



**REPUBLIC OF KENYA**  
**IN THE HIGH COURT OF KENYA AT NAIROBI**  
**COMMERCIAL & ADMIRALTY DIVISION**  
**HCC CASE. NO.15 OF 2016**

**SAFARICOM LIMITED.....PLAINTIFF/RESPONDENT**

**VERSUS**

**COLOUR PLANET LIMITED.....DEFENDANT/APPLICANT**

**RULING**

1. This Decision determines three Applications which the Court was requested to hear together.
2. In the Notice of Motion of 24<sup>th</sup> March 2016 Colour Planet ltd. (Colour Planet or Defendant) prays for the following Orders:-
  1. THAT the Complaint dated 21<sup>st</sup> January 2016 and filed in court on 22<sup>nd</sup> January 2016 be struck out.
  2. THAT the costs of this Application and the entire suit be borne by the Plaintiff/Respondent.
3. On its part Safaricom Limited (“Safaricom” or “The Plaintiff”) filed a Motion on 16<sup>th</sup> May 2016 seeking the following Orders:-
  1. THAT this suit be consolidated with Nairobi H.C.C.C No.314 of 2015, Colour Planet Limited Vs. Safaricom & 2 others.
  2. THAT in the alternative, this Honourable Court be pleased to hear H.C.C.C No. 314 of 2015 COLOUR PLANT LIMITED vs. SAFARICOM & 2 OTHERS together with this suit.
4. The third Application is that of 18<sup>th</sup> July 2016 by the Defendant for orders:-
  1. THAT the Honourable Court be pleased to certify this matter as extremely urgent and hear it ex-parte in the first instance on that account.
  2. THAT the Honourable Court be pleased to discharge, or set aside the orders of the 22<sup>nd</sup> January 2016 in as far as they prevent the Defendant/applicant from engaging in business using its trademark “OKOA STIMA” pending the interparties hearing of this Application.
  3. THAT this Honourable Court be pleased to issue such orders and or directions it may deem just in the interest of justice.
  4. THAT cost of this Application be borne by the Plaintiff/Respondent.
5. The Dispute between Safaricom and Colour Planet is the ownership of the Trade Mark “Okoa Stima”.

Safaricom say that it is a system that allows a user of electricity to get electricity at any time and pay for it later.

6. The Parties do not agree on how the Trademark originated and was conceptualized but it is not necessary for purposes of this Decision to discuss their rival positions.

7. It is however, not in dispute that on 25<sup>th</sup> March 2015 Colour Planet filed an Application for the Trademark under Application No. TMA No. 86795. On 27<sup>th</sup> May 2015 the Applicant received an Approval Letter from the Registrar of Trade Marks allowing it to register the Mark. A few days later, on 31<sup>st</sup> May 2015, the Mark was advertised in the Industrial Property Journal. This would be in pursuance to Section 21 of the Trade Marks Act and Rule 42(1) of the Trade Mark Rules.

8. The advertisement caught the attention of Safaricom who itself was keen to be registered as the owners thereof. On 27<sup>th</sup> July 2015 Safaricom filed a Notice opposing the registration of the Trademark in favour of Colour Planet.

9. Subsequently, Colour Planet filed a Counter Statement on 15<sup>th</sup> September 2015 controverting the allegations in the Notice of Opposition and re-asserting its position.

10. On 21<sup>st</sup> September 2015, the Registrar of Trade Mark forwarded the Counter Statement to Safaricom requiring it to file a Statutory Declaration required by Rule 48(4) of the Trade Mark Rules. The invitation to Safaricom was to file the Declaration within 42 days from the date of receipt of the letter.

11. A document attached to the Affidavit of one Isaac Njoroge Kibere sworn on 21<sup>st</sup> January 2016. In support of an Application for Injunction presented simultaneously with the filing of this suit shows that, through its advocates Muriu Mungai & co. Advocates, Safaricom applied for an extension of time to respond to the Refusal Notice. In the Application for Extension of time dated 29<sup>th</sup> September 2015, Safaricom sought 90 days extension from 8<sup>th</sup> September 2015 to 8<sup>th</sup> December, 2015.

12. Safaricom say that the Application for extension of time was filed in Application 86982 instead of 86795. A dire consequence of that error was that Safaricom's opposition was treated as abandoned and a Certificate of Registration was issued to Colour Planet being Trademark No.KE/T/2015/86795.

13. In the meantime and before the Certificate of Registration Mark issued, Colour Planet on 1<sup>st</sup> July, 2015 commenced Civil Suit No. 314 of 2015 in which it sued Safaricom, Julia Obura and Kenya Power and Lighting Company Limited (hereinafter **HCC No.314** of 2015) seeking, inter alia, that it be declared the sole proprietor of the Trade mark and a permanent order restraining the Defendants from using or carrying on business with the said Trademark.

14. Together with the presentation of the suit, Colour Planet sought a temporary order of Injunction against the 3 Defendants in respect to the Trademark. The Application was heard by Kariuki J. who dismissed it on 19<sup>th</sup> February 2016.

15. What has aggravated Colour Planet is the filing of this suit and the Orders obtained herein. This suit was filed on 22<sup>nd</sup> January 2016. The subject matter of the suit is the Trade mark 'Okoa Stima' and Safaricom seeks the following Orders:-

- a) An order expunging the Trademark No. KE/T/2015/896795 OKOASTIMA in the name of the Defendant herein from the Register
- b) An order ordering the Defendant to deliver and /or give possession of trademark certificate No.KE/T/2015/86785.
- c) A permanent Injunction restraining the Defendant whether by themselves, employees, servants

or agents from dealing with or using the Trade Mark “OKOA STIMA”.

d) A permanent injunction restraining the Defendant, whether by themselves, employees, servants or agents from harassing and interfering with the operations of the Plaintiff’s in relation to the “OKOA STIMA” Trade Mark.

e) A perpetual injunction restraining the Defendant from interfering with Plaintiff’s use/or management of “OKOA STIMA” Trade Mark.

f) In the alternative a declaration of Honest Concurrent use of the Mark “OKOA STIMA” trademark by the Plaintiff.

g) Cost of the suit.

16. On the same day 22<sup>nd</sup> January 2016, Safaricom moved Court through exparte proceedings and obtained the following Orders:-

1. THAT the Defendant whether through its servants and agents etc be and are hereby forbidden from

a. Interfering with any contracts with the Plaintiff under the banner “OKOA STIMA”.

b. Informing suggesting or otherwise intimating to any third party that the Plaintiff cannot and/or does not have the right to use the name “OKOA STIMA” and/or “OKOA KENYA” until Thursday 28<sup>th</sup> January 2016.

2. THAT the Plaintiff do serve this application and order on the Defendant forthwith.

3. THAT the Plaintiff to serve a copy on the Registrar of Trademarks forthwith.

4. THAT the matter be listed for Mention on 28<sup>th</sup> January, 2016.

5. THAT the Registrar of Trademarks shall ensure a representative attends that hearing. The representative to be appraised of the Registration of the two Trade Marks in question.

6. THAT costs shall be in the cause.

17. Colour Planet asserts that the filing of this suit is an abuse of Court process as it is in respect to the same issue and subject matter as HCC No.314 of 2015. Colour Planet’s position is that this suit is intended to frustrate and intimidate it by burdening it with litigation. That it is intended to cause unnecessary anxiety, trouble and expense.

18. In respect to the Orders obtained by Safaricom, Colour Planet argues that it was obtained by non-disclosure of material facts and misrepresentation to Court that Okoa Stima was an unregistered Mark.

19. It does not require any detailed examination to conclude that Civil Suit No.314 of 2015 and these proceedings are intimately connected. In the latter, just like here, the subject matter is the Trade Mark “Okoa Stima”. At the time of filing of that suit, on 1<sup>st</sup> July 2015 Colour Planet’s application for registration as the lawful proprietor of the Trademark had been approved by the Registrar of Trade Marks. Subsequently and as required by Section 21 of the Trade Marks Act and Rule 42(1) of the Trade Marks Rules, the approval was advertised on 31<sup>st</sup> May 2015 in the Industrial Property Journal. The grievance of Colour Planet was that the Defendants were infringing on its Trademark.

20. The issuance of the Certificate of Registration of the Trade Mark in favour of Colour Planet happened on 14<sup>th</sup> December 2015, a date after Hcc. No.314 of 2015 was filed. Safaricom who lay a claim to the

Trade mark seek the following Orders in the current Proceedings:-

- a) An order expunging the Trademark No. KE/T/2015/896795 OKOASTIMA in the name of the Defendant herein from the Register.
- b) An order ordering the Defendant to deliver and /or give possession of trademark certificate No.KE/T/2015/86785.
- c) A permanent Injunction restraining the Defendant whether by themselves, employees, servants or agents from dealing with or using the Trade Mark “OKOA STIMA”.
- d) A permanent injunction restraining the Defendant, whether by themselves, employees, servants or agents from harassing and interfering with the operations of the Plaintiff’s in relation to the “OKOA STIMA” Trade Mark.
- e) perpetual injunction restraining the Defendant from interfering with Plaintiff’s use/or management of “OKOA STIMA” Trade Mark.
- f) In the alternative a declaration of Honest Concurrent use of the Mark “OKOA STIMA” trademark by the Plaintiff.
- g) Cost of the suit.

21. Colour Planet was never in doubt about the close relationship of the two proceedings and on 28<sup>th</sup> January 2016 its Counsel Miss Githogori told Court as follows;

***“We are opposed to extension of the Orders because matter is subjudice matter involves same parties same cause of action. Alternatively consolidated with existing suit before Kariuki J. pending for Ruling”***

22. Although Safaricom was of a different mind therein, there is now a clear change of heart. The grounds in support of Safaricom’s Application for consolidation can never be more telling:-

- I. THAT the suits are based in the same factual dispute consequently raising similar questions of law and fact and as such it is prudent to have them heard together.
- II. THAT it is in all possibilities that the same documents shall be produced or duplicated in evidence at the trial of both suits.
- III. THAT the issues herein cannot be fairly determined without reference to the other suit.
- IV. THAT hearing the suits simultaneously will enable the court to make final determination of the issues thereby saving judicial time and costs on the parties.
- V. THAT further, consolidation will avoid a duplication of proceedings and a danger of the court arriving at different decisions.

23. With this concession, what then could have motivated Safaricom to launch a new suit instead of seeking a Counterclaim in Civil suit No. 314 of 2015? Mr. Musyoka, Counsel for Safaricom told Court that after Colour Planet had obtained the Certificate of Registration it started writing to Safaricom’s Customers advising them that it (colour Planet) was the Bonafide owner of the Trademark. This was a crisis that needed to be addressed by urgent Injunctive Orders and in the urgency, the route of amending Civil suit No. 314 of 2015 was not available. And that at any rate the file was with Kariuki J. as it was pending a ruling. Counsel was reiterating the contents of paragraph 24 of the Affidavit of Daniel Ndaba of 16<sup>th</sup> August 2016 in which he stated,

(i) To do so the Plaintiff would be required to file an application to amend the Defence and include a Counter Claim and it is only after the same was heard and determined the Plaintiff would have been able to file the Counter Claim.

(ii) After obtaining the Certificate of registration of Trade Mark the Defendant started interfering with the Plaintiff's use of "OKOA STIMA" by threatening to sue media companies which were advertising the Plaintiff's 'OKOA STIMA" product with criminal prosecution. (Annexed herewith and marked "DN-3" is a letter addressed to Royal Media Services by the Defendant's Advocates)

(iii) There was therefore extreme urgency to file the suit and seek for interim injunctive relief which would not have been possible if the Plaintiff had to firstly seek to amend the Defence and include a Counter Claim.

24. Let me for a moment accept, arguendo, that because of the exigencies of the moment it was permissible for Safaricom to file this suit, was there non-disclosure and or misrepresentation as contended by Colour Planet when Safaricom moved the Court *ex parte*, for the impugned Orders?

25. First on misrepresentation. I do not agree with Colour Planet that Safaricom created the impression that the Trademark was unregistered. Both in the Application for Injunction and the Plaintiff there was an unreserved acknowledgement that a Certificate of Registration had been issued to Colour Planet. Indeed the Suit in the main, is a plea to expunge the Registered Trademark.

26. However, the same cannot be said about full and frank disclosure. It is true that in paragraph 32 of the Plaintiff, the existence of Civil Suit No.314 of 2015 is pleaded. But there is a deafening silence about the subject of that suit both in the Plaintiff and the Notice of Motion of 21<sup>st</sup> January 2016. Even in the Plaintiff's filed list of Documents, the Pleadings in Civil Suit No. 314 of 2015 were not included as they ought to have been done.

27. There was no disclosure that the issues herein were substantially those in issue in Civil Suit No.314 of 2015. There was no disclosure that Colour Planet itself sought to injunct Safaricom and the other 2 Defendants over the use of the Trade Mark and that the Application had been argued and was awaiting a decision by Kariuki J. There was no disclosure that Safaricom would have in fact sought an amendment of its defence to include a Counterclaim in Civil Suit No.314 of 2015 had it not been for the urgency of the moment. These are facts that the Judge may have considered as material when considering the *Ex parte* Application.

28. Merely to mention the existence of Civil Suit No. 314 of 2015, was a token or notional disclosure. That was not sufficient. What was required was a full and frank disclosure of all material facts. And what is material is what the Judge considers to be relevant and material in determining the matter before him. For this reason the disclosure should be as frank full and extensive as possible. That is what is required of a litigant who approaches the Court *Ex parte*. And the obligation for such disclosure would have no less even if this file had been placed before Kariuki J. who was dealing with Civil Suit No.314 of 2015 because it cannot be expected that Judges can remember the details of the hundreds of files they have to deal with. But for the worse, the file fell to be dealt with by a Judge other than Kariuki J.!

29. The conduct of Safaricom must be censured. Colour Planet has asked this Court to strike out the entire suit and /or to discharge the Orders of 22<sup>nd</sup> January 2016 obtained by Safaricom. In my view to strike out the entire suit would be too harsh a censure given that it is within the right of Safaricom to seek the expungement of the Trade Mark, less draconian measures are available. This Suit can either be consolidated with Civil Suit No. 314 of 2015 or stayed pending the hearing and determination of that suit.

30. When a Court is satisfied that a Party is guilty of suppressing or misrepresenting material facts, then it can discharge the orders obtained and in addition decline to consider the application on merit. This Court is also aware that in some circumstances, which are exceptional, it would be inappropriate to discharge the orders and other ways of censure, like payment of costs, will be applied. But for the matter before me, there was blatant suppression of material facts and it is clear in my mind that the orders obtained on 22<sup>nd</sup>

January 2016 should not be allowed to subsist any further. The facts suppressed are those that Court has set out in paragraph 27 of this Decision. And just to demonstrate the danger that the suppression posed; we may well have been dealing with a situation where there would be two conflicting orders of Courts of concurrent jurisdiction had Kariuki J. allowed the Application in 314 of 2015. Luckily, that embarrassment was avoided because the Judge dismissed the application in on 19<sup>th</sup> February 2016. The outcome of the Exparte proceedings here may have been different had Safaricom made disclosure to the extent obligated by the law and it should not be allowed to enjoy orders obtained in such circumstances.

31. On the Application for consolidation, it is common ground that the issues in the two suits are directly and substantially similar. They raise similar questions of law and fact. It would save on judicial time to have the matters heard and determined together. Besides, a consolidation may save costs to the parties. However this Court is not able to make the Order straight away because the Defendants in 314 of 2015 are represented by Advocates who do not appear here and have not been heard on the proposed consolidation. This Court will hear them first before making final Orders in this respect.

32. The outcome:-

1. The Notice of Motion dated 24<sup>th</sup> March, 2016 is dismissed but with no order as to costs.
2. Prayer 2 of the Notice of Motion dated 18<sup>th</sup> July 2016 is hereby allowed with costs to Colour Planet Ltd.
3. Final Orders in respect to the Notice of Motion 16<sup>th</sup> May 2016 shall be made upon the Court hearing Counsel representing the Defendants in Civil Suit No.314 of 2015.

**Dated, Signed and Delivered in Court at Nairobi this 8<sup>th</sup> day of December, 2016.**

**F. TUIYOTT**

**JUDGE**

**PRESENT;**

Wilson for Musyoka for Plaintiff

Wanjohi for Defendant

Alex - Court clerk