held as follows:-

**“3. Registration of a trademark confers the right of exclusive use of the mark. Infringement of the trademark is a tort of strict liability. Intention and motive are irrelevant considerations.”**

**4. “Since the right to a trademark is a statutory one, acquiescence cannot constitute an estoppel or any other defence which the statute itself does not recognize.” [emphasis mine]**

30. The Plaintiff is the proprietor of Trademark No. 74466 a mark which bears the words **“Pep Lime Juice Cordial”**. DW1 conceded that the words **‘Lime and Juice’** are generic terms which have been utilized in several other registered trademarks. Further the Plaintiffs trademark had a disclaimer entered to the effect that neither the words **‘Lime’, ‘Juice’ ‘Cordial’** and/or the device of a lemon fruit cut in half are protected as marks exclusive to the Plaintiff. The Disclaimer reads as follows:-

**“REGISTRATION OF THIS MARK SHALL GIVE NO RIGHT TO THE EXCLUSIVE USE OF THE WORDS LIME JUICE CORDIAL AND THE DEVICE OF A LEMON FRUIT CUT IN HALF WITH LEAVES SEPERATELY AND APART FROM THE MARK AS A WHOLE.”**

31. Likewise in her evidence DW1 stated that:-

**“... there are several other trademarks bearing the words “Lime Juice Cordial”. The term line juice cordial is not distinctive ...”**

The witness went on to state under cross-examination that:-

**“... The proprietor has exclusive use of the Trade Mark as a whole as depicted, but anyone else can use the disclaimed words and picture. Only the mark as a whole is protected ....”**

32. PW1 for the Plaintiff conceded that several other products in the market bear the words **‘Lime Juice Cordial’** eg. **Quenchers Line Juice Cordial, Marche Lime Juice Cordial** and **Savanna Lime Juice**. The Plaintiffs have no quarrel with **Quenchers** or **Merche** or **Savanna** as their entire packaging and get up is entirely distinctive from that of the Plaintiff.

33. Therefore the Plaintiff can only claim exclusive use to its entire get up or mark but not to the generic words and devices. Under cross examination PW1 admitted that the Plaintiff had no exclusive right to the use of the words **‘lime’ ‘juice’ cordial’** or the device of a lemon cut in half. The Plaintiffs only have the right to exclusive use of the word **‘PEP’**. As such I find that there has been no infringement by the Defendant of the Plaintiffs registered Trade Mark.

**(ii) PASSING OFF**

34. **Black's Law Dictionary 8<sup>th</sup> Edition** defines "Passing-Off" as *"the act or an instance of falsely representing one's own product as that of another in an attempt to deceive potential buyers. It is actionable under the law of unfair competition. It may also be actionable as a trade mark infringement."*

35. A passing off claim is the right of a trader to bring a legal action for the protection of goodwill. It is actionable under the Law of Unfair Competition and as a Trademark Infringement. The elements required to prove an action for passing off were set out in the case of **RECKITT & COLMAN PRODUCTS LTD –VS- BODEN INC & OTHERS 1990 R.P.C. 34** where it was held as follows:-

**"The law of passing off can be summarized in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the Plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get up"(whether it consists simply of a brand name or a trade description, or the individual features of labelling or packing) under which his particular goods or services are offered to the public, such that the get up is recognized by the public as distinctive specifically of the Plaintiff's goods or services. 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. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the Plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a 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 good or services is the same as the source of those offered by the Plaintiff".**

36. In support of its contention that the Defendants are engaged in passing off its product as that of the Plaintiff, the Plaintiff herein points to various features of the two bottles of lime juice. In **paragraph 15** of the Further Affidavit dated **25<sup>th</sup> November 2015** sworn by **SUNDARARAMAN DHARMARAJAN** the aspects which are likely to cause deception and confusion were stated as follows:-

**(a) The bottle top both names appear in the same colour scheme and design-white background with brand name written in colour red in a slanted manner proliferating around the bottle top;**

**(b) The bottle is exact the same design;**

**(c) The brand names are placed at the centre of the get up, both in red background and written in colour red;**

**(d) The word lime cuts across the get up and or logo;**

**(e) Both have two slices of lime and or lemon placed on leaves on a splash that spreads across the whole get up and or logo; and**

**(f) Both get up and logo have colour green and yellow with the colour green having different shades."**

37. **PW1** in his written statement dated **23<sup>rd</sup> July 2018**, stated that the Defendants logo for its '**Clovers Lime Juice Cordial**' the choice of colours being red background with white lettering was so similar to the Plaintiffs logo and trademark as to amount to an attempt by the Defendant to pass off its product as that of the Plaintiff.

38. The Plaintiff submits that this is a classic case of passing off where the Defendant is depicting its goods as those of the Plaintiff. That the products are indistinguishable due to the similarity in Trade Mark and an average customer would not be able to tell the difference between the two. Indeed these were the concerns raised by **PW2** and **PW3** in the letters they wrote to the Plaintiff with **PW3** even stating that one mistakenly picked up a bottle of '**Clovers Lime Juice**' when her intention was to purchase '**Pep Lime Juice.**' **PW2** told the Court that one would need to look very carefully at the two bottles before being able to distinguish between them.

39. On its part the Defendant submits that the tort of passing off can only be found to exist in a situation where the Plaintiffs Trade Mark was **not** registered. That in view of the fact that the Plaintiff has registered their Trade Mark the claim ought to be restricted to infringement of Trademark only. Notwithstanding the above submission the Defendant submits that it has not been engaged in passing off its goods at those of the Plaintiff. The Defendant submits that its product is in no way similar to that of the Plaintiff and as such is not likely to cause any confusion in the minds of the public.

40. In order to determine whether a similarity in marks is likely to cause confusion guidance is provided by the case of **SABEL BV –VS- PUMA AG RUDOLF DASSLER SPORT, Case C-251/95** in which it was held as follows:-

**"The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case. That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive – "...there exists a likelihood of confusion on the part of the public..." – shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details". [own emphasis]**

41. Further in the case of **E.A. INDUSTRIES LTD –VS- TRUFOODS LTD [1972]E.A. 420** the Court of Appeal of Kenya held as follows:-

**“One trader does not exactly copy the labels and get up of another, but a purchaser, at least of ordinary day-to-day goods, cannot be expected to make a careful examination of labels and packing. The degree of care which he exercises will normally be related both to the cost of the article and to his own personal interest in it. I think that practically every passing-off action is based on an assumption of some degree of carelessness on the part of customers and the question in any particular case is whether that degree of carelessness is reasonable in the circumstances.” [own emphasis]**

42. The Plaintiffs case is that its **‘Pep Lime Juice Cordial’** is a very well known brand which has been in the market for the past 25 years. That said brand is distinctive in fruit juices and the introduction by the Defendant of its brand has led to confusion and deception in the market. In **CUT TOBACCO KENYA LTD –VS- BRITISH AMERICAN TOBACCO (K) LTD [2001]eKLR** the Court stated as follows:-

**“In other words the learned judge concluded that the “get-up” of the ‘Horseman’ brand of cigarettes was calculated to deceive the ‘Sportsman’ cigarette consuming public. He did so after applying the standard or burden of proof applicable at a trial. He quoted from a decision of the High Court of Uganda namely the case of *Aktiebolaget Jonkeping – Vulcan Industrietsfabriksatebolag vs East African Match Company [1964] EA 64* wherein at page 67 Udo Udoma CJ stated:**

**“As a general proposition of law, I think I am right in stating that the burden of satisfying the Court that there has been an infringement of its trade mark is on the plaintiff company. It is for the plaintiff company to prove that there is a resemblance between the two marks, and that such resemblance is deceptive. It is also a well-established principle of law that it is the duty of the judge to decide whether the trade mark complained of so nearly resemble the registered trade mark as to be likely to deceive or cause confusion in the minds of the public. From that duty the judge cannot abdicate.” [own emphasis]**

43. The Defendant sought to rely on the evidence of **PW2** who claimed to run a Wines and Spirits business in Nairobi. **DW2** told the Court that the two products were easily distinguishable and that the Defendants product could not be confused with that of the Plaintiff. Firstly **DW2** did not tender before the Court any evidence e.g. licences to support his claim that he runs two Wines and Spirits outlets in Nairobi. Secondly **DW1** did not tender any evidence eg stock lists to prove that he actually stocks and/or purchases either the Plaintiff or the Defendants products. Therefore the evidence of **DW2** must be taken with a pinch of salt.

44. The Court was able to view the two products of which both were produced physically in the Court. There can be no doubt that the Defendants product bears several similarities with the Plaintiffs brand not least being the fact that the Defendant decided to bottle its product in a bottle of similar shape, height and width as the bottle used by the Plaintiff. At first glance the two bottles appear identical. In my view those similarities are likely to cause confusion to the buying public. In **AMRITDHARA PHARMACY –VS- SATYA DEO GUPTAAR 1963 Sc 449**, the Court held that:-

**“... The question whether a trade name is likely to deceive or cause confusion by its resemblance to another already registered is a matter of first impression and one for decision in each case and has to be decided by taking an overall view of all the circumstances. The standard of comparison to be adopted in judging the resemblance is from the point of view of a man of average intelligence and imperfect recollection.” [own emphasis]**

45. It is more intriguing that the mark being used by the Defendants on their bottles which are exhibited in the supermarkets **is not** the logo which the Defendants registered with **KIPI** which registered logo is depicted in the Further Affidavit dated **25<sup>th</sup> November 2015**. The logo which the Defendants registered for their lime juice has **blue background** with the name **‘Clovers’** in **white lettering** against a **red background** with a **yellow ring** around it. The product being presented for sale by the Defendant has a different logo. It does not have the blue background or the yellow ring. Why would the Defendants have chosen to deviate from use of the Trade Mark which they had themselves registered. **DW1** the Registrar of Trademarks confirmed to the Court that the mark which the Defendants had registered was **not** the mark which appeared on the bottle depicted as annexure **SD’2’** in the annexures to the Supporting Affidavit dated **23<sup>rd</sup> September 2015**. The only reason the Defendants would run away from their own registered mark which was different and distinct from the Plaintiffs registered mark is because their **intention** was to misrepresent its goods as that of the Plaintiff by confusing the public and passing off their product as that of the Plaintiff. An average customer would not in my view be able to easily differentiate between the two products.

46. In the Ugandan case of **BRITANIA ALLIED INDUSTRIES LTD –VS- AYA BISCUITS (U) LTD (HCT – 00 – CC- CS-024) [2012] UGCOMM 61 (9 June 2012)** the Honourable Court adequately described passing off thus:-

**“Passing off is a tort developed out of deceit. It can be described as the common law from of trade mark law but with wider coverage. The law of passing off and trade mark law have common roots and therefore are in many respects similar.**

**The main point about passing off is that goodwill has been established by one trader and that another trader is trying to take advantage of that goodwill to cash in on it to the detriment of the first trader.” [own emphasis]**

47. Likewise in **STRATEGIC INDUSTRIES LIMITED –VS- SOLPHIA KENGA LIMITED [2017]Ekler** the Court state as thus:-

**“In dealing with a case of passing off the test that the Court is required to apply is whether the mark has sufficient similarity with the overall appearance, covering the same commodity, similar words of look that would cause confusion to the ordinary customer...”** The Court went on to state that:

A cause of action for passing-off is a form of intellectual property enforcement against the unauthorized use of a trade name or get-up which is considered to be similar to that of another party's product and use like words, the grounds upon which a claim for passing-off may be considered, were set out in the *locus classicus* cases of *A.G Spalding Brothers –vs- A W Gamage Ltd & Another* (1914 -15) All ER Rep 147; (1915) 32 RPC 272 HL which laid down the essentials of a passing off action as follows;

- a) A misrepresentation
- b) Made by a trader in the course of trade
- c) To prospective customers of his or ultimate consumers of goods or services supplied to him.
- d) Which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and
- e) Which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timed action) will probably do.”

48. The only conclusion this Court can draw is that the Defendant deliberately set about crafting the get up (general appearance) of its product to be similar to the Plaintiffs product with the express intention of passing of their product as that of the Plaintiff. The essential of a passing off acting were established in the case of **BEIERSDORF EAST AFRICA LIMITED –VS- EMIRCHEM PRODUCTS LIMITED [2002]eKLR** as follows:-

- (a) Must establish a goodwill or reputation attached to the goods or services which he supplies;
- (b) Must demonstrate that the Defendant had, whether or not intentionally, made representations to the public leading them to believe that the Defendant's goods and services were the Plaintiff's; and
- (c) Must demonstrate that he has suffered or in a quia timed action was likely to suffer damage because of the erroneous belief engendered by the Defendant's misrepresentation.”

#### **(1) GOOD WILL**

49. The Plaintiffs product has been in the market for over 35 years. The Plaintiff first registered its brand in 1941. PW1 the Registrar of Trademarks confirmed that the Defendant applied to register its Trademark well after the Plaintiff had registered their mark. The question of what constitutes good will was answered in the case of **COMMISSIONERS OF INLAND REVENUE –VS- MULLER & COMPANY'S MARGARING 1901 AC** where it was held thus:-

**“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates.”**

The Court proceeded to state that:-

**“In other words, it can be said that, goodwill is the attractive force attached to the name, get-up or logo which brings in custom. The onus is therefore on the Plaintiffs to establish this goodwill as a key ingredient to a passing off action.”** [own emphasis]

50. The nature of a proprietary right was defined in the case of **HP BULMER LTD –VS- BOLUNGER SA [1978]RPC 79** as follows:-

**“A man who engages in commercial activities may acquire a valuable reputation in respect of the good will in which he deals or of the services which he performs or of his business as an entity. The law regards such reputation as an incorporeal piece of property, the integrity of which the owner is entitled to protect.”** [own emphasis]

51. Finally in the Ugandan case of **ZENECA LTD –VS- VISI ENTERPRISES LTD HCCCS No. 842/94** it was held that 25 years was sufficient period for a product to acquire reputation and good will. Based on the above I am satisfied that the Plaintiffs have proved good will.

#### **DAMAGES**

52. The Plaintiff has sought to be awarded general damages. In an action based on tort the Court has the discretion to determine the quantum of damages payable depending on the circumstances of each particular case. In **GERBER –VS- LECTRA [1995]R.P.C 385** the five (5) principles applicable in the assessment of damages were set out as follows:-

- (a) Damages are compensatory only, to put the Claimant in the same position he would have been in had the wrong not been

sustained;

**(b) The burden of proof lies on the Claimant, but damages are to be assessed liberally;**

**(c) Where the Claimant has licensed his right, the damages are the lost loyalty;**

**(d) It is irrelevant that the Defendant could have competed lawfully; and**

**(e) Where the Claimant has exploited his right by his own sales, he can claim lost profit on sales by the Defendant he would have made otherwise, and lost profit on his own sales to the extent that he was forced by the infringement to reduce his own price.**

53. By Prayer (v) of their Plea the Plaintiffs have sought to be awarded the profits wrongfully earned by the Defendant through the wrongful use of the mark similar to that of the Plaintiff as may be found due on calculating accounts. The Plaintiff has not specified the amount being claimed under this head. They only claim a loss of profits due to a drop in sales of the period **2013 to 2015** after the introduction into the market of the Defendants product. The Plaintiff sought to rely on the tabulation annexed to the Supporting Affidavit of **SUNDARAMAN DHARMARAJAN** dated **25<sup>th</sup> November 2015** (Anenxture '**SD-4**') as proof of the loss of profits which it incurred. However no explanation or justification for these figures has been provided to the Court. No proof has been availed that such loss of profits actually occurred. The Plaintiff did not produce their audited accounts for the periods in question nor did they call an Accountant to testify on their behalf. I find that this claim has not been proved on a balance of probability and according I dismiss prayer (v) of the suit.

54. 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. 5.0 million**. Accordingly the present suit succeeds and I hereby make the following orders:-

**(a) A permanent injunction be and is hereby issued restraining the Defendant , its servants, employees, representatives and/or agents from erroneously selling, vending, manufacturing, distributing or otherwise the sale from retail, wholesale and any other points of sale of Clovers Lime Juice cordial or offering for sale or otherwise dealing in any goods alike to that of the Plaintiff.**

**(b) A permanent injunction be and is hereby issued restraining the Defendant, its servants, employees, representatives and/or agents from using the Plaintiff's Trade Mark and/or any confusing or deceptive mark that directly or substantially is similar to that of the Plaintiff.**

**(c) A permanent injunction be and is hereby issued restraining the Defendant, its servants, employees, representatives and/or agents from using the Plaintiffs Trade Mark and/or passing off the Defendant's product in terms of its representation as that of the Plaintiff.**

**(d) A mandatory injunction be and is hereby issued to the Defendant to remove, take down and withdraw all its products of Clovers Lime Juice Cordial from any retail, wholesale, shops or any points of sale.**

**(e) The Defendant is hereby directed to pay to the Plaintiff General Damages in the amount of Kshs. 5,000,000/-.**

**(f) Interest shall accrue on (e) above at court rates from the date of this judgment until payment in full.**

**(g) Costs of this suit are awarded to the Plaintiff.**

Dated in Nairobi this 5<sup>TH</sup> day of FEBRUARY, 2021.

.....

MAUREEN A. ODERO

JUDGE