



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI LAW COURTS

COMMERCIAL AND TAX DIVISION

CORAM: D. S. MAJANJA J.

CIVIL CASE NO. E457 OF 2019

BETWEEN

HAVELLS INDIA LIMITED.....1ST PLAINTIFF

QRG ENTERPRISES LIMITED.....2ND PLAINTIFF

AND

SONGHONG FREIGHT SERVICES LIMITED.....1ST DEFENDANT

ROSE NYAMBURA.....2ND DEFENDANT

AND

JIE XIN TRADING LIMITED.....INTERESTED PARTY

RULING

1. The Plaintiffs seek to restrain the Defendants and Interested Party from importing, distributing, dealing, marketing and selling goods that are substantially identical to and or goods of the same description bearing the word which they contend is similar to those offered for sale by the Plaintiffs under its registered trademark HAVELLS. They further contend that the goods bearing the word KAVELLS have a get up similar to that the Plaintiffs goods bearing their HAVELLS trademark.

2. The Plaintiffs are companies incorporated in India and are the proprietors of the HAVELLS trademark worldwide. They engage in the production, sale and distribution of electrical products including and of particular relevance to this suit, industrial and domestic circuit breakers. In Kenya, the Plaintiffs are the registered proprietors of the HAVELLS trademarks as follows:

TRADEMARK NUMBER	CLASS(ES)
1KE/T/2002/0053364	7
2KE/T/2002/0053365	9
3KE/T/2002/0053366	11
467508	7, 9, 11
567509	7, 9, 11

3. The trademark description for Items 1, 2 and 3 above comprises a Triangle enclosing the letter “H” sitting on a rectangular base with the

word HAVELLS engraved on the rectangle. Item No. 4 comprises the word HAVELLS while Item 5 comprises the symbol resembling a rivet.

4. The Plaintiffs' claim is that they have by the extensive use of the HAVELLS trademark, acquired a substantial and favourable reputation with accompanying goodwill in the trademarks and any subsequent adoption and or use of any identical or deceptive use of a similar mark by unrelated third parties would lead to dilution and erosion of their goodwill and reputation vested in the HAVELLS trademark.

5. The gravamen of the Plaintiffs case against the Defendants is that they are engaged in the importation, distribution, dealership, marketing and sale of goods that are identical and or goods of the same description as those offered by the Plaintiffs, bearing the word "KAVELLS" which is substantially similar to the Plaintiffs trademark save for the letter "K" and has a similar get up to that of the goods bearing the HAVELLS trademarks. The Plaintiffs claim that this is likely to lead to deception and or confusion as to the source of goods supplied under it and that there is a possibility that consumers will presume that there is a connection between the Plaintiffs and the Defendants.

6. The Plaintiffs have sought a declaration that the Defendants' importation, shipping, dealing, marketing of goods bearing the KAVELLS mark constitutes an infringement of the Plaintiffs' registered trademark. They also seek a permanent injunction restraining the Defendants from dealing with any goods and or products with the mark KAVELLS infringing on the HAVELLS trademark. They pray for an inquiry as to damages and damages for infringement of their trademark.

7. In order to forestall violation of their trademarks, the Plaintiffs moved the court by the Notice of Motion dated 18th December 2019 under, inter alia, **Order 40 rule 1** of the **Civil Procedure Rules**, seeking a temporary injunction restraining the Defendants and Interested Party from importing, distributing, dealing, marketing and or selling any goods that are substantially identical or of the same descriptions as those offered by the Plaintiffs bearing the word KAVELLS which is deceptively similar to the Plaintiffs trademark save for the letter "K" and has a similar get up to that of the goods bearing the Plaintiffs' HAVELLS trademark.

8. The application was supported by the joint affidavit of Shiri Harsh Aggarwal and Roma Aora, the Plaintiffs' legal representatives, sworn on 17th December 2019. The deposition reiterated the contents of the Plaintiffs which I have outlined above. In addition, they stated that the 2nd Defendant was charged with importing into Kenya counterfeit goods contrary to **section 32(f)** as read with **section 35(1)** of the **Anti-Counterfeit Act, Act No. 13 of 2008** for importing into Kenya, 11,360 pieces of KAVELLS's isolator circuit breakers without authority of the registered owner of the HAVELLS trademark. It was alleged that the goods imitated the protected goods in such a manner and to such a degree that those counterfeit goods are substantially similar copies of the protected goods. Based on the fact that they have a registered trademark which had been clearly infringed, the Plaintiffs urged that they were entitled to interlocutory relief.

9. The 1st Defendant opposed the application for injunction through the affidavit of Haowie Xie sworn on 22nd January 2020. It also filed an application dated 13th February 2020 seeking to strike out the suit against it. The 1st Defendant stated that it is a freight company contracted by the 2nd Defendant to import goods on her behalf. It states that it was not party to the 2nd Defendant's business and the use and or registration of the trademark known as KAVELLS and was not aware of the HAVELLS trademark prior to the filing of the suit and does not deal with or sell any goods at all nor is it involved in distribution, dealership, marketing and sale of any goods that are identical and or of the same description as those offered by the applicants as it is a freight company that deals with importation of goods for various clients. Its position is that it did not have any actual or constructive knowledge of the alleged breach of the Plaintiffs trademark by the 2nd Defendant. It relied on the case of **L'Oreal SA and Others v eBAY International AG and Other C0324/09** where it was held that eBAY did not play an active role in violation of the trademark by simply displaying the L'Oreal trademarks and not for its own commercial communication.

10. The 2nd Defendant filed a Replying Affidavit and an Amended Statement of Defence, Counterclaim and Set-off dated 5th August 2020. She denied that she is a manufacturer, distributor, seller or importer of any electrical equipment known as KAVELLS. She stated that through the 1st Defendant, she ordered from China genuine circuit breakers worth Kshs. 755,059.00 which were delivered to the 1st Defendant's go-down in Nairobi. She stated that she has never accessed the goods since they were delivered to the go-down as she was unlawfully arrested and the goods taken in custody. She therefore claimed damages for malicious prosecution, unlawful arrest and custody and damages for the value of the circuit breakers.

11. In her Set- Off against the 1st Defendant, the 2nd Defendant stated that the 1st Defendant imported genuine Circuit Breakers from China worth Kshs. 755,059.00 and which were stored at the 1st Defendant's go-down for collection by the 2nd Defendant but to date she states that 1st Defendant has never handed them over to her. She therefore claims damages from the 1st Defendant.

12. The parties filed written submissions which they all highlighted. As the application before the court is one for injunction, the principles applicable are those settled in **Giella v Cassman Brown [1973] EA 360** that the applicant must first establish a prima facie case with a probability of success, second demonstrate irreparable injury which cannot be compensated by an award of damages if a temporary injunction is not granted, and third, allay any doubts as to irreparable injury by showing that the balance of convenience is in his favour. The Court of Appeal in **Mrao Ltd v First American Bank of Kenya Ltd & 2 others [2003] KLR 137** defined a prima facie case as one in which on the material presented to the court, a tribunal properly directing itself will conclude that there exists a right which apparently has been infringed by the opposite party as to call for an explanation or rebuttal from the latter.

13. There is no dispute that the Plaintiffs are the registered owner of the HAVELLS trademark hence they are entitled to the protection afforded by the **Trade Marks Act (Chapter 506 of the Laws of Kenya)** and in particular **section 7** thereof which gives the registered proprietor:

7. [E]xclusive 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 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 provision of any services in respect of which it is registered.

14. The use of a mark so similar to the registered mark if it may lead to confusion or deception will be deemed as an infringement. See for example the following cases; **Pharmaceutical Manufacturing Company v Novelby Manufacturing Company Ltd [2001] KLR 392** where the dispute concerned “Trihistamin” and “Tri-histina”, **Biersdorf v Emichem Products Limited [2002] 1 KLR 876**, a case of “Nivelin” and “Nivea”, **Parke Davis & Co. Ltd v Opa Pharmacy Ltd [1961] EA 556** concerning “Capsolin” and “Capsopa” and **Premier Food Industries Ltd v Al Mahra HC COMM No. 661 of 2005 [2006] eKLR** being a case of “Pet-Top” and “Peptang”, **Group Four Security Limited v G4S Security Services (K) Ltd ML HCCC No. 218 of 2006 [2006] eKLR** which was a case of “Group 4 Securicor” and “Group 4 Security.”

15. Counsel for the 2nd Defendant argued that HAVELLS and KAVELLS were so dissimilar and would not possibly cause confusion. He likened this to a case of ATIENO and OTIENO. Unfortunately, this is not a case of a man and woman named Otieno and Atieno. This is case a class of products more bearing the name HAVELLS. The name as spelt in capital letters is one of the registered trademarks for that class of goods sold by Plaintiffs. KAVELLS on products similar to those that the Plaintiffs deal in is likely to lead to confusion in the eyes of members of the public and more particularly the Plaintiffs’ customers.

16. Although the 2nd defendant denies that she has seen the goods, she admits that she is the one who ordered them through the 1st Defendant which imported them on her behalf. They are to her order as she is the person entitled to immediate possession once she pays for them subject of course to the pending criminal proceedings. Whether she intends to sell or distribute them or not is a matter of inference from the fact that she imported 11,340 pieces. A large quantity of the goods would imply that the same are for sale or distribution. She is therefore liable.

17. The 1st Defendant’s position is that it only acted as the shipper. Its position is undermined by the position taken by the 2nd Defendant who has pleaded in her Defence, Counterclaim and Set-off that, “*through the 1st defendant, the 2nd defendant ordered from China genuine circuit breakers*” She also makes a claim against the 1st Defendant and states that she, “*imported proper and genuine circuit breakers from China which goods the 1st defendant through whatsapp and short text messages (sms) confirmed their arrival and storage at their godown for collection*” All this implies, that the 1st Defendant knew what was being imported as it was specifically instructed by the 2nd Defendant.

18. Turning the 2nd Defendant’s application to strike out, the general principle regarding striking out, is that court should be slow to strike out a party or pleading where there is a triable issue or if the party is a necessary party (see **D. T. Dobie and Company (Kenya) Limited v Muchina [1982] KLR 1** and **Werrot & Co., and 3 Others v Andrew Douglas Gregory and Others NRB HCCC No. 2363 of 1998 (UR)**). Since there is now a joinder of issues on the pleadings, whether the 1st Defendant had knowledge of the facts relating infringement is a question of fact particularly given that the 2nd Defendant averred that she made her order through 1st defendant. I therefore decline to strike out the suit as against it. Moreover, the issue whether the 1st Defendant is liable for infringement is a question of fact to be determined at the trial. In light of the evidence of interaction between the Defendants, which the 2nd Defendant admits in its pleading, the 1st Defendant is a proper party to be restrained.

19. I have no doubt that if the circuit breakers are released into the market, they are likely to cause the Plaintiffs’ substantial and irreparable harm to its goodwill and reputation which may not be compensated by an award of damages. Since protection of trademark is a statutory, there is no need to prove actual damage as it is presumed and is indeed a commercial reality that infringement diminishes the proprietors’ goodwill and reputation built over time.

20. For the reasons I have set out above now make the following orders:

(a) The Plaintiffs’ Notice of Motion dated 18th December 2020 is allowed with costs to the Plaintiffs on terms that an injunction be and is hereby issued restraining the Defendants either by themselves, their employees or agents howsoever from importing, distributing, selling, marketing or otherwise dealing with goods that are substantially identical and or goods of the same description as those offered by the Plaintiffs bearing the word “KAVELLS” which is deceptively similar to the Plaintiffs’ trademarks save for the letter “K” and has similar get up to that of the goods bearing the Plaintiffs “HAVELLS” trademarks pending hearing and determination of the suit and or further orders of the court.

(b) The order in (a) shall remain in force for a period of 12 months unless otherwise extended by the court.

(c) The Plaintiffs shall file an undertaking as to damages within 14 days from the date hereof.

(d) The 1st Defendant’s Notice of Motion dated 13th February 2020 is dismissed with costs to the Plaintiffs

DATED and DELIVERED at NAIROBI this 02ND day of SEPTEMBER 2020.

D. S. MAJANJA

JUDGE

Ms Savini instructed by CFL and Company Advocates for the Plaintiffs

Mr Muriithi instructed Mucheru Law LLP Advocates for the 1st Defendant

Mr Gichohi instructed by Kimandu & Ndegwa Advocates for the 2nd Defendant