



**REPUBLIC OF KENYA**  
**IN THE HIGH COURT OF KENYA AT NAIROBI**  
**MILIMANI LAW COURTS**  
**COMMERCIAL & TAX DIVISION**  
**CIVIL SUIT NO. 256 OF 2016**

**OLX B.V.....PLAINTIFF**

**VERSUS**

**RADIO AFRICA LIMITED.....DEFENDANT**

**RULING**

[1] The Plaintiff, **OLX B.V**, filed this suit on **30 June 2016** against the Defendant, **Radio Africa Limited**, complaining of infringement of its trademark rights by the Defendant by using the OLX trademarks in the course of trade without its consent. It was the contention of the Plaintiff that on or about **30 November 2015**, it became aware that the Defendant, through its platform named **Star Classifieds**, found on the website <http://www.the-star.co.ke/classifieds> was aggregating and reproducing content directly from its website. It was the Plaintiff's case that the said content not only reproduced the text of the advertisements but also made use of photographs and website links derived from its website, all of which incorporated the OLX trademarks.

[2] On account of the alleged infringement as aforesated, the Plaintiff prayed for the following reliefs:

[a] A permanent Injunction restraining the Defendant, whether by itself, directors, officers, employees, servants, agents, successors and/or assigns from advertising, promoting, displaying, selling and/or offering for sale, or otherwise using or dealing with the Plaintiff's trademarks **TM No. 81631 OLX** (name and logo), **TM No. 81632 OLX** (name) and **TM No. 81633 OLX** (name and logo);

[b] A permanent Injunction restraining the Defendant, whether by itself, directors, officers, employees, servants, agents, successors and/or assigns from using the Plaintiff's trademarks **TM No. 81631 OLX** (name and logo), **TM No. 81632 OLX** (name) and **TM No. 81633 OLX** (name and logo) in any online advertisement and or any service belonging to the Defendant without the license or authority of the Plaintiff;

[c] Liquidated damages as set out in the Plaintiff's website's Terms of Use at the rate of **USD. 10,000.00** per day from the date the Defendant commenced the infringement; or alternatively, from **8 December 2015** when the initial Cease and Desist Notification was issued to the Defendant;

[d] General Damages for breach of Terms of Service of the Plaintiff as well as for unfair competition;

[e] Interest on [c] and [d] above at court rates;

[f] Costs of the suit.

[3] The Defendant, upon being served with Summons to Enter Appearance and Plaint, filed its Memorandum of Appearance, Defence thereafter, on the **29 July 2016**, it filed the Chamber Summons dated **29 July 2016**, for orders that its name be struck out of the pleadings herein and that the costs of the application be provided for. The application was based on the grounds that the suit has been instituted against the wrong entity as it does not operate the Star Classifieds. The application was supported by the affidavit of the Defendant's General Manager, **Martin Khafafa**, annexed thereto, which was sworn on **29 July 2016**.

[4] On the eve of the hearing of the Defendant's application aforementioned, the Plaintiff filed, under Certificate of Urgency, the Notice of Motion dated **19 September, 2016**, seeking injunctive orders to restrain the Defendant from committing the breaches complained of pending the hearing of both the application and the main suit. The second application was supported by the affidavit of the Plaintiff's Country Manager, **Peter Ndiang'ui**, annexed thereto.

[5] The parties filed their respective responses to the two applications whereupon directions were given, on the **20 September, 2016** that the same be canvassed by way of written submissions as well as Lists and Bundles of Authorities. The written submissions were highlighted on **8 March 2017**, with **Mr. Njogu** and **Mr. Kiptinness** urging their respective clients' cases. This ruling is therefore in respect of the two applications.

#### **The First Application dated 29 July 2016**

[6] The Defendant's Chamber Summons dated **29 July 2016** was filed pursuant to **Section 3A of the Civil Procedure Act, Chapter 21 of the Laws of Kenya; Order 1 Rules 10(2) and 14 and Order 51 Rule 1 of the Civil Procedure Rules, 2010**. It seeks orders that the Defendant, **Radio Africa Limited**, be struck out of the pleadings herein; and that the costs of the application be awarded to the Defendant. In the affidavit of **Martin Khafafa** annexed thereto, it was the Defendant's posturing that it does not operate **The Star Classifieds** platform that is the subject of this suit; and that the Plaintiff has impleaded the wrong party, for which reason, the Plaintiff does not disclose any claim against the Defendant. It was thus the Defendant's contention that its continued presence and appearance in the suit is unnecessary and will not assist the Court in effectually and completely adjudicating upon and settling the questions involved in the suit. In addition, the Defendant relied on the Further Affidavit of its Legal Officer, **Linda Musita**, filed on **4 October 2016**.

[7] In its written submissions, the Defendant admitted that it is a holding company for various other duly registered companies and that it was for the purpose of synergy and ease of administration that the domain name [www.the-star.co.ke](http://www.the-star.co.ke) was registered in its name; but contended that it is being operated by the subsidiary company, which is the proper legal person that ought to have been sued herein. The Defendant further admitted that the various companies under it utilize the same postal address; but argued that the mere fact of a shared address would not be sufficient to hold it legally liable for the acts of the separate legal entities that comprise the Group. In support of this proposition, Counsel relied on the work **Gower & Davies' Principles of Modern Company Law, 218, Sweet & Maxwell** and **Hannah Maina T/A Taa Flower vs Rift Valley Bottlers Limited [2013] eKLR**.

[8] The Defendant further contended in its submissions that at no time before or during the subsistence of the suit, did it admit to own or run the Star Classifieds, nor pass off as its owner. It was submitted that the Defendant opted not to respond to the Plaintiff's letters for the very reason that it was not the correct party to the dispute, and added that its presence is not necessary to enable an effectual adjudication or determination of the suit. On the authority of **Amon vs Raphael Tuck & Sons Limited [1956] 1 All ER 273**, **Mosi vs National Bank of Kenya [2001] eKLR**; **PC Desai vs. Navin M. Patel T/A Sandpipers Construction and Civil Engineering Services and Others [2001] eKLR**, the Defendant urged the Court to grant the orders sought in the Chamber Summons dated **29 July 2016**, contending that the jurisdiction

of the Court was dependent on the proper parties being enjoined in a suit.

[9] The application was resisted by the Plaintiff and to this end, an affidavit sworn by its Country Manager, **Peter Ndiang'ui**, was filed herein on **19 September 2016** to refute the Defendant's allegations. It was averred therein that contrary to the Defendant's denials in the Supporting Affidavit, it has, at all times material to this suit, held itself out as the registered owner and operator of the domain [www.the-star.co.ke](http://www.the-star.co.ke) as shown by the **WHOIS.net** records, marked **Annexure PN1** thereto, and that the infringing advertisements were and continue to be displayed under the aforesaid domain. It was further averred that the email contact for the Star Classified on the website is stated as [classifieds@radioafricagroup.com](mailto:classifieds@radioafricagroup.com) and a copy thereof was exhibited as **Annexure PN2** to the Replying Affidavit. It was thus the contention of the Plaintiff that it was clear that the infringing advertisements are being displayed in Kenya and globally on the internet through a site hosted under the Defendant's own domain.

[10] It was further averred on behalf of the Plaintiff that nowhere in the responses filed herein by the Defendant was it denied, in spite of correspondence to that effect by the Plaintiff, that the website in issue is owned and operated by the Defendant. It was thus the contention of the Plaintiff that the Defendant is the correct party and that its presence is necessary, as only it can explain why it is hosting the infringing contents on its website.

[11] In its written submissions filed herein on **1 November 2016**, the Plaintiff's Counsel urged the Court to note that the Defendant did not refute the averments that it is the owner of the subject website; and that it did not contest the evidence in that regard by way of Annexure PN1. On the authority of **Daphne Parry vs. Murray Alexander Carson [1962] EA 515**, it was submitted, on behalf of the Plaintiff, that where, as in this case, the Defendant is the sole defendant, an order for striking out cannot lie. It was further submitted that the Defendant has a designed, subsisting, direct and substantive interest in the issues arising in this litigation and therefore ought not to be struck out as proposed. In support of this argument, the Plaintiff relied on **Departed Asians Property Custodian Board vs. Jaffer Brothers Ltd [199] 1 EA 55 (SCU)**.

[12] The Plaintiff further argued that, since Defendant did not raise the issue of the ownership of the website in response to the various pre-action correspondence sent by the Plaintiff between **4 December 2015** and **18 March 2016**, it was estopped from raising it as a defence. Counsel relied on **Section 120 of the Evidence Act, Chapter 80 of the Laws of Kenya**; **Franz Haas vs. Sen Wainaina [1982] KLR 17**; and **Muti vs. Finance Corporation and Another [2004] 2 EA 182**, in support of this proposition. For the foregoing reasons, Counsel for the Plaintiff urged for the dismissal of the Defendant's application.

[13] I have given careful consideration to the pleadings filed herein, the affidavits filed in respect of the Defendant's application dated **29 July 2016** and the submissions made by Learned Counsel for the parties. **Order 1 Rule 10(2) of the Civil Procedure Rules** recognizes that:

**"The court may at any stage of the proceedings, either upon or without the application of either party, and on such terms as may appear to the court to be just, order that the name of any party improperly joined, whether as plaintiff or defendant, be struck out, and that the name of any person who ought to have been joined, whether as plaintiff or defendant, or whose presence before the court may be necessary in order to enable the court to effectually and completely to adjudicate upon and settle all questions involved in the suit, be added."**

[14] The Defendant presented a formidable argument, namely that as a holding company, it is a separate legal entity and ought not to have been sued on account of the actions of its separate subsidiary, **The Star**. That argument accords well with the law and as such I would only restate, in support thereof, what **Ringera, J** said in **Mosi vs. National Bank of Kenya [2001] eKLR** when he stated that:

**"The law is clear that a holding company is a distinct legal entity from its subsidiary and it cannot be sued for any breach of contract by its subsidiary. A merger or amalgamation of the business of a holding company (or a parent company in the language of some) with that of the subsidiary is a business decision with only administrative but not legal consequences as**

**pertains to the legal status of the entities concerned..."**

[15] It is not in dispute that the Defendant is a holding company for **The Star**, among others. Hence the question for determination would be in what capacity has the Defendant been sued herein. A careful consideration of the pleadings show that it has been sued, not solely as the holding company of **The Star**, but as the registered owner of the offending website; and it is noteworthy that this is something the Defendant has expressly admitted herein.

[16] Whereas at paragraph 5 of the Defence, it was averred that:

**"The Defendant denies the contents of paragraph 10 of the Plaintiff *in toto* and avers that it has not aggregated or reproduced contents directly from the Plaintiff's website. The Defendant further avers that it does not have a platform named the Star Classifieds as alleged by the Plaintiff and is a stranger to the alleged website."**

It was, in the same vein conceded in its written submissions, at paragraphs 7 and 8 thus:

**"The Defendant has admitted that it is a holding company for various other duly registered companies and that the group of companies have made use of synergies within the group for ease of administration e.g. post office box addresses and certain skill sets within staff, despite retaining separate legal entities. These synergies include the registration of the domain [www.the-star.co.ke](http://www.the-star.co.ke) which is registered under the parent company but operated by a subsidiary company..."**

[17] It is instructive that on account of the aforesaid admission, the Defendant found it needless refuting the documentary proof by way of the Plaintiffs **Annexures PN1** and **PN2** that the domain in issue herein is registered in the name of the Defendant. **Annexure PN1** shows that the Domain Name, [the-star.co.ke](http://the-star.co.ke) was at all times material to this suit registered in the name of the Defendant **Annexure PN2** confirms that the mailing address for the purpose of that website is [classifieds@radioafricagroup.co.ke](mailto:classifieds@radioafricagroup.co.ke). In those circumstances, it is manifest that the right party to go for would be the Defendant, as no order or decree issued herein would be enforceable without its presence. It would be left to the Plaintiff to consider whether or not to implead and enjoin the subsidiary.

[18] It is noteworthy that in the case of **Hannah Maina T/A Taa Flower vs. Rift Valley Bottlers Limited [2016] eKLR** that was relied by the Defendant, there was a contract between the Appellant and the subsidiary company which was thereafter placed under liquidation, thus prompting Appellant to sue the holding company. In this case the holding company has been sued as the registered owner of the offending website and has admitted to such ownership. Accordingly, I am of the considered view that the aforementioned authority is distinguishable from the facts hereof.

[19] In addition to the foregoing, the Plaintiff raised the issue of whether an application for the summary striking out of the name of a defendant would be available in the case of a lone defendant, without the benefit of a hearing on the merits. In the case of **Daphne vs. Murray Alexander Carson [1962] EA 515**, it was held that:

**"There are a number of reasons why the relief sought under Order I r. 10(2) cannot be granted ... In the first place, I could not at this stage order that the defendant be dismissed from the suit without holding that the plaintiff discloses no cause of action against him, or that on the face of the pleadings as a whole the plaintiff has no chance of success. But to so hold would be to prejudice the pending case itself ... Secondly, an application of this nature under Order I r. 10(2) is misconceived. Rule 10(2) empowers the court to "order that the name of any party improperly joined, whether as plaintiff or defendant, be struck out and that the name of any person who ought to have been joined, whether as plaintiff or defendant to be added." The rule is thus concerned with parties who have been wrongly joined or who ought to be joined or added. To "join" or "add" a party is not synonymous with making a person a party. To be joined or added presupposes a co-defendant (or co-plaintiff) to whom the**

**defendant (or plaintiff) sought to be joined or added can be joined or added. Such is not the case in the present application where a straight substitution of one sole defendant for another is being sought, the result of which would be the complete disposal of the suit as at present framed..."**

[20] It is noteworthy that **Rule 10(2) of Order 1, Civil Procedure Rules** employs the conjunctive "**and**" between striking out a party and joinder of another party. Indeed, the marginal notes talks of "substitution and addition of parties." In the instant situation, there appears to be no such prayer for replacement of the Defendant, were the Court to be minded to have it struck out of these proceedings. Accordingly, unless the striking out or removal of a party would leave the suit intact, such a move ought to be frowned upon, considering that striking out the Defendant herein would in effect amount to striking out the suit itself without affording the Plaintiff a hearing; which should be a last resort measure, and a measure that can only be employed in the clearest of circumstances. It is also instructive that in **Order 1 Rule 9 of the Civil Procedure Rules**, it is prescribed that:

**"No suit shall be defeated by reason of the misjoinder or non- joinder of parties, and the court may in every suit deal with the matter in controversy so far as regards the rights and interests of the parties actually before it."**

[21] Thus, there can be no doubt, from the foregoing analysis, that the presence of the Defendant herein is necessary to enable the Court effectually and completely adjudicate upon and settle all the questions involved in the suit, and I so find. I do note that the issue of estoppel was also raised by the Plaintiff but I do not think much turns on that point, granted that the Defendant has already filed a Memorandum of Appearance and Defence herein clearly stating its posturing as respects the claim. In the premises, I would dismiss the Defendant's Chamber Summons dated **29 July 2016** with costs.

#### **The Second Application dated 19 September 2016**

[22] The Notice of Motion dated **19 September 2016** was filed by the Plaintiff for the following orders:

[a] A Temporary Injunction restraining the Defendant, whether by itself, directors, officers, employees, servants, agents, successors and/or assigns from advertising, promoting, displaying, selling and/or offering for sale, or otherwise using or dealing with the Plaintiff's trademarks **TM No. 81631 OLX** (name and logo), **TM No. 81632 OLX** (name) and **TM No. 81633 OLX** (name and logo) pending the *inter partes* hearing and determination of the application. (spent);

[b] A Temporary Injunction restraining the Defendant, whether by itself, directors, officers, employees, servants, agents, successors and/or assigns from advertising promoting, displaying, selling and/or offering for sale, or otherwise using or dealing with the Plaintiff's trademarks **TM No. 81631 OLX** (name and logo), **TM No. 81632 OLX** (name) and **TM No. 81633 OLX** (name and logo) pending the hearing and determination of this suit.

[c] That the costs of the application be borne by the Defendant.

[23] The application was filed pursuant to **Sections 1A, 1B, 3A and 63(c) and (e) of the Civil Procedure Act, Order 40 Rules 1, 2 and 9, and Order 51 Rule 1 of the Civil Procedure Rules** on the grounds that whereas the Plaintiff is the sole lawful proprietor in Kenya of the subject trademarks, it had come to its attention that, during the pendency of this suit and after being served with the Plaintiff in this matter, the Defendant has continued to use and display advertisements from the Plaintiff's website on its aggregated advertisements service, Star Classifieds, citing both the OLX name and photographs with the OLX watermark. It was the contention of the Plaintiff that the Defendant's unauthorized and intentional use of its trademarks is continuing to cause it substantial harm and damage as it is likely to cause dissipation of the substantial reputational goodwill that has been built up in the Plaintiff's brand, which may not be adequately compensable by an award of damages.

[24] The application was supported by the affidavit of **Peter Ndiang'ui** and the annexures thereto, in

which it was averred that the Plaintiff has used the OLX trademarks extensively in Kenya, East Africa, Africa, Asia, Latin America, Europe and the Middle East, and has marketed itself widely as the operator of the best known and widely used online classified ads in these regions. It was further averred that OLX has been cited in numerous press articles in Kenya, and has won various awards as shown by the documents annexed to the Supporting Affidavit and marked **Annexure PN2**.

[25] It was the Plaintiff's case that it filed this suit upon becoming aware that the Defendant, through its **Star Classifieds** platform was aggregating and reproducing content directly from its website, including photographs which incorporated the OLX trademarks. It was averred that the Plaintiff has never allowed the Defendant to use the OLX trademarks on its competing site and therefore was reproducing its content in infringement of the trademarks aforementioned, and therefore the Defendant's use of material bearing the registered trademarks of the Plaintiff amounts to a breach of the Plaintiff's rights as protected under **Section 7 of the Trade Marks Act**.

[26] The Plaintiff further deposed that after the filing of this suit and service upon the Defendant of the suit papers, it has now become apparent that the Defendant intends to continue its unauthorized and unlawful use of the OLX name and the OLX trademarks on the Star Classifieds service. A bundle of screenshots of the Defendant's website showing the adverts on the **18 February, 10 May, 23 June, 4 July and 27 August 2016**, were exhibited as annexures to the Supporting Affidavit and marked **PN5** in support of this averment.

[27] The Plaintiff's contention was that the aforesaid acts of the Defendant are calculated to mislead, and take unfair commercial advantage of the goodwill and reputation of the Plaintiff's trademarks, and to create the impression that there exists a connection between the Plaintiff's website and the Defendant's website; or that the Plaintiff either endorses the Defendant's business or is in partnership/joint venture relationship with the Defendant, which is not the case.

[28] In a bid to show that The Star's online traffic has moved up considerably since they started aggregating classified adverts from the Plaintiff's website, the Plaintiff exhibited as **Annexure PN6**, an analysis of the online traffic reports, which shows that the highest proportion of outgoing traffic from the Star's site earning the highest contributor of the visitors is the Star Classifieds. It was further averred that advertisers who use programmatic advertising spend more money on the Star Classifieds page due to its high traffic; and that such revenue is earned by the Defendant at the expense of the Plaintiff, and that from the defendant's response, per the letters annexed as **PN7**, it intends to continue with its illegal acts; hence the need for a temporary injunction.

[29] In its written submissions, the Plaintiff relied on the case of **Giella vs Cassman Brown & co. Ltd [1973] EA 358** and contended that it had demonstrated the three necessary conditions set out therein for the grant of a temporary injunction. It also relied on, inter alia, the case of **OLX BV & Others vs Padwan Limited & Others CS (COMM) 232/2016**, a recent persuasive decision by the High Court of New Delhi relating to a similar infringement involving the Plaintiff Company in which content was copied from its website.

[30] The Defendant opposed the Plaintiff's application for temporary injunction and, to this end, relied on the Replying Affidavit sworn by **Linda Musita**, the Defendant's Legal Officer. She denied any infringement by the Defendant of the Plaintiff's trademarks. According to her, the Star Classifieds operates on the website <http://www.the-star.co.ke/classifieds> as a search engine for all local classifieds; and that the Star Classifieds only aggregates hyperlinks to the classifieds and does not in any way pass them off as its own. A copy of the Plaintiff's Terms of Use as of **30 September 2016** was exhibited as **Annexure LM-1** to the Replying Affidavit to demonstrate that the Plaintiff, at all times material to this suit, allowed aggregation of its content for purposes of providing hyperlinks to the service; the effect of which is to simply lead a user to the owner's website.

[31] It was further deposed by the Defendant that, as a search engine, the Star Classifieds has had the positive effect of increasing traffic (or more eyeballs) to the Plaintiff's website. In support of this deposition, the Defendant annexed to the Replying Affidavit as **Annexure LM-4** a screen print-out

showing the organic search visits to the Plaintiff's website in the period between **July 2015** and **June 2016**, and posited that, according to **Alexa Internet**, which is a company that provides commercial web traffic data and analytics and ranking of websites based on its collecting data on browsing behaviour, [www.the-star.co.ke](http://www.the-star.co.ke) was ranked at position 6 ahead of the Plaintiff's website, which was placed at position 26 (per **Annexure LM-6**).

[32] The Defendant denied that the classifieds are its chief source of revenue and provided as an example a copy of the Star Classifieds analytics from **1 June 2015** to **31 July 2016** showing the traffic to the [www.the-star.co.ke](http://www.the-star.co.ke) website (**Annexure LM-7**), which shows that the website recorded a total of **11,829,042** users; and only **2,410,776**, being less than 20%, visited the Star Classifieds. In the same vein, the Defendant denied that any damage or loss ensued from the aggregation of their hyperlinks, contending that the Plaintiff's argument on loss of revenue is not backed by any financial data or proof.

[33] In support of the foregoing averments, the Defendant made submissions to the effect that the Plaintiff has failed to make out a case for the issuance of a temporary injunction as set out in the Giella Case (supra). It relied on the cases of **Mrao Limited vs. First American Bank of Kenya Ltd & 2 Others [2003] eKLR**; **Nguruman Limited vs. Jan Bonde Nielsen & 2 Others [2014] eKLR** to support its argument that the Plaintiff is not deserving of injunctive relief at this interlocutory stage. In particular, it was submitted that the current conventional view is that websites welcome linking from others because it increases traffic, advertising rates, and by inference, revenue; and that the hyperlinks therefore go to the centre of how the World Wide Web operates, by helping people to easily find the information they need through the employment of robots. It was therefore the contention of the Defendant that the use of hyperlinks is legal, unless proven to go beyond being an indicator of how to find information. The cases of **Ticketmaster Corp vs. Microsoft Corp CV 97-3055** and **Nils Svensson and Others vs Retriever Sverige AB C-466/12** were cited in support of this posturing.

[34] According to the Defendant, the Plaintiff had not shown that the hyperlinks have been done in a manner that suggests affiliation, by declaring an affiliation; and that it does not claim ownership of the content accessed through the aggregated links. Thus, it was submitted that the Plaintiff has failed to demonstrate that Star Classifieds operates a competing online advertising service that is a competing business and as such has failed to show a prima facie case of unfair competition.

[35] I have carefully perused the pleadings, the Notice of Motion dated **19 September 2016** and the affidavits filed in respect thereof. I have also given due consideration to the written submissions filed herein by Learned Counsel for the protagonists, including the oral highlighting thereof that was done herein on **8 March 2017** as well as the Lists and Bundles of Authorities filed. It is now well settled that for the Court to grant the orders sought in the instant application, it has to be satisfied that the principles laid down for the grant of interlocutory injunctive orders as set out in the case of **Giella Vs Cassman Brown & Co Limited [1973] EA 358** have been satisfied, namely:

- a. **That a prima facie case has been made out by the Plaintiff/Applicant.**
- b. **That the Plaintiff/Applicant stands to suffer irreparable harm which would not adequately be compensated by an award of damages;**
- c. **That the balance of convenience favours the grant of injunction.**

[36] In the case of **Mrao Limited Vs First American Bank Of Kenya Limited & 2 Others [2003]eKLR** the Court of Appeal defined what a prima facie case is in the following words:

**“...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 success of the applicant's case upon trial. That is clearly a standard which is higher than an arguable case.”**

[37] Applying the foregoing principles to the instant case, there is no doubt that the Plaintiff is the registered owner of the trademarks that are the subject of this suit. Accordingly, the trademarks are protected by dint of Section 7 of the Trade Marks Act, which stipulates that:

**"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 those 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 or a registered user thereof using by way of permitted use, uses a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade or in connection with the provision of any services in respect of which it is registered..."**

[38] On the basis of the evidence availed herein, there appears to be no dispute that the Defendant displays the OLX trademarks on its website. It is this display that the Plaintiff is complaining about, contending that it is causing confusion, in that consumers are likely to believe that the website is linked to the Plaintiff; or that there is some sort of joint venture between the parties. The Defendant however disputed the contention by the Plaintiff that it is doing so for commercial benefit. According to the Defendant, for purposes of fully identifying the owner of the advertisements, the link aggregator displays the owner's identifying marks such as photographs and website hyperlinks; and as such a user is not confused as to ownership, origin or provenance of the online advertisement. The Defendant therefore insisted that the hyperlink, if anything, works to the favour and advantage of the Plaintiff; and in its Supporting Affidavit, the Defendant painstakingly explained that all it does is link the Plaintiff to more visitors.

[39] It is evident therefore that there appears to be an admission that the Defendant is in effect using the Plaintiff's trademark for purposes of the hyperlink; and that the Plaintiff has not given its permission for such usage. *A fortiori*, the Defendant would, in the premises, be considered to be in breach of **Section 7** of the **Trade Marks Act** aforesaid. I would accordingly endorse the holding in the case **Colour Planet Limited vs Safaricom Ltd & 2 Others [2016] eKLR** that:

**"... in order for the Court to consider an application for injunction, the principles enunciated in Giella v Cassman Brown & Co. Ltd (1972) EA 358 are considered, as well as the provisions of the law under the Trade Marks Act. If it is shown and proven that the trade mark was registered for the exclusive use of the proprietor, then the Court would have to allow for an injunction to dissipate confusion in the minds of consumers..."**

[40] It is noteworthy that the Defendant's contention is that, from its standpoint, there was full compliance with the Plaintiff's Terms of Use in providing the hyperlink. The Plaintiff on the other hand cited Clause vi thereof on access and contended that there was blatant breach thereof by the Defendant. That clause reads as follows in part:

**"...Notwithstanding the foregoing, general purpose internet search engines and non-commercial public archives that gather information for the sole purpose of displaying hyperlinks to the service, provided they each do so from a stable IP address or range of IP addresses using an easily identifiable agent and comply with our robots.txt file, may engage in the activities set forth in (b). For purposes of this exception, a "general purpose internet search" engine does not include a website or search engine or other service that specializes in classified listings including any subset of classified listings such as housing, for sale, jobs, services, or personals, or which otherwise provides classified ad listing services."**

[41] It remains to be seen, after a merit hearing of the main case, whether or not the aggregation was done by the Defendant in compliance with the Plaintiff's Terms and Conditions of Use. It suffices for now that the Plaintiff has demonstrated that it did not permit usage of its trademarks; and that its Cease and Desist Notices have been ignored by the Defendant. I note that the Plaintiff was successful in a similar

application before the New Delhi High Court in **OLX & Others vs. Pada Wan Ltd & Others CS(COMM) 232/2016**. I would accordingly be persuaded and hold that indeed the Plaintiff has made out a prima facie case herein.

[42] As to whether the Plaintiff stands to suffer irreparable harm for which an award of damages may not be adequate as a remedy, I have given thought to the uncontroverted evidence by the Plaintiff that it has placed massive investment in developing its brand, including by way of a relentless advertising strategy. It contends that its brand has now attained public recognition and awards as shown by Annexure PN2. It was further averred that the Defendant, vide the letters dated 9 **December 2015** and 21 **January 2016** (marked **Annexure PN7** to the Supporting Affidavit) was explicit that it was not bound by the Plaintiff's Terms of Use and would continue hosting the hyperlink to the Plaintiff's website, notwithstanding the pendency of this suit. It was the submission of the Plaintiff that the infringement is taking place on the internet; and that a trademark is the only means of identification in the cyber world. Having found that the Plaintiff has made out a *prima facie* case herein, and given the nature of the breach complained of, I entertain no doubt that the loss may ultimately be irreparable. I am fortified in this viewpoint by the case of **Nguruman Limited vs. Jan Bonde Nielsen & 2 Others [2014] eKLR** in which the Court of Appeal held that:

**"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 of such a nature that monetary compensation, of whatever amount, will never be adequate remedy."**

[43] It is not lost on the Court that the Plaintiff has, inter alia, prayed for an award of damages in its Plaint. Nevertheless, this is one of the cases where, an order for temporary injunction would, in my considered view, meet the ends of justice, notwithstanding the claim for damages. Accordingly, I fully endorse the finding of **Warsame, J** (as he then was) in **Joseph Siro Mosioma vs. HFCK and 3 Others HCCC No. 265 of 2007** that:

**"...damages is not automatic remedy when deciding whether to grant an injunction or not. Damages is not and cannot be a substitute for the loss which is occasioned by a clear breach of the law... More so, a party cannot be condemned to take damages in lieu of his crystallized right which can be protected by an order of injunction."**

[44] From the foregoing, there is no doubt in the mind of the Court, not only that the Plaintiff has made out a prima facie case with probability of success; but also that it stands to suffer irreparable harm for which damages may not be an adequate remedy; in which even there would be no need to consider the balance of convenience. In any event, the Defendant having admitted the existence of the hyperlink with the Plaintiff's trademark thereon, the balance of convenience would be in favour of the Plaintiff, this being the course that appears to carry the lower risk of injustice. (see **Suleiman vs Amboseli Resort Ltd [2004] eKLR 589**). I would accordingly allow the Plaintiff's application dated **19 September, 2016** and grant orders as prayed therein.

[45] In the result, my final orders in respect of the two applications are as follows:

[a] The Defendants Chamber Summons dated **29 July 2016** fails and is hereby dismissed with costs.

[b] The Plaintiff's Notice of Motion dated **19 September 2016**, being meritorious, is hereby allowed and orders issued as prayed therein in the following terms:

[i] A Temporary Injunction be and is hereby issued restraining the Defendant, whether by itself, directors, officers, employees, servants, agents, successors and/or assigns from advertising, promoting, displaying, selling and/or offering for sale, or otherwise using or

dealing with the Plaintiff's trademarks **TM No. 81631 OLX** (name and logo), **TM No. 81632 OLX** (name) and **TM No. 81633 OLX** (name and logo) pending the hearing and determination of this suit.

[c] That the costs of the application be borne by the Defendant.

Orders accordingly.

**DATED AND SIGNED AT NAIROBI THIS 7<sup>TH</sup> APRIL 2017**

**OLGA SEWE**

**JUDGE**

**DATED, SIGNED AND DELIVERED AT NAIROBI THIS 7<sup>TH</sup> APRIL 2017**

**RACHEL NG'ETICH**

**JUDGE**