



REPUBLIC OF KENYA
IN THE HIGH COURT OF KENYA AT NAIROBI

CIVIL CASE NO. 471 OF 2013

SANITAM SERVICES (E.A.) LIMITEDPLAINTIFF

VERSUS

KENYA PIPELINE LIMITED..... ..DEFENDANT

R U L I N G

1. The application before this Court is a Notice of motion dated 11th November 2013 brought under Order 40 rules 1 and 2 of the Civil Procedure Rules.

The applicant seeks the following orders;

- i. Spent
- ii. That the defendant by itself, its agents and/servants be restrained from using and /further restrained in any manner whatsoever from infringing the plaintiff's patent no. AP773 and/or allowing the user in its premises of sanitary disposal bins similar to the plaintiff's sanitary bins patented under Patent Certification Number AP773 pending the hearing and determination of this application.
- iii. That the defendant by itself, its agents and/servants be restrained from using and /further restrained in any manner whatsoever from infringing the plaintiff's patent no. AP773 and/or allowing the user in its premises of sanitary disposal bins similar to the plaintiff's sanitary bins patented under Patent Certification Number AP773 pending the hearing and determination of this suit.
- iv. That costs for this application be provided for.

2. The application is based on the following grounds;

- i. That the plaintiff is a limited liability company is the Patent owner of patent number AP773 in regards to the foot operated sanitary operated disposal bin.
- ii. That the plaintiff has hitherto contractually been providing those services to the defendant up to 31st October 2013 when the defendant unilaterally and in breach of the contract terms purported to terminate the contract by giving a one (1) day notice.
- iii. That in breach and infringements of the plaintiff's patent. The defendant has procured the services of sanitary disposal bins at its premises.
- iv. That the defendant's conduct is a fragrant disregard of the law and an erosion of the plaintiff's legal rights causing the plaintiff's patents; the defendant has procured the services of sanitary

disposal bins at its premises.

3. The application is supported by the affidavit of Samson Kamau Ng'ang'a a director of the plaintiff company sworn on the 15th April 2014. He deposes that the company was incorporated in the year 1988 and has since established itself in the market leader in the provision of sanitary disposal for major institutions and corporations in Kenya; that the company is the patent holder of Patent Number AP773 in regard to foot operated sanitary bin used in provisions of sanitary disposal service; that by an agreement signed on 1st October 2010 and 18th January 2011 between the plaintiff and defendant, the plaintiff was contracted for a period of 1 year; the agreement provided that only patented bin (AP773) would be used and the contract will continue for 1 year unless terminated either party by giving a quarter notice; that the defendant in March 2013 floated a tender for provision of sanitary disposal services under tender reference number SU/QT/1N2013 and the plaintiff submitted its tender documents having complied with all requirements; that it was a term of the tender that the provision of the sanitary bins will be made through bins compliant with patent certificate no AP773 and the tender contract would run for two years; that the plaintiff emerged the lowest tenderer and was issued by the defendant L.P.Os for the provision of sanitary documents with effect from May 2013 with payment provided for in the tender documents; that on 30th October 2013 the defendant in total disregard of the terms of agreement purported to terminate the sanitary disposal services contract by giving one (1) day notice; that the plaintiff had engaged staff members and obtained equipment and made substantial and financial commitment towards servicing the contract; had engaged 10 employees and leased 5 motor vehicles to service the contract whom they continue paying despite the cancellation of the contract; that the plaintiff's image has been seriously dented and good will be adversely affected as the necessary implication and perception is that the termination was due to non-performance which is not true; That after the wrongful termination the defendant proceeded to award the provision of sanitary services to Tamia Limited; that they have obtained access to sanitary bins used by Tamia Limited and confirmed it is similar in all aspects and have obtained expert opinion on the two bins and confirmed that Tamia Limited bin infringed on their bin; that the Industrial property Act No.3 of 2001 provides that even using without authority a patent product constitutes an infringement of the patent owner's right and unless the defendant is enjoined they stand to suffer irreparable loss.
4. The application was opposed. The defendant has filed a replying affidavit sworn by Gloria Khafafa a senior legal officer of the defendant's company sworn on the 10th December 2014. She deposes that the applicant's application was made in bad faith and is meant to deny the defendant its right to source for and secure services from other service providers to its detriment and denies any knowledge that the plaintiff is the owner of the patent of the said bin; that the contract in question was to run for one year as a parameter for the tendering process of provision of sanitary services; she denies the defendant being in any breach of any contract and added that after the expiry of 1 year the plaintiff was awarded a 4 months LPO indicating the relationship between the two for that period from July to October 2013 which lapsed at the expiration of time and the letter dated 30th October 2013 served to inform the plaintiff of the expiry of the LPO; that the plaintiff was not one of the those invited to tender for the said sanitary disposal services hence it is not true that he was the lowest bidder; that Tamia Limited met the requirements set by the defendant and was awarded the tender; that the correct forum to ventilate its case would have been the public procurement Administrative Review Board; that the plaintiff had failed to disclose that patent no AP773 which it claims ownership over is subject of numerous other suits filed both before Kenya Industrial Property Tribunal and the various divisions of the High Court hence it cannot lay claim to the patent before a determination as to ownership is made by the Courts or Tribunal; that it is evident that the application is an abuse of the court process since there is no pronouncement from the court of competent jurisdiction declaring the plaintiff/ applicant as the bonafide holder of the Patent the subject herein.
5. Parties filed written submissions which they relied on.

6. The plaintiff relied on the case of ***Giella vs Cassman Brown Ltd (1973) EA 358*** which lays down the salient principles for which the injunction sought may be granted. That the plaintiff must show that he has a prima facie case with a probability of success. On this it was submitted that there was a valid executed contract which was breached by the defendant and moreover the contract stipulated the use of sanitary bins whose patent is owned by the plaintiff and the continued use of the said bins of the type patented by the plaintiff is in clear breach of the plaintiff's intellectual property rights. Secondly the applicant must prove that it will suffer irreparable harm that cannot be adequately compensated by costs. On this it was submitted that the plaintiff stands to suffer not only quantifiable loss from unlawful termination of the contract but will also suffer intangible and unquantifiable loss of good will in that the brand name of the company will be tarnished by implication that the company was unable to perform its contractual obligation and this may lead to loss of future and/or potential clients and that refusal to grant the same will pave way for other persons to infringe upon the plaintiff's rights; that the Court must consider the balance of convenience between the parties and further submits that the plaintiff will not suffer substantial loss should the Court grant the order; that the principles in ***Giella vs Cassman brown*** favors the plaintiff's application.

7. The defendant reiterated the contents of its replying affidavit and further submitted that the plaintiff was not among those invited to tender, that after the lapse of the 4 months contract the defendant vide their letter dated 30th October, 2013 informed the plaintiff of the expiry of the contract and requested it to collect its bins from the defendant's premises; that the plaintiff cannot claim to be owner of the patent since there are other service providers offering similar services and that the patent herein is subject to other suits pending before the Kenya Industrial Property Tribunal and various divisions of the High Court ; that the lifespan of the contact was 1 year from 1st October 2010 and it was wrong for the plaintiff to insinuate that the same would run indefinite; that the said contract ran for 3 years without any contract capable of enforcement; that the defendant invited bids for office cleaning, fumigation and pest Control for the period of 2 years from 1st November to 30th October 2015; that the plaintiff did not adduce any evidence that it had prequalified and subsequently awarded the tender; that an injunction is an equitable remedy that is supposed to protect legal or equitable rights of a party likely to be violated by the adversary; the applicant must also show he has prima facie case the existence of such right; that the object of a temporary injunction is to maintain status quo so that incase at the hearing the plaintiff obtains a judgment in his/her favor the defendant will be prevented in dealing with the property in such a way as to make the judgment ineffectual; conversely if the injury is quantifiable and the same could be quantifiable and the same could be compensated by way of damages then the Court of equity will not grant the injunction; that the applicant's subject matter relates to use of a given type of bin whose use is ordinarily governed by a contract and submits that if the Honorable Court was to hold that there is breach of the said contract, an order for compensation for any injury suffered by the applicant would suffice; that there other suits as evidence in High Court Petition number 305 of 2011 and also before the Industrial Property Tribunal challenging its existence and validity a fact that the applicant has not disclosed to the Court and urged the Court not to grant the orders sought; The case in respect of prima facie can be presented at the main suit and it is correct to posit that it can be pleaded in the plaint; that the main issue being patent of the said bins the issue is not settled and hence the applicant has not established a prima facie case with a probability of success as required under the law. He relied on the case of ***Mrao Limited –vs- First American Bank of Kenya Ltd & 2 Others [2003] KLR 125*** applied the case of Giella case and settled the law on conditions for interlocutory injunction. it held that the power of the Court in an application for injunction is discretionary secondly that the

“A prima facie case in a civil application includes but not confined to a “genuine and arguable case”. It is a case which on the material presented to Court; a tribunal properly directing itself will conclude that there exists a right which has apparently been infringed by the other party as to call for an explanation or rebuttal from the latter.”

This the defendant submits has not been met by the applicant.

On balance of convenience he/she is likely to suffer greater and graver harm than the respondent that the applicant in its submission submits that I will suffer quantifiable loss from the termination of the contract yet there was no contract expressly or implied existing between the parties ; that the plaintiff has concealed that it has filed other similar suit hence it has approached the Court with unclean hands, thus balance of convenience does not tilt in its favor on this it relied on the case of ***E.A. Industries Ltd vs TruFoods Ltd [1971] E.A. 420*** and urged the Court to be persuaded by the decision in ***J Ringer Francis Enzano & 2 Others vs Bishop Okeyo & 2 Others High court Civil Case No. 1128 of 2001 (unreported)*** and dismiss the application with costs. The defendant submits that it will be able to meet damages should the applicant's suit succeed and urges the Court to exercise its discretion and dismiss the application as it does not meet the requirements set out in ***Giella vs Cassman Brown Ltd [1973] E.A. 358***.

8. I have considered the affidavits and written submissions by both parties.

There is no dispute that the applicant had a contract with the respondent that came to end after a year as shown in SKN3. The contract was for a year from the 1st of October 2010. SKN4 are tender documents submitted by the applicant for the provisions of sanitary services at the defendant company. The defendant has deposed and shown through GK3 that the tender was awarded to Tamia Ltd and it is apparent that the applicant never moved to the Public Procurement Administrative Review Board to challenge the said award. The applicant's allegation that on the 30th of October 2013 the respondent purported to give a day notice in my view is made in bad faith.

The applicant knew it had not won the tender and the respondent had given it a contract, which they opted to terminate. In the letter dated the 30th of October 2013 the respondent wrote to the applicant as follows and I quote;

“Following a three months contract extension of the above service, we wish to inform you that the same expires i.e. 31st October 2013”.

It is evident that the applicant was aware that the contract was to come to an end, they were mere being reminded of the expiry date and further in the said letter they were asked to collect the bins from all their premises something the respondent states the applicants have failed to do to date.

Am guided by the principles in the case of ***Geilla. Vs. Cassman Brown (supra)*** and from the facts as analyzed the plaintiff has failed to show that it has a prima facie case. It has also been deposed that the issue of the patent no. AP773 is the subject of other disputes at the Tribunal and the High Court a fact the applicant did not disclose. I find and hold that the applicant has failed to demonstrate that it has a prima facie case against the respondent with a high probability of success. On the 2nd limb of irreparable loss, the applicant has exhibited a lease hire agreement dated that 5th January 2013 that shows it hired the vehicle registration no. KAJ 341B. The agreement does not disclose that it was for the business of sanitary service, the applicants losses if any can be quantified and can be compensated, they are not losses, if any ,that one can say will cause the applicant irreparable loss and harm. Last on the limb of balance of convenience I find that it tilts in favor of the respondent. The respondent have already engaged a 3rd party who is not even a party in this suit who is already offering the sanitary services. The applicant's application has no merit. I do not wish to determine the issue of the patent as it is the subject of others suits and there is a matter said to be at the tribunal. Further as stated by Justice Majanja in ***Petition no. 305 of 2012, Santiam Services (E.A) Ltd and Tamia Limited and 15 others***

“the petitioner has had the full benefit of this regime by having its rights enforced through the courts; that under the Industrial Tribunal Act, there is also the Industrial Property Tribunal which the petitioner is entitled to use to vindicate its rights as against the respondents or any other person breaching its intellectual property rights”.

I urge the applicant to comply. Let the applicant collect its bins from the defendant's premises. The issue that the respondent has bins similar to the applicants sanitary bins patented under the Patent Certificate

AP773 is a matter to be determined at the hearing and not at this interlocutory stage. The application dated the 11th November 2013 is dismissed with costs to the respondents.

Orders accordingly

Dated, signed and delivered this **8th** day of **July**
2014

R.E. OUGO

JUDGE

In the Presence of:-

.....For the Plaintiff/Applicant

.....For the Defendant/Respondent

.....Court Clerk