



**Buupass Kenya Limited v Buspass Limited (Civil Case E144 of 2021)
[2021] KEHC 341 (KLR) (Commercial and Tax) (9 December 2021) (Ruling)**

Neutral citation: [2021] KEHC 341 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)
COMMERCIAL AND TAX
CIVIL CASE E144 OF 2021
WA OKWANY, J
DECEMBER 9, 2021**

BETWEEN

BUUPASS KENYA LIMITED APPLICANT

AND

BUSPASS LIMITED RESPONDENT

RULING

1. The applicant herein, Buupass Kenya Limited, filed the application dated 23rd March 2021 seeking the following orders: -
 1. Spent.
 2. Spent.
 3. Pending the hearing and determination of this application, a temporary injunction do issue compelling the Defendant/Respondent whether by itself, its directors, officers, employees, servants/agents, licensees, franchisees or anyone claiming under them howsoever to forthwith cease trading, promoting, advertising, marketing, carrying on business and/or any other trade documents of any nature with the Plaintiff/Applicant's Trade name and mark namely "Buupass" or the name "Buspass" which creates confusion with the Plaintiff/Applicant's registered trade mark "Buupass".
 4. Pending the hearing and determination of the suit herein an injunction do issue restraining the Defendant/Respondent whether by itself, its directors, officers, employees, servants, agents, licensees, franchisees or anyone claiming under the them howsoever from infringing and/or passing off the Plaintiff/



Applicant's intellectual property rights over the Applicant's registered Trade mark namely "Buupass" and registered under Registration Number 97821.

5. Pending the hearing and determination of the suit herein an injunction do issue compelling the Defendant/Respondent whether by itself, its directors, officers, employees, servants/agents, licensees, franchisees or anyone claiming under them howsoever to forthwith cease trading, promoting, advertising, marketing, carrying on business and/or any other trade documents of any nature with the Plaintiff/Applicant's Trade name and mark namely "Buupass" or the name "Buspass" which creates confusion with the Plaintiff/Applicant's registered trade mark "Buupass".
 6. Pending the hearing and determination of the suit herein a mandatory injunction do issue compelling the Defendant/Respondent to forthwith destroy all documents, publicity material and any other thing in the Defendant/Respondent's possession marked "Buupass" or "Buspass" which creates confusion and infringes on the Plaintiff/Applicant's registered trade mark.
 7. Costs of and incidental to this application be provided for.
2. The application is brought under Sections 7 & 8 of the [Trademarks Act](#) Cap 506, Sections 1A, 1B, 3A and 63 (e) of the [Civil Procedure Act](#), and Order 40 Rules 2(1), (2) and 10 of the [Civil Procedure Rules](#).
 3. The application is supported by the affidavit of Wyclife Omondi and is based on the following grounds;
 1. The Applicants the registered proprietor of the Trade Mark Number 97821; known as Buupass registered under Class 9 {Downloadable Software for urban commuters to pre- book and pay using mobile phones, electronic tickets, tickets in the form of magnetic cards} and Class 39 {Providing an SMS based ticketing platform for urban commuters to pre- book public buses and pay using mobile phones, computer ticket booking services for travel.
 2. The Applicant's Trade Mark was registered on 29/06/2017 for a 10-year period expiring on 29/06/2027.
 3. The proprietorship of the Applicant's Trade Mark has not been subject of any or any successful challenge by any other person(s) and the Applicant therefore has an exclusive legal right to enjoy the rights under the registration of the Trade Mark.
 4. The Applicant utilizes the registered Trade Mark for the provision of online ticketing services, a sector in which it has not only been a pioneer of, but also acquired a remarkable reputation and immense goodwill.
 5. The Respondent, in a deliberate move to create confusion to the Applicant's customers and unfairly leverage on the Applicant's reputation and goodwill, was incorporated on 27/11/2020 and has been trading as such in the offering of online public transport ticketing services in Kenya.
 6. The Respondent's name- "Buspass", attributes and design of trade resembles and is identical and/or so similar to the Applicant's Trade Name and Mark



and/or deliberately designed so as to be an infringement and/or passing off of the Applicant's Trade Mark.

7. The Applicant has become aware that the Respondent has been misrepresenting to the public and using its said name "Buupass" and the Respondent's name "Buspass" at times interchangeably on various social media sites including Face book and Google Play store Application and offering physical advertisements on other platforms such as Citi Hoppa buses to cause confusion in blatant attempts to pass off the Respondent's services as that of the Applicant herein, an action in infringement of the Applicant's Trade Mark.
 8. The Respondent's unlawful actions are causing serious business damage to the Applicant's business in unlawful business poaching and predatory tactics being employed by the Respondent targeting the Applicant's customers and unsuspecting members of the general public.
 9. The Respondent's continued violation of the Applicant's Trade Mark and intellectual property rights puts at risk the Applicant's market reputation and exposes it to unquantifiable risk and loss.
 10. The trade design of using the names "Buupass" and "Buspass" interchangeably, utilizing and/or disguising the Applicant's location and copying the Applicant's mode of trade is not only deceptive but also calculated to cause confusion among the public, especially the Applicant's customers by misrepresenting that the Respondent's services are alike to and related with those of the Applicant.
 11. The Applicant has not licensed, neither has the Respondent sought to be granted permission or license to utilize, copy or modify the Applicant's lawfully registered and protected trade mark.
 12. Unless this Honourable court restrains the Respondent's illegal actions, the Respondent is likely to continue passing off the Applicant's Trade Name and Mark resulting to further misrepresentation and confusion in the market between the Applicant's and the Respondent's online ticketing services which would cause irreparable damage to the Applicant.
 13. If the orders sought herein are not issued as prayed, the Applicant stands to suffer substantial and irreparable loss such that even if the cause of action herein is successful, the damage occasioned would be irreversible and damages would not be sufficient to compensate the Applicant.
 14. The Respondent will suffer no prejudice if the offending actions and/ or practices are restrained as sought herein through injunction.
 15. It is just, fair and in the interest of justice that the orders prayed for herein be granted
4. The respondent opposed the application through the replying affidavit of its director Mr., Philip Kundu Buyai Kinisu who states that the respondent company was incorporated on 27th November 2020 after which it embarked on its operations which include selling electronic bus tickets. He avers that the respondent company has not infringed on the applicant's trademark despite being in the same



business as the applicant. He observes that the respondent has established itself in the market and has nothing to gain from its association with the applicant.

5. The application was canvassed by way of written submissions which I have considered. The main issue for determination is whether the application dated 23rd March 2021 meets the requirements for grant of the equitable remedy of injunction.
6. The conditions governing the granting of orders of temporary injunction were set out in the case of *Giella vs. Cassman Brown & Co. Ltd (1973) E.A 385, at page 360* where Spry J. held that: -

“The conditions for the grant of an interlocutory injunction are ...well settled in East Africa. First, an applicant must show a prima facie case with a probability of success. Secondly, an interlocutory injunction will not normally be granted unless the applicant might otherwise suffer irreparable injury, which would not adequately be compensated by an award of damages. Thirdly, if the court is in doubt, it will decide an application on the balance of convenience.”

7. *In Mrao Ltd vs. First American Bank of Kenya Ltd & 2 Others [2003] KLR 125*, Bosire, JA proffered the following definition of what a prima facie case is: -

“...So what is a prima facie case? I would say that in civil cases it is a case in which on the material presented to the court a tribunal properly directing itself will conclude that there exists a right which has apparently been infringed by the opposite party as to call for an explanation or rebuttal from the latter...a prima facie case is more than an arguable case. It is not sufficient to raise issues. The evidence must show an infringement of a right, and the probability of the applicant's case upon trial. That is clearly a standard which is higher than an arguable case.”

8. Applying the above principles to the present case, the court will first have to establish if indeed the respondent has infringed on the plaintiff's registered Trade mark namely “Buupass” registered under Registration Number 97821. The applicant's case is that it uses its trademark for the provision of online ticketing where it has over time acquired a remarkable reputation and goodwill over the registered mark. According to the applicant, the respondent incorporated it's the Company on 27th November 2020 with the aim of creating confusion among the applicant's customers by offering online transport ticketing services using the name “Buspass”. The applicant contends that the respondent's name “Buspass” is similar and identical to its trademark and is designed to infringe and pass off the applicant's trademark.
9. The respondent, on the other hand, argued that it did not infringe on the applicant's trademark and that the only similarity between the two companies is that they are in the same line of business.
10. Section 7 (1) of the Trademarks Act provides that the registration of a person as the proprietor of a trademark, if valid, gives that person the exclusive right to the use of the trademark in relation to the goods or in connection with the provision of services and that such right is infringed by a person who not being a proprietor of the trademark or a registered user 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 services in respect of which it is registered. In this case the plaintiff registered the Trademark “Buupass” under the Trademarks Act whereas the defendant registered the company name under the *Companies Act*.



11. In *Pharmaceutical Manufacturing Company vs Novelty Manufacturing Ltd HCCC No 746 of 1998*, referred to by Gikonyo, J in *Solpia Kenya Limited vs Style Industries Limited & Another (2015) eKLR*, Ringera, J (as he then was) had held that: -

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

12. It was not in dispute that the applicant is the registered owner of the trademark “Buupass” thus giving the applicant the exclusive right to the trademark. The question that this court has to grapple with is whether the applicant has demonstrated that the defendant has been infringing on its trademark. When faced with a similar case in *Webtribe Limited T/A Jambopay vs Jambo Express Limited [2014] eKLR* the court held that: -

“The plaintiff is not also claiming a patent or monopoly over its online payment system; what is in issue is whether the Plaintiff has exclusive rights to the use of the name ‘Jambopay’ to the extent that it can claim infringement of that right by the defendant’s trade name that bears the word “Jambopay”. Doubtless, a just determination of the issues herein especially of the plaintiff’s right and alleged infringement of trademark does not just depend on the registration of the Trademark ‘Jambopay’ by the plaintiff but includes determination of other issues such as whether the protection provided to the name “Jambopay” by the trademark registered in favour of the Plaintiff overrides the protection of the name “Jambopay Express Limited” secured through the registration of the name as a company; and whether the defendant’s intent in registration of its trade name was to cause confusion among consumers and to capitalize in the Plaintiff’s goodwill in the online payment services market. Equally, the circumstance in which the Defendant Company was registered is in the center of this suit and whether it is an infringement as alleged. In light thereof, the material before the court is not sufficient for the Court to issue an injunction. More reinforcing evidence is needed and the best mode of delivery is oral as well as documentary evidence. See the case of Hoswell Mbugua Njuguna t/a Fischer & Fischer Marketing (High Court Civil Case No. 599 of 2010) (unreported), where it was held that in the absence of oral evidence which can be tested by way of cross examination, it would be difficult to ascertain whether a Defendant has infringed on any intellectual property rights of a Plaintiff. I therefore find that as long as the alleged infringement by the defendant is anchored on the existence of the plaintiff’s exclusive rights, the registration of the Defendant and its business ventures, and as long as the Defendant is a registered company, no prima facie case that has been established.”

13. From the foregoing, one can say that it is not enough to state that the defendant is infringing on its trademark as the applicant must demonstrate how the respondent has infringed its trademark and how such infringement has affected it. In making a finding, the court will be required to examine witness statements and any evidence placed before it so as to establish such infringement. My finding is that, at this early stage in the proceedings, it is not possible ascertain how the defendant has infringed the plaintiff’s trademark.

14. On the second condition on irreparable harm, the Court of Appeal stated as follows in *Nguruman Limited vs. Jan Bonde Nielsen & 2 Others [2014] eKLR*: -

“On the second factor, that the applicant must establish that he “might otherwise” suffer irreparable injury which cannot be adequately remedied by damages in the absence of an



injunction, is a threshold requirement and the burden is on the applicant to demonstrate, prima facie, the nature and extent of the injury...there must be more than an unfounded fear or apprehension on the part of the applicant. The equitable remedy of temporary injunction is issued solely to prevent grave and irreparable injury; that is injury that is actual, substantial and demonstrable; injury that cannot "adequately" be compensated by an award of damages. An injury is irreparable where there is no standard by which their amount can be measured with reasonable accuracy or the injury or harm is such a nature that monetary compensation, of whatever amount, will never be adequate remedy."

15. The plaintiff argued that that the continued use of the trademark would damage its business reputation that no award in damages would be sufficient to undo. On the issue of goodwill, I note that the plaintiff did not place sufficient evidence to sustain the claim on loss of goodwill. I find that it is therefore not proper to deal with the same at the interlocutory stage. I also note that since the applicant was in business before the registration of the defendant's company, its profits or loss, if any, will be quantifiable and cannot therefore be said to be irreparable.
16. My further finding is that the balance of convenience lies in favour allowing the parties to proceed with the case on a more intrinsic test of evidence and the law. I am alive to the fact that in considering an application for injunction, the Court must always be careful not to make findings or observations that could prejudice the main suit.
17. In the upshot, I find that the application dated 23rd March 2021 unmerited and therefore dismiss it with orders that costs shall abide the outcome of the main suit.

DATED, SIGNED AND DELIVERED VIA MICROSOFT TEAMS AT NAIROBI THIS 9TH DAY OF DECEMBER 2021 IN VIEW OF THE DECLARATION OF MEASURES RESTRICTING COURT OPERATIONS DUE TO COVID-19 PANDEMIC AND IN LIGHT OF THE DIRECTIONS ISSUED BY HIS LORDSHIP, THE CHIEF JUSTICE ON THE 17TH APRIL 2020.

W. A. OKWANY

JUDGE

In the presence of: -

Ms Musa for Defendant/Respondent.

Ms Kirimi for Wanjeri for Plaintiff.

Court Assistant: Margaret

