



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA

AT NAIROBI

MILIMANI COMMERCIAL & TAX DIVISION

CIVIL CASE NO. 133 OF 2018

ABSA KENYA LIMITEDPLAINTIFF

-VERSUS-

BARCLAYS BANK OF KENYA.....DEFENDANT

J U D G M E N T

1. The plaintiff, **ABSA KENYA LIMITED**, is a limited company, incorporated under the Companies Act. The defendant, **BARCLAYS BANK OF KENYA LIMITED** (hereinafter the Bank) is a limited liability company which is licensed by Central Bank of Kenya to operate as a Bank in the Kenyan market and provides financial services to private customers, corporate financial institutions and government clients.

2. It is not denied that the bank, on or about March 2018, amongst other dates, put out public advertisements informing the public that it had made changes and decision to change its holding company name from Barclays Africa Group Limited to ABSA Group Limited. One such advertisement, of the Daily Nation newspaper of 2nd March 2018, which has been reproduced in the plaintiff's amended plaint is in the following terms:

“Get ready Kenya

By the end of December 2017, London based Barclays PLC had reduced its shareholding in our Holding Company Barclays Africa Group Limited to 14.9% allowing us to make some exciting changes.

The first of these is the decision to change our holding company name from Barclays Africa Group Limited to ABSA Group Limited, subject to approval from our regulators and shareholders.

This change is happening at a group level and you probably will not notice any change at all, as Barclays Bank Kenya will not change its name immediately, but it is important, because it is the first step in our journey to ultimately having one brand ABSA across all our operations (subject to regulatory approval).

So let's get ready for exciting new possibilities.

To find out more, visit Barclays.co.ke/sell-down”

3. The plaintiff by its amended plaint pleaded that it is the exclusive holder and owner of the Trademark and name of “ABSA” which is registered under the Trademark Act (Cap 506). It was registered on 25th May 2007 as Trade Mark No. 61266. That it has been trading and carrying on business in Kenya and elsewhere and has gained goodwill and name recognition in the market and public at large. The plaintiff alleged that the bank infringed its registered trademark by placing numerous advertisements in electronic media which were aired throughout the day. By reason of that infringement the plaintiff further alleged that the bank had been able to attract and sell part of its stake, amounting to 62%, to a strategic investor at a great profit. Further that the bank's share price at Nairobi Stock Exchange had “shot-up” between January to March 2018 from Kshs 7.25 to Kshs. 12.20. The plaintiff alleged, by its pleading, that it had suffered greatly because of that alleged infringement and its trading partners had cancelled various transactions on the ground that it was not possible to know who ABSA is.

4. The plaintiff also pleaded that the bank's infringement of the plaintiff's name and Trademark was informed by “malice, ill will, greed for profits, contempt for the plaintiff, arrogance and lack of diligence” on the part of the bank.

5. The plaintiff's prayer are for injunction to restrain the bank from trading, using, representing or in any manner whatsoever, the trademark ABSA, for declaration that the plaintiff is solely entitled to all profits made by the bank from the year 2012, a declaration that the plaintiff is entitled to a difference in price in the bank's shares traded at the Nairobi Stock Exchange from 2nd March 2018, for an order at the bank do advertise the revocation of the registration of the Trade mark and the bank's retraction and cessation of the use of the name and trade mark of ABSA, and an order for general and punitive damages.

6. The bank denied the plaintiff's entire claims and in particular denied that the plaintiff had been trading and carrying on business in Kenya or elsewhere or that it had gained any goodwill or name recognition the Kenyan market. The bank also denied that it had infringed or violated the plaintiff's trademark or that the plaintiff had suffered any loss or damage.

7. The bank denied that its action in relation to its trademark ABSA and ABSA word and device (TM 94087 and 94088) had infringed upon the plaintiff's registered company name and trade mark TM 61266, or that its actions was informed by malice, ill will, greed, arrogance, contempt or otherwise lack of due diligence. It supported that plea by giving the following particulars:

a. The register of companies presently has 12 registered companies in Kenya incorporating the word "ABSA" in their corporate names.

b. The trademarks ABSA and ABSA word and device (TM 94087 AND 94088) are presently validly registered on the register of trademarks.

c. The plaintiff's alleged trademark rights extend only to the trademark TM 61266 registered in Class 16 for the trade in, dealing or manufacture of goods in printing and stationery.

d. The plaintiff does not have an exclusive right to the use of the name ABSA for which consent would be required of any person seeking to register the name as a company name or a trademark.

e. The defendant has a right to use of its trademarks ABSA and ABSA word and device (TM 94087 and 94088) in Class 36 (insurance, financial affairs, monetary affairs, real estate affairs) as the plaintiff has a right to use of its trademark TM 61266 in Class 16 (printing and stationery).

f. The defendant's ABSA Group Limited has already established common law rights, goodwill and reputation over the ABSA name that long precede the plaintiff's trademark registration and any use in respect of the goods specified in Class 36.

8. The bank counter-claimed and pleaded that through ABSA BANK LIMITED (South Africa) the bank is the registered proprietor in Kenya of the trademark ABSA for banking and financial services industry. That ABSA is an abbreviation of Amalgamated Bank of South Africa. That the bank, through ABSA Group, has made extensive use of ABSA trademark worldwide, including Kenya, to the extent that it had acquired a significant reputation and goodwill in this mark, in Kenya, in relation to banking and financial services. That the plaintiff's trademark ABSA (word and device) TM 61266 registered on 25th May 2007 was in respect of "printing and stationery" goods in class 16.

9. The bank by its counter-claim pleaded that the plaintiff had not used its trademark TM 61266 in respect of trade in "printing and stationery" goods in Class 16, in Kenya, either at all or otherwise for a continuous period in excess of five years and one month before the bank filed its counter-claim. The bank pleaded the particulars of non use of trademark as: that the plaintiff had not operated a business that deals in manufacture, importation, supply of printing and stationery goods in Kenya, the plaintiff is registered road work contractor, the plaintiff is involved in real estate, greenhouse farming, which are not linked to "printing and stationery", that the plaintiff has no *bona fide* intention to use the trade mark, and that the bank had demanded that the plaintiff do cease using the trademark. The banks, therefore, in its counterclaim prayed, for an order for the expungement from the Register of trademark TM 61266 in Class 16 in the name of ABSA KENYA LIMITED.

ANALYSIS AND DETERMINATION

10. There only are two issues that emerge for consideration. They are:

i. Whether the bank's use of the trademark ABSA and ABSA (word and device) is in any way an infringement of the plaintiff's trademark (TM 61266) and, if so, whether the plaintiff has suffered any loss or damages; and

ii. Whether the plaintiff has been trading or carrying on business in Kenya and/or made bona fide use of its trademark and, if not, whether the plaintiff's trademark TM 61266 should be expunged from the register.

11. In consideration of the first issue I wish to begin at the basic. I wish to begin by considering the definition of trademark in the Trade Mark Act (Cap 506). It is defined as:

"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; (emphasis mine)

12. I will make reference to that definition, and its relevance to the case at bar, later on.

13. The plaintiff's evidence was led by its director, Edward James Njoroge Njuguna. He stated that on or about the year 2005 he and his co-director (his wife by the name Angela Wangui Gichohi) began to trade under the business name of ABSA. They were then carrying on the business of cleaning services. In that same year they applied to create a website through Kenyaweb.com. That website hosts the plaintiff's email and those of its directors. The plaintiff was incorporated in November 2006. The plaintiff registered the trademark ABSA on 25th May 2007 for a period of 10 years ending. That the trademark was renewed on payment of renewal fee by the plaintiff. The witness proceeded to state that the plaintiff has, since inception, operated bank account, filed tax returns, paid annual subscription fees for its website, and paid single business permit to the Nairobi City Council and lately to the County Government. He stated that the plaintiff had won contracts with the government for construction of bridges, routine maintenance, gravelling of roads and labour based construction. The witness stated that he noticed the bank's advertisements of its intention to use the name ABSA, which he termed a violation of the plaintiff's trademark.

14. The witness's evidence was that the plaintiff's business had suffered, following the bank's infringement of its trademark and the ensuing confusion in that it had contracts which were cancelled and it was treated with contempt.

15. The bank's evidence was led by Nereah Okanga the bank's Legal Counsel. The witness stated that Barclays Group underwent several changes in its shareholding structure that resulted in the proposed change of its corporate name to ABSA Group Limited. ABSA Group is an African financial services provider in areas such as personal and business banking, credit cards, corporate and investment banking, wealth and investment management as well as bancassurance. ABSA Group is, amongst other things, the holding company for other subsidiaries such as ABSA Bank Limited (South Africa) and other subsidiaries that are currently operating, in several African countries such as Kenya, under the common name of Barclays. ABSA is a shortened form of Amalgamated Bank of South Africa. That all the subsidiaries of Barclays Group shall undergo, in due course, the change of name to one homogenous brand 'ABSA', in line with the changes to its shareholding structure. The witness produced a table which shows that ABSA Bank Limited (South Africa) a related entity of the bank and a member of ABSA Group which is a registered proprietor in Kenya of the trademark ABSA. The table is as follows:

Trade Mark	Class	Proprietor	Entitlement Date
MA/T/0001/94088 ABSA (logo)	36-Insurance; financial affairs; monetary affairs; real estate affairs.	ABSA Bank Limited (South Africa)	20 th September 2016
MA/T/001/94087 ABSA (word) ABSA	36-Insurance; financial affairs; monetary affairs; real estate affairs.	ABSA Bank Limited (South Africa)	20 th September 2016

16. The witness produced an authorization given to the Bank by ABSA Bank Limited, permitting the Bank to use the aforesaid trademarks.

17. The plaintiff alleges infringement of its trademark ABSA. Is there infringement? The answer to that question requires consideration of two issues. The first is that the plaintiff stated in evidence that it began to use the name ABSA in the year 2005. When it was carrying out its business in cleaning services, commission agency and trading in stocks at the Nairobi Stock Exchange. The plaintiff did not provide any evidence of such trading at all. The plaintiff did provide its Certificate of Registration of the trade mark ABSA, part of which I will reproduce hereunder:

“ABSA

The trademark shown above has been registered under the Trade Marks Act.

Part of Register trademark is registered in: A

Registration details:

Trade Mark No.: 61266

Class: 16 (Printing and stationery.)

Registered proprietor: ABSA KENYA LTD of P.O. Box 17416-00100, NAIROBI, Kenya.

Effective date of registration: 25th May, 2007

The Registration expires on: 25th May, 2017

Sealed at my direction.

Date: 14/03/2008

.....

Assistant Registrar of Trade Marks

Registry of Trade Marks,

P.O. Box 51648,

Nairobi

.....
.....

This certificate is not for use in legal proceedings or for obtaining registration abroad. Upon any change of ownership of this Trademark, or change in address, application should at once be made to the Registrar to register the change.

18. What is notable from that Certificate of Registration is firstly that it is in connection with the trade of **“Printing and Stationery”**, secondly it will be noted that it expired on 25th May 2017. Although the plaintiff testified that he did pay for its renewal, and relied on the receipt at page 17 of plaintiff’s exhibit No. 1 the actual fact is that there is no evidence before court of such renewal of registration. It follows that the plaintiff does not have the protection of Section 7 of Cap 506 which gives a person who registers a trade mark exclusive right to use that trademark in relation to the specific goods or services. Secondly it will be noted that the plaintiff’s registration of ABSA, as a trademark, was in respect to printing and stationery under Class 16. The bank’s use of the trade mark ABSA, granted to it by its proprietor ABSA Bank Limited is in respect to class 36 which is for insurance, financial affairs, monetary affairs, and real estate affairs. Those two trade marks registrations are reproduced hereunder:

**“CERTIFICATE FOR USE IN
LEGAL PROCEEDINGS OR
TO OBTAIN REGISTRATION ABROAD**

This is to certify that the trademark whose particulars are shown below was registered in accordance with Section 22 of the Trade Marks Act and Rule 60 of the Trade Mark Rules.

Registration details:

Trade Mark: ABSA

Trade Mark No.: 94087

Class: 36(Insurance; financial affairs; monetary affairs; real estate affairs.)

Registered proprietor: BSA BANK LIMITED, A South African Company of 7th Floor, Barclays Towers West, 15 Troye Street, Johannesburg, Gauteng, Republic of South Africa.

Effective date of registration: 20th September, 2016

The registration expires on: 20th September, 2026

Advertisement details in IP Journal No. 2017/05, Dated: 31st May 2017, Page 31.

Sealed at my direction.

Date: 11th April, 2018

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Assistant Registrar of Trade Marks

Registry of Trade Marks

P.O. Box 51648

Nairobi”

“CERTIFICATE FOR USE IN

LEGAL PROCEEDINGS OR

TO OBTAIN REGISTRATION ABROAD

This is to certify that the trademark whose particulars are shown below was registered in accordance with Section 22 of the Trade Marks Act and Rule 60 of the Trade Mark Rules.

Registration details:

Trade Mark:

Trade Mark No.: 94088

Class: 36(Insurance; financial affairs; monetary affairs; real estate affairs.)

Registered proprietor: ABSA BANK LIMITED, A South African Company of 7th Floor, Barclays Towers West, 15 Troye Street, Johannesburg, Gauteng, Republic of South Africa.

Effective date of registration: 20th September, 2016

The registration expires on: 20th September, 2026

Advertisement details in IP Journal No. 2017/02, Dated: 28th February, 2017, Page 46.

Sealed at my direction.

Date: 11th April, 2018

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Assistant Registrar of Trade Marks

Registry of Trade Marks

P.O. Box 51648

Nairobi”

19. It is also important to note that the bank’s witness testified that the proprietor of the trademark ABSA, ABSA Bank Limited has used the name ABSA since 26th September 1991 when there was a change of name that entity From UNITED BANK LIMITED to ABSA BANK LIMITED. Further that on 1st September 1997 Amalgamated Bank of South Africa Limited changed its name to ABSA Group Limited. It is therefore clear that the proprietor of the trade mark ABSA in the year 2005.

20. But perhaps of greater concern, in respect to the first issue is that the plaintiff’s certificate of registration, albeit having expired, clearly stated that the same was not to be used in legal proceedings. When the plaintiff’s interlocutory application, for interim injunction, was ruled on by this court, on 13th June 2018, the court’s finding was clear that the injunction application failed because the certificate of registration forbade the use of it in legal proceedings. The plaintiff had knowledge of that shortcoming of its certificate of registration since June 2018 and yet when this case came up for full hearing in November 2019, the plaintiff did not provide a certificate that this court could rely on let alone a certificate that was not expired.

21. In view of my above finding the first issue is determined in the negative. That is that bank did not infringe the plaintiff's trademark TM No. 61266. The plaintiff having failed to prove infringement it follows that it did not prove it suffered any damages. Issue number (ii), to recap, requires determination whether the plaintiff has been trading or carrying on business in Kenya and in doing so whether there has been a *bona fide* use of the trademark ABSA.

22. The plaintiff, to prove trading under the Mark ABSA, relied on two emails dated 14th March 2018, from Kinyua M'Mbijjewe, and another dated 15th March 2018 from Caroline Njuguna. These two emails are the totality of the business that the plaintiff relies on to prove that its business failed to materialise because of the alleged infringement of its mark by the bank.

23. Those emails in my view do not suffice to show that the plaintiff had been trading, using the mark ABSA since the year 2005. Even the two page bank statements of the plaintiff's bank account with Equity Bank did not meet the threshold of proof, on balance of probability. Looking closely at that account it would seem that it has been more used as a personal bank account. It seems to have more transactions at the Automated Teller Machine (ATM) for withdrawal of small amounts of cash. The plaintiff therefore did not prove that it has used the mark ABSA in trading. In the case, cited by the Bank, of The Supreme Court of Appeal of South Africa, **Westminster Tobacco (Pty) Ltd v Philip Morris Products S.A. and Others (925/2015) [2017] ZASCA 10; [2017] 2 All SA 389 (SCA) (16 March 2017)** the court considered bona fide and genuine use of a mark and stated:

“[5] The concept of bona fide use of a mark has received the attention of our courts on various occasions. There is no need to rehearse the jurisprudence in this regard. It suffices to cite the following passage from the judgment in *A M Moolla Group v The Gap*:^[3]

‘The concept of bona fide use has been the subject of a number of judgments, also of this Court, and the area need not be traversed again. For present purposes, it suffices to say that “*bona fide* user”:

“ means a user by the proprietor of his registered trade mark in connection with the particular goods in respect of which it is registered with the object or intention primarily of protecting, facilitating, and furthering his trading in such goods, and not for some other, ulterior object”^[4]

.....

“When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.”

[6] I add one further quotation from the decision in *Ansul*:^[5]

““Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

... Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are *underway, particularly in the form of advertising campaigns.*”

24. The plaintiff's mark was for use in printing and stationery. The plaintiff did not prove to this court *bona fide* use of that mark in connection with the goods it was registered as a trademark. The plaintiff's proprietorship and use of the mark ABSA seem, to use the words of the case **Westminster Tobacco Co (Supra)**, it was not genuine use, it was “merely a token serving solely to preserve the rights conferred by the mark.”

25. In view of the above finding I am in favour with the submissions made by the bank that the plaintiff failed to show *bona fide* use of the mark as required under Section 29 (1) (a) of Cap 506. That section provides:

“(1) Subject to the provisions of section 30, a registered trade mark may be taken off the register in respect of any of the goods or services in respect of which it is registered on application by any person aggrieved to the court or, at the option of the applicant and subject to the provisions of section 53, to the Registrar, on the ground that either—

(a) the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods by him, and that there has in fact been no bona fide use of the trade mark in relation to those goods by any proprietor thereof for the time being up to the date one month before the date of the application; or

(b) up to the date one month before the date of the application a continuous period of five years or longer elapsed during which the trade mark was a registered trade mark and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being:.....” (emphasis mine)

26. It is indeed this court's finding that the plaintiff registered the trademark ABSA without any *bona fide* intention that it should be used in relation to printing and stationery. It is therefore only right and appropriate that that mark be taken off/expunged off the register. The second

issue is there found in the positive: that is the plaintiff has not shown genuine use of the mark nor has it shown *bona fide* use of it. For that reason the bank's counterclaim does succeed.

27. The bank having succeeded in this action, and because there is no reason shown why costs should not follow the event, the bank will be awarded costs of the main suit and of the counter-claim.

DECISION

28. The judgment of this court is as follows:

a. The plaintiff's suit is hereby dismissed with costs to the defendant.

b. The defendant's counter-claim succeed and it is hereby ordered that the Trade Mark ABSA TM No. 61266 in Class 16 registered by ABSA KENYA LIMITED be and hereby taken off/expunged from the register under Sections 29(1) (a) and 35(1) of the Trade Mark Act.

c. The defendant is awarded costs of the counter-claim.

DATED, SIGNED and DELIVERED at NAIROBI this 4th day of MAY, 2020.

MARY KASANGO

JUDGE

ORDER

In view of the measures restricting court operations due to the **COVID-19 pandemic** and in light of the Gazette Notice No 3137 of 17th April 2020 and further parties having been notified of the virtual delivery of this decision, this decision is hereby virtually delivered this **4th** day of **May, 2020**.

MARY KASANGO

JUDGE