

REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

MILIMANI COMMERCIAL COURTS

CIVIL SUIT NO. 138 OF 2014

SOLPIA KENYA LIMITED.....APPLICANT

Versus

STYLE INDUSTRIES LIMITED.....1ST DEFENDANT

SANA INDUSTRIES LIMITED.....2ND DEFENDANT

RULING

Infringement of trademark

[1] The Motion dated 9th April 2014 is seeking for injunctive orders to restrain the 1st and 2nd Respondents from infringing on the Applicant's trademark. The injunction is to restrain the Defendants ***“from offering for sale, stocking, distributing, displaying, producing, manufacturing, packaging, advertising, marketing and/or selling braids, wigs, weaves and artificial hair pieces bearing the Applicant's trade mark “GALAXY” or in any way infringing and/or passing off the Applicant's trade mark “GALAXY” pending the hearing and determination of this application or further orders of the Court”***. The Applicant claims to be the lawful proprietor of the trademark **GALAXY** in class 26 and the certificate thereof was registered on the 21st August 2012. The Applicant further claims that it is involved in production and selling of hair pieces, wigs and weaves using the trademark **GALAXY** to identify and differentiate her goods from the rest in the market and her goods have gained notoriety in the public domain.

[2] The Applicant submitted that, the 1st and 2nd Defendants are trading in goods in class 26 in the name of **GALAXY**, which infringes on the Applicant's exclusive right in the trademark. Despite issuing a cease and desist letter, the 1st and 2nd Defendants have blatantly continued to infringe on the Applicant's Trademark.

PRELIMINARY POINT OF LAW

[3] The Applicant raised an objection to the 1st Defendant's Supplementary Affidavit dated 17th September 2014 and filed on the 27th September 2014 on the ground that it was filed out of time and without the leave of this honorable court. The Respondent was given 10 days to file the said affidavit with effect from 7th of July 2014 and so it ought to have been filed by 17th July 2014. The Applicant's counsel did not even ask for its supplementary Affidavit was served on Applicant's Advocates on the 6th October 2014. It urged the Court to expunge it from the record. They cited the cases of ***Kiprotich Bore vs. Joseph Tuwei & Another [2014] eKLR*** where Justice Omondi held that failure to obtain leave is not a mere technicality and ordered the Affidavit to be expunged. And also the case of ***Everest Limited vs. Katherine Wambui Kuria [2008] eKLR*** where Justice Osiemo ordered an affidavit filed without leave of the court to be expunged because the *Applicant who is represented knew well that he ought to have sought leave to file the affidavit but decided to file the same without seeking leave and there is no explanation for doing so.*

ISSUES

Whether the Trademark Galaxy belongs to the Applicant;

Whether the Applicant's mark as registered extends to wigs, weaves, hair additions and extensions;

Whether the Defendant's Trademark closely resembles the Applicant's mark likely to deceive or cause confusion;

Whether the Applicant is entitled to injunctive orders.

Whether the Trademark Galaxy belongs to the Applicant;

[3] The Applicant submitted that, in accordance with section 7 of the Trademark Act, its registration of the trademark GALAXY in class 26 gives it *the exclusive right to the use of the trade mark in relation to those goods or in connection with the provision of any services thereof*. It submitted that it is aware that the right to trademark is not absolute as it is subject to the exceptions in section 7, 10 and 11 of the Trademark Act. But the actions by the Respondents in trading in GALAXY in class 26 are blatant infringement of the Applicant's trademark. To them, the claim that the Respondents were using the trademark GALAXY even before the registration of the Applicant's trademark does not qualify as an exception. If that were the case, they ought to have raised an objection to the registration of trademark within 60 days of its advertisement under the Act. They did not and so their claim of usage is not tenable in law and can only be in infringement of the trademark. The Applicant further discounted the claim by the Respondents that the word GALAXY is an English word used in beauty products and the Applicant cannot claim any exclusive right of the word. The Applicant stated that the word GALAXY in class 26 is its full registered trademark and it was registered without any restrictions thereto, and by that registration, the Applicant was conferred exclusive rights on the use of the trademark in relation to the goods and services for which the trademark is registered, and *any person who, not being the proprietor of the trade mark 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, and in such manner as to render the use of the mark likely to be taken either as being used as a trade mark commits infringement of the trademark*. The Applicant urged that the Respondents Defendants are both trading in the mark "GALAXY" in class 26 which is the full trademark of the Applicant. The Applicant quoted the cases of ***Chloride Exide (K) Limited & Another vs. Zakayo Muchai Wainaina T/A Chloride Exide Solar [2008] eKLR***, where the court found that the Defendant had infringed on the Applicant's trademark by adopting the Applicant's Trade name, which was also its trademark in full. They urged the court to hold there is infringement of their trademark and issue an injunction.

[4] The Applicant stated that it is erroneous for the Respondents to aver that the Applicant's trademark is registered in class 26 for "Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers" and that the registration does not confer rights to wigs weaves, hair additions and extensions. The Applicant averred that it deals with wigs weaves, hair additions and extensions as demonstrated in the labels marked as "JNW 1" in the Applicant's supporting Affidavit. And Registration of Trademarks is class based in accordance with Section 6 of the Trademarks Act which it provides:-

6 (1) A trade mark shall be registered in respect of particular goods or services, which shall be classified in the manner specified in subsection

(2) The goods and services in respect of which registration of a mark is applied for shall be classified in accordance with the International Classification of Goods and Services and any figurative elements of the mark shall be classified in accordance with the International Classification of the Figurative Elements of Marks...

[5] The Applicant also contended that the Defendants Trademarks closely resembles the Applicant's mark and is likely to deceive or cause confusion; the Applicant's mark is GALAXY in class 26; both

Defendants' marks are also GALAXY in wigs, weaves, hair additions and extensions; the goods manufactured and sold by the Defendants are all similar and are likely to deceive the public into believing that the Defendants are the agents of the Applicant. They relied on the case of *Rysta (1945) 60 R.C.P* where Greene M.R held that a decision on whether a mark so resembles another as to be likely to deceive or cause confusion is a finding of fact. From the get up of the Applicant's products and those of the Defendants, they are so strikingly similar likely to cause confusion. The Applicant presented the similarities in the tabular form below;

| | SOLPIA | SANA | STYLE |
|----------------------|-----------------------|-----------------------|-----------------------|
| ADVERTISEMENT | An African face model | An African face model | An African face model |
| TYPE | curly weave | curly weave | curly weave |
| COLOUR | Coloured weave | Coloured weave | Coloured weave |
| TRADE NAME | GALAXY | GALAXY | GALAXY |

[6] The Applicant claims that, from the above it is clear the Defendants have not only adopted the Applicants brand name but have also adopted the Applicant's get up thus making it impossible for the customers to differentiate the three brands. The Court should use the test of an Average customer and will come to the conclusion that there is a real probability of confusion to customers. In the case of **Group Four Security Limited vs. G4S Security Services (K) Limited**, Azangalala J held; that marks were strikingly similar that the possibility of confusion would not depend on the class, sophistication...and that...the similarities at a casual glance were more than the differences...in my view visually and phonetically, the two marks are so strikingly similar that a casual observer would not easily notice the difference.

[7] For the above reasons the Applicant posits that it has established prima facie case with a probability of success; that if the injunction is not granted, the applicant might suffer irreparable injury that cannot be adequately compensated by an award of damages and finally that if the court is in doubt it will decide the matter on a balance of convenience. Prima facie case as defined by the Court of Appeal in the case of **Mrao Ltd –vs- First American Bank of Kenya Ltd & 2 others (2003) KLR 137** 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 apparently has been infringed by the opposite party as to call for an explanation or rebuttal from the latter. It is convinced that it is entitled to injunctive relief. The court in **Pharmaceutical Manufacturing Company – vs – Novelty Manufacturing Limited: HCCC No.746 of 1998 (UR)**, Ringera J as he then, observed as follows at page 14 of his judgment:

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

[8] In **Wilson MuriithiKariuki T/A Wiskam Agencies V Surgipharm Limited**, Odunga J stated,

“...The position as of now is that the Applicant is the registered proprietor of the said Trade Mark and until that proprietorship is successfully challenged, has the right to enjoy the benefits

that accrue therefrom. To allow the defendants to also distribute a product bearing the same name would amount to introducing not only unnecessary confusion in the mind of the consumers of the said product but may engender chaos in the market.”

[9] The Applicant asserted that, contrary to the allegations by the 1st defendant, it is not a habitual tortfeasor on infringement. They also distinguished the Diva case (HCCC 496 of 2012) as it was concluded by way of consent between the Applicant and defendant. Judicial notice should be taken that the signing of consent did not amount to admission of the allegations therein. With regard to HCC 175 OF 2013, HCCC 285 OF 2013 and HCCC 316 OF 2013, the Applicant submitted that these cases are still pending in court and to assert that the Applicant is an infringer on the basis of the cases is unfounded and out of malice. Article 49 of the constitution confers the right of fair hearing to any accused. Furthermore, the Applicant submitted that the 1st defendant and the Applicant are rivals in the hair sector and that the defendants have also been copying the Applicants invented marks on the pretext of having traded in a similar mark before the Applicant and under the guise of their registered trademark, DARLING. See *herein attached opposition proceedings in relation to the Trademark Vicher.*

[10] The Applicant was categorical that it was not guilty of laches as claimed by the Respondents. It also refuted claims by the 1st defendant in its replying affidavit that the Applicant is the one who has copied the mark Galaxy from the 1st Defendant and its predecessor and that it has used the same on its goods since 2007. If both the defendants assert that they are the owners of the trade mark galaxy, why haven't they sued one another for passing off goods? In addition to the foregoing, if they really were the owners of the mark, why didn't they oppose the mark when it underwent the advertisement process in the KIPI journal? The defendants had 60 days to oppose the same application but did nothing. If their assertion that they had traded in the mark before the Applicant is genuine, they surely would have opposed. The 2nd defendant assertion that the same was fraudulently obtained is unfounded and full of malice. Moreover, why didn't they sue the Applicant for passing off their good or applied to have the marks expunged from the register yet they sat on their alleged right. If anyone is guilty of laches, it is the defendants. According to their averments, the first defendant alleged that they started trading in 2007 while the 2nd defendant evidenced invoices dated 2011. The Applicant submitted that, in the circumstances, the defendants cannot come to the court of equity after 4-5 years to raise a dispute that they had rights in respect of the alleged mark. Their claim would fall flat in the face of laches as they are not vigilant litigants and slept on their rights.

[11] Given that this is a case of infringement of trademark and the Defendants continue to pass off for their goods as if they are those for the Applicant, the Applicant averred that they will suffer irreparable damage unless an injunction is issued. In addition, the Applicant states that it has invested a lot in manufacture, advertisement and packaging of its products to attract customers, and it would be fair that this honourable court grants an injunction to prevent the defendants from continuing to derive benefit from the Applicants goodwill. The defendants' claim that the injunction will cause them irreparable damage is a ploy and unsubstantiated. The invoices submitted by the defendants are suspicious and do not meet the standard of proof, for, they are not signed and dated; the dates on the notes are neither consecutive nor sequential; and different codes for the same product for the same customer have been used. The Defendants simply tendered these impugned invoices to make the court to believe that they make millions in the sales of the impugned products bearing mark Galaxy. They cited the decision by Mbaluto J, in ***Beirsdorf Ag vs. Emirchem Products Limited***, to support that the applicant had established a prima facie case. In any event, he Applicant says that the balance of convenience tips in favour of granting the injunction. They cited the decision by J.B. Ojwang, J (as he then was) in ***Amir Suleiman vs. Amboseli Resort Limited HCCC No. 1078 of 2003*** as well as the decision by Mabeya J, in ***Olympic Sports House Limited V School Equipment Centre Limited 2012 eKLR*** on balance of convenience tilting against the Defendant continuing to trade in goods and equipment that contain the offending trade mark.

[13] The Applicant concluded that, being a registered proprietor of the Trademark GALAXY in class 26 has established that it has a right which the Defendants have infringed and continue to infringe by using the mark GALAXY in goods in class 26 thus likely to cause confusion in the market as to the Origin of the goods. The injunction should be granted.

[14] The Applicant also made a further rejoinder to the submissions by the 1st Respondent on a point of law. The 1st Defendant argued that Order 4 Rule 1 (4) of the Civil Procedure Rules 2010 provides that for an agent to be recognized in respect of a corporation, such officer of the corporation must be duly authorized under the corporate seal. According to the Applicant, although the deponent John Nganga Waweru did not show the express authority under the seal of the Applicant, this does not make the affidavit a non-affidavit and neither does it make the application and the suit incurably incompetent. They cited the case of *Republic vs. Kenya Ports Authority & another Ex-parte Makupa Transit Shade Limited Mat International Limited [2014] eKLR* where the Honourable judge stated that;

“Where the Applicant is a corporation, the verifying affidavit shall be sworn by an officer of the company duly authorized under the seal of the company to do so. Nowhere is it stated that such authority or resolution must be filed. The failure to file the same may be a ground for seeking particulars assuming that the said authority does not form part of the Applicant’s bundle of documents which commonsense dictates it should. Of course, if a suit is filed without a resolution of a corporation, it may attract some consequences. The mere failure to file the same with the plaint or with the Registrar of companies, as the requirement is extended by the defendant, does not invalidate the suit”.

[15] Also in the case of *Republic vs. Registrar General and 13 Others Misc. Application No. 67 of 2005 [2005] eKLR* Kimaru J. held that

“...the position in law is that such a resolution by the Board of Directors of a company may be filed any time before the suit is fixed for hearing as there is no requirement that the same be filed at the same time as the suit. Its absence, is therefore, not fatal to the suit, at least not at this stage.”

[16] The Applicant cited more judicial authorities; *Leo Investments Limited vs. Trident Insurance Company Limited [2014] eKLR* on this point where Justice Odunga further held,

“I am not prepared to hold that this suit was commenced without authority of the Applicant as to do so would amount to turning this Court into an academy of law rather than a court of justice.”

The omission does not make the affidavit fatally defective and does not go to the jurisdiction. In any case, the Applicant averred that it is ready and willing to file the authority as soon as possible and before the hearing of the matter herein.

The Respondents returned fire

[17] The Respondents filed separate submissions but they argued on similar stand point. I will, therefore, analyze their submissions together. The Respondents started by saying that the Applicant is yet to cause service of summons on the Respondents, and as a result, they have neither entered appearance nor filed their Statements of Defence. The 1st Respondent relied on the Grounds of Opposition dated 2nd July, 2014; Replying Affidavit by Mahmoud Saffideen sworn on 3rd July, 2014 and filed in Court on 4th July, 2014; and Supplementary Affidavit by Mahmoud Saffideen sworn on 17th September, 2014 and filed in Court on 26th September, 2014. And the gravamen of the 1st Defendant’s case is two-fold; firstly, that the 1st Defendant has not infringed nor passed-off the Applicant’s trade mark and secondly and in the alternative, that the Applicant’s registration of the mark cannot stop the 1st Defendant use of the trade mark, the 1st Defendant having been using the trade mark prior to the Applicant’s registration as proprietor thereof. According to the Respondents, the certificate of registration of Trade Mark, marked as exhibit “JNN 1”, in the Supporting Affidavit indicates it was to take effect from 21st August, 2012. The mark is registered in Class 26 in respect of;

“Lace and embroidery, ribbons and braid, buttons, hooks and eyes, pins and needles, artificial flowers”.

[18] The 1st Defendant has laid evidence of Asset Purchase agreement marked “**MS 1**” which assigned to its assets, including trade marks and names used by its predecessor, Strategic Industries Limited. The assets are defined therein to mean also intellectual property and at page 7 of the bundle of the Replying Affidavit, Intellectual Property is defined to mean;

(i) The applications, (ii) the Registered Trade Marks, (iii) the unregistered Trade Marks...

Principally, the 1st Respondent has asserted the fact that it acquired the “**GALAXY**” trade mark from its predecessor, Strategic Industries Limited which was using the trade mark long before the Applicant acquired its registration. The 1st Respondent has produced fliers of the trade mark, “**MS 2**” in the name of its predecessor, done in the year 2008. It is not disputed that the Applicant joined the Kenyan Beauty Industry in 2011-2012. The 1st Respondent further alleged malpractice by the Applicant; that the Applicant is a perennial tortfeasor, lifting, copying and placing in the same market goods with similar trademarks as those of the 1st Defendant. The 1st Defendant has claimed that the Applicant has no respect for intellectual property rights. Indeed, there are several cases filed against the Applicant by the 1st Defendant or its predecessor. These are mentioned in paragraph 9 of the replying affidavit of Mahmoud Saffideen and indeed the Plaints in those cases are exhibited from page 107 to 125 of the bundle of the said Replying Affidavit. One such case being HCCC No. 496 of 2012, where the Applicant conceded to the claim, ceased and discontinued the use of the trade mark complained of. In effect, the 1st Defendant is alleging mala fides by the Applicant and has exhibited a letter dated 25th June, 2014, “**MS 8**”, to show all manner of tricks the Applicant is using to entrench itself in the market including comforting its clients in the face of accusations of infringement.

[19] The 1st Respondent also submitted on the principles guiding the grant of an interlocutory injunction in **Giella –vs- Cassman Brown [1973] EA 358**. They argued that the Applicant has not established a prima facie case with a probability of success. Whereas the Applicant may have registered the trade mark “**GALAXY**”, it is obvious that the protection granted to the trade mark is in respect only of “**Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers**”. There is no extension to weaves or hair pieces. Secondly, the Respondents urged that the Applicant has not denied that it commenced its operation only about three (3) years ago. It has not denied the existence of the 1st Defendant and its predecessors as household entities in the beauty industry in Kenya. Strategic Industries Limited assigned to the 1st Defendant both registered and unregistered trademarks. Mr. Mahmood Saffideen, the 1st Defendant’s Managing Director, and previously the Managing Director of Strategic Industries Limited, deposes as follows in his Replying Affidavit;

13. THAT accordingly, it is the Applicant who has copied the trade mark “GALAXY” from the 1st Defendant and its predecessor and it can therefore have no legal right to stop the 1st Defendant from using the same on its goods.

14. THAT the 1st Defendant and its predecessor have used the trade name “GALAXY” for its weave products since the year 2007 and the Applicant cannot rely on the fact of registration, which it must have obtained dishonestly, to assert exclusive use thereof contrary to its averment and desire in paragraph 9 of the Supporting Affidavit”.

[20] The Respondents contended that as the Applicant has relied on Section 7 of the Trade Mark Act his trademark rights are limited to and in connection to the goods to which it is registered and that by the mere fact that the 1st Defendant uses the trade mark for weaves and hair pieces, that right has not been infringed. The Applicant’s right of use granted by registration under section 7 of the Act is not absolute and prior use of a registered trade mark vests a right of use in the person with such prior use which is not taken away by registration. Section 10 of the Trademarks Act states clearly that registration of trademark does not “**...entitle the proprietor or licensee of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior...**”. Accordingly, as the 1st Respondent and its predecessors Stripes Industries Limited and

Strategic Industries Limited had been using the trade mark from a date anterior, the Applicant now being registered as the proprietor of the trade mark has no legal right to stop the 1st Defendant from using the trade mark. The rights of use are vested in the prior user and cannot be interfered with even by registration of the mark by any other person. In these circumstances, the Applicant has failed to establish a prima facie case with a probability of success. It will also not suffer irreparable loss and has not demonstrated that damages will not be adequate compensation should its case succeed after trial. The Applicant's lethargy is not any helpful as it admitted having become aware of the Defendants' activities in November, 2013 but did not consider it necessary to move the Court with speed and rather it waited until April, 2014, a period of about five (5) months later to commence these proceedings. The Applicant is indolent. Thus, the balance of convenience cannot be in favour of the Applicant and so the Respondents prayed for the application to be dismissed with costs. The appropriate order should be to keep the status quo pending hearing of the suit as the Respondents will suffer irreparable loss.

[21] The veracity of the 1st Defendants' annexures is a matter for evidence at trial. The facts relied upon by the parties are disputed and so an interlocutory order of injunction be granted –See the case of **Benjamin Nzioka and 7 Others –vs- Juma Khamisi and 8 Others**, HCCC No. 3224 Of 1993 (**unreported**) where Bosire J. (as he then was) said as follows;

“The law on injunction is clear. An interlocutory injunction will not issue where facts upon which the application for it is based are in dispute. In the above circumstances, one cannot possibly say presently that the election of the Respondent was or was not regular. To reach such a conclusion, it will be necessary to call witnesses, examine and cross-examine them to establish the true facts. It is then that one will confidently say whether or not the alleged election of the Respondent was regular.....”

[22] The Respondents argued that the application is incurably incompetent as the Supporting Affidavit of JOHN NG'ANG'A WAWERU sworn on 10th April, 2014 is a non-affidavit as it offends Order 4 Rule 1 (4) of the CPR. The Deponent has cited no authority to swear the affidavit. He cannot therefore have the capacity to depose to matters in dispute. Neither the supporting affidavit nor the affidavit verifying the Plaintiff has attached the authority under Seal of the Applicant bestowing power unto the deponent to swear the affidavit. On this, they cited the case of ***Elite Earthmovers Limited –vs- Krishna Behal & Sons*** Civil No. 474 of 2002 (**unreported**) where this Court held;

“It is now, I think, a matter of judicial notoriety that an affidavit by a corporation, whether in verification of a Plaintiff or an application thereunder will be struck out on the ground of being defective and incompetent if not authorized and signed by a person who is not only an officer of the corporation, but also duly authorized to do so and sign”.

See also the case of ***Mumias Sugar Company –vs- Oniango [2005] 1 KLR 373***. In all therefore, they urged the court to dismiss the application.

2nd Respondent's submissions

[23] The 2nd Respondent substantially supported the 1st Respondent's submissions and stated that both are manufacturers, distributors and wholesalers dealing with hair pieces, weaves wigs, hair extensions and hair conditions and has been in business in Kenya and the East African region for a long time. The Applicant on the other hand is a new comer in the business dealing with the same items. The 1st and 2nd Defendants have been competitors for some time now. The gist of the 2nd Defendants argument in opposition to the Applicant's application is the fact it had prior use of the Trade Mark Galaxy long before the Applicant/Respondent was registered as the owner of the trade mark. And so they should not be restrained from using their trademark. In any event, Applicant's trademark was for the following goods lace, embroidery, ribbons & braids, buttons, hooks and eyes, pins, and needles, artificial flowers. The 2nd Respondent deals in wigs, weaves, hair additions and hair extensions. Exceptions to exclusive rights of trademark are aimed at preserving the common Law rights of an individual as was clearly stated in the ***South African case Number 16926/11 Extraction (PTY) ltd vs Tyre corp (PTY) Ltd*** in interpreting

Section 36(1) of the South Africa's Trademarks Act-an equivalent to section 10 of the Kenyan Act-that:

“The upshot of my finding is that the Respondent had a right to use and its predecessor in title... had used the trade mark prior to the applicant seeking registration of the trade mark.....is that the application for an interdict fails and the defence raised by section 36(1) of the Act succeeds with costs.

[24] In the circumstances Applicant is not entitled to any injunctive relief. Contrary to the Applicant's submissions the 2nd Respondents has not adopted and or stolen the Applicants trade mark galaxy rather it is the Applicant that has adopted the 1st and 2nd Defendants trade mark and rushed to the Kenya Industrial property and had the same registered. In the European case of Chartered Institute of Patent Attorneys Vs. Registrar of Trade Marks, C-307/10 (IP Translator), the court was asked to answer three questions;

- a. Is it necessary for the various goods or services covered by a trade mark application to be identified with any, and if so what, particular degree of clarity and precision;
- b. Is it permissible to use the general words of the Class Heading of the International Classification of Goods and Services established under the Nice Agreement of June 15, 1957 (as revised and amended from time to time) for the purpose of identifying the various goods or services covered by a trade mark application;
- c. Is it necessary or permissible for such use of the general words of the Class Headings of the said International classification of Goods and Services to be interpreted in accordance with Communication No.4/03 of the President of the Office for Harmonisation in the Internal Market of 16 June 2003 (OJ OHIM 2003 P.1647).”

The court stated that;

“Accordingly, in order to respect the requirements of clarity and precision mentioned above, an applicant for a national trade mark who uses all the general indications of a particular class heading of the Nice Classification to identify the goods or services for which the protection of the trade mark is sought must specify whether its application for registration is intended to cover all the goods or services included in the alphabetical list of the particular class concerned or only some of those goods or services. If the application concerns only some of those goods or services, the applicant is required to specify which of the goods or services in that class are intended to be covered”.

In answering the three questions, the court answered as follows;

“Therefore the answer to the questions referred is that:

- a. ***Directive 2008/95 must be interpreted as meaning that it requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trade mark;***
- b. ***– Directive 2008/95 must be interpreted as meaning that it does not preclude the use of the general indications of the class headings of the Nice Clarification to identify the goods and services for which the protection of the trade mark is sought, provided that such identification is sufficiently clear and precise;***
- c. ***– an applicant for a national trade mark who uses all the general indication of a particular class heading of the Nice Clarification to identify the goods or services for which the protection of the trade mark is sought must specify whether its application for registration is intended to cover all the goods or services included in the alphabetical list of that class or only some of those goods or services. If the application concerns only some of those goods or services, the applicant is required to specify which of the goods or services, the applicant is required to specify which of the goods or services in that class are intended to be covered”.***

[25] In the circumstances the 2nd Respondent's humble submission was that the Applicant's mark be

restricted to the goods mentioned in the certificate of registration. Therefore, the 2nd Respondent has not engaged in passing off and /or infringing on the Applicant's trade mark. They have failed to show the distinctiveness of their mark to warrant that their mark will be subjected to passing off by other names. In the case of Erven Warnink Besloten Vennootschap Diplock gave the modern characteristics of a passing off action which are;

- i. Misrepresentation;
- ii. Made by a person in the course of trade;
- iii. To prospective customers of his or ultimate consumers of goods or services supplied by him;
- iv. Which is calculated to injure the business or goodwill of another trader;
- v. Which causes actual damage to a business or goodwill of the trader by whom the action is brought.

THE DETERMINATION

Preliminary issues

[26] This is a claim for infringement of trademark under section 7 of the Trademark Act. But before I engage myself in the real issues in controversy, I wish to determine two preliminary issues which emerged in the submissions of the parties. The first one, and which is straight forward, is on the Supplementary Affidavit filed by the 1st Respondent on 26th September, 2014. The same was validated by the court on 14th November, 2014 upon consent of parties. I say no more as the affidavit is part of record. The second issue is on Order 4 Rule 1 (4) of the Civil Procedure rules which provides as follows;

“Where the Applicant is a corporation, the verifying affidavit shall be sworn by an officer of the company duly authorized under the seal of the company to do so”.

Much judicial ink has gone towards interpretation of this rule and I need not multiply the innumerable judicial decisions on the point. I am only content to cite the case of ***Republic vs. Kenya Ports Authority & another Ex-parte Makupa Transit Shade Limited Mat International Limited [2014] eKLR*** where the judge stated that;

“Where the Applicant is a corporation, the verifying affidavit shall be sworn by an officer of the company duly authorized under the seal of the company to do so. Nowhere is it stated that such authority or resolution must be filed. The failure to file the same may be a ground for seeking particulars assuming that the said authority does not form part of the Applicant's bundle of documents which commonsense dictates it should. Of course, if a suit is filed without a resolution of a corporation, it may attract some consequences. The mere failure to file the same with the plaint or with the Registrar of companies, as the requirement is extended by the defendant, does not invalidate the suit”.

Also the case of ***Republic vs. Registrar General and 13 Others Misc. Application No. 67 of 2005 [2005] eKLR*** where Kimaru J. held that:-

“...the position in law is that such a resolution by the Board of Directors of a company may be filed any time before the suit is fixed for hearing as there is no requirement that the same be filed at the same time as the suit. Its absence, is therefore, not fatal to the suit, at least not at this stage.”

[27] I take the view that the authority under seal given to the deponent of an affidavit on behalf of a corporation need not be filed at the same time as the suit; it may be filed later before the trial commences. Therefore, at this stage, it will be premature to proclaim that failure to annex the authority under seal makes the affidavit or the application or the suit fatally defective. I dismiss the objection. That notwithstanding, any affidavit which is sworn on behalf of a corporation should contain an averment disclosing the position held by the deponent in the corporation, and that it is sworn on behalf and under the authority of the corporation concerned. I will now proceed to determine the merits of the application.

The substantive issues

[28] As I have already stated, this is a case of alleged infringement of trademark and passing off goods in relation of which the trademark is registered. The Applicant claims the Respondents have infringed its trade mark and should be restrained from doing so. I have considered all the rival arguments of parties, the pleadings and the affidavit evidence together with the annexures thereto. There are two things which are not in dispute. First, all the parties herein, the Applicant and the Respondents, deal in beauty and cosmetic products. Second, it is not in doubt that the Applicant is the proprietor of the Trade Mark: **GALAXY Trade Mark No.: 75929 Class: 26 (Lace, embroidery, ribbons and braids; buttons, hooks and eyes, pins, and needles; artificial flowers)**. The Applicant says that, as such proprietor of trademark in question, he has an exclusive use of the trademark without infringement by others. And that, the Respondents, by manufacturing, advertising and selling GALAXY cosmetics products of class 26; wigs, weaves, hair additions and hair extensions, and other cosmetic products are infringing on the Applicant's trademark. The Respondents on the other hand, argue that, they and their predecessors have been using the trade mark GALAXY; been manufacturing, advertising and selling cosmetics products including wigs, weaves, hair additions and hair extensions since 2007, which is way before the Applicant registered the trademark and entered the beauty field of business. They have indeed accused the Applicant of being a perpetual infringer of the 1st Respondent's trademarks. According to the 1st Respondent, some of these infringements resulted into court cases number *NBI HCCC NO 496 of 2012, NBI HCCC NO 285 of 2013 and NBI HCCC NO 316 of 2013*. In case Number *NBI HCCC NO 496 of 2012*, the Applicant conceded the infringement, ceased and discontinued manufacturing, selling and or distributing the 1st Respondent's products bearing the 1st Respondent's trademark. The 1st Respondent stated that its predecessors, M/S Stripes Industries Limited and Strategic Industries Limited were using the trademark GALAXY on their products which they passed on to the 1st Respondent through Asset Purchase Agreements annexed to the Replying Affidavit herein. That fact was not denied at all.

[29] Despite the foregoing submissions of parties, the Respondents and the Applicant agree that the right to exclusive use of trade mark under section 7 of the Trade Marks Act is not absolute. The point of departure is twofold; one, the Applicant argued that its trade mark covers wigs, weaves, hair additions and hair extensions whereas the Respondents posit it does not and is restricted to the goods stated in the trade mark, i.e. Lace, embroidery, ribbons and braids; buttons, hooks and eyes, pins, and needles; artificial flowers. The other is found in the obstinate refusal by the Applicant to acknowledge that the Respondents and their predecessors were using the trade mark GALAXY long before it registered the trade mark and entered the beauty world of business. The Applicant has instead said that the Respondents ought to have raised an objection to registration of trade mark within 60 days of the advertisement of application for registration. And, by failing to so lodge an objection, they lost their right to use the trade mark and any use thereof after the registration is infringement of trade mark. The Respondents, however, are of the view that the exceptions in section 7 and 10 of the Trade Marks Act cover their situation, and the registration of the trade mark GALAXY does not affect their anterior right to use the trade mark. These arguments make the court to opine that the facts upon which the Application for injunction is founded are clearly disputed; and on solid grounds of law. Each side has powerful points, and each holds on some right; I do not think, therefore, it is fair to determine most of these arguments unless on the basis of full scale hearing on merit because they go to the root of the cause before me. Except, I should state that, as of law, the right under section 7 of the Trade Marks Act is not absolute; it is subject to exceptions in section 7, 10 and 11 of the Act. According to section 10 of the Trade Marks Act, the registration of trade mark does not entitle the proprietor of the trade mark ***to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior.*** For ease of reference, the short title or side note to Section 10 reads: *Saving for vested rights* and provides as follows

Saving for vested rights

Nothing in this Act shall entitle the proprietor or a licensee of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior—

- a. *to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his; or*
- b. *to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his, whichever is the earlier, or to object (on such use being proved) to that person being put on the register for that identical or nearly resembling mark in respect of those goods under [subsection \(2\) of section 15](#).*

Therefore, as a principle of law, the fact of registration of trade mark *per se* does not entitle the proprietor of trade mark to an automatic injunction to restrain use of the trade mark by a person who has continuously used the trade mark prior to, during and after the registration of trade mark. In other words, in the face of a claim of prior user of trade mark, and absent other strong and cogent evidence, the fact of registration of trade mark does not invariably constitute a *prima facie* case with a probability of success in the sense of the case of ***Giella vs. Cassman Brown***. Where section 10 is called into play, the court should be careful not to use the fact of registration of trade mark as the sole basis of restraining the use of the trade mark by the person claiming prior use of the trade mark.

[30] Again, the Applicant's trade mark is for lace, embroidery, ribbons and braids; buttons, hooks and eyes, pins, and needles; artificial flowers. And whether under class 26, the above goods listed in the Certificate of Registration extends to wigs, weaves, hair additions and hair extensions, is a matter which will require copious factual and legal probing in order to determine. Resort to instruments such as the *International Classification of Goods and Services* and contemporary jurisprudence only shows the intricacy of the issue which the court should not determine without further elucidation by evidence. In the circumstances of this case, and the fact that evidence of use anterior has been presented, the test of balance of convenience is most apt; the balance of convenience tilts in favour of refusing the injunction and asking parties to prosecute their respective cases in the trial without delay. The upshot is that I dismiss the application dated 10th April, 2014. Consequently, I direct the parties to comply with pre-trial requirements within 30 days and have the matter fixed down for hearing. One more thing; since the Applicant is the proprietor of the trade mark, I will not condemn it to costs. Instead, I order that each party shall bear own costs. It is so ordered.

Dated, signed and delivered in court at NAIROBI this 9th day of February 2015

F. GIKONYO

JUDGE