Highchem Marketing Limited v Nextgen Pharmaceuticals Kenya Limited (Commercial Suit E281 of 2020) [2025] KEHC 16212 (KLR) (Commercial & Admiralty) (6 November 2025) (Judgment)

Neutral citation: [2025] KEHC 16212 (KLR)

REPUBLIC OF KENYA

IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)

COMMERCIAL AND ADMIRALTY

COMMERCIAL SUIT E281 OF 2020

PM MULWA, J

NOVEMBER 6, 2025

BETWEEN

HIGHCHEM MARKETING LIMITED ..... PLAINTIFF

AND

NEXTGEN PHARMACEUTICALS KENYA LIMITED ..... DEFENDANT

JUDGMENT

1. The Plaintiff, by a plaint dated 10th August 2020, instituted this suit against the Defendant seeking:
    i. A permanent injunction restraining the Defendant, its servants, agents, or any person claiming under it from using the mark PARAFLASH or any other imitation of the Plaintiff's registered trademark PARAFAST;
    ii. An account of profits and payment of sums found due;
    iii. General and exemplary damages for infringement and passing off; and
    iv. Costs and interest.
2. The Plaintiff avers that it is the registered proprietor of Trade Mark No. 86417 PARAFAST in Class 5 of the Register of Trade Marks, covering pharmaceutical products. It asserts that since 2015, it has extensively advertised, sold, and distributed paracetamol tablets under the said mark and has developed substantial goodwill and reputation in the market.
3. The Plaintiff contends that the Defendant has, without authority, been manufacturing, selling, and distributing a paracetamol product under the mark PARAFLASH, which is confusingly similar to

PARAFAST. The Plaintiff alleges that the Defendant's acts amount to trademark infringement and passing off, resulting in loss and injury to the Plaintiff's goodwill.

4. The Defendant, by its defence and counterclaim dated 3rd March 2022, denied the allegations. It contends that its mark PARAFLASH is distinctive, lawfully registered with the Pharmacy and Poisons Board, and not likely to confuse consumers. It further avers that the words "FAST" and "FLASH" are distinct and that "PARA" is a generic reference to paracetamol, which cannot be monopolized by the Plaintiff. It contends that it requires no consent from the Plaintiff to advertise, sell and distribute its paracetamol drug under the name PARAFLASH by the Pharmacy and Poisons Board. It further contends that the words PARAFLASH and PARAFAST are not phonetically similar and/or identical and cannot be held to cause any confusion as they are totally distinct and therefore not meant to pass off as the Plaintiff's goods.

5. In the counterclaim, the Defendant avers that it purchased the franchise and product on or about 2nd September 2019 from Mercury Pharmaceuticals, who were holding the brand on behalf of Origens Limited and obtained permission from the Pharmacy and Poisons Board. At the time it took over the product Paraflash from its former owners, it placed an order for the product from the manufacturers Vovantis Laboratories Limited, India, and it has already sold some of the stocks before the restraining order was issued on 2nd September 2019, and currently there is unsold stock of 2,071 packs @ 150 each, amounting to Kshs. 302,550/=. The Defendant prays that the suit be dismissed, special damages for loss of business opportunity or sales tabulated at the hearing from the period the Defendant was restrained from marketing its product Paraflash until the date the injunctive orders shall be discharged or vacated, and the costs of the counterclaim.

6. The Defendant counterclaims for special damages for loss of business occasioned by interim injunctions and seeks dismissal of the Plaintiff's suit.

7. In a reply to the defence and counterclaim dated 17th March 2022, the Plaintiff maintained the allegations in the plaint and prayed that the defence and counterclaim be dismissed with costs and judgment be entered against the Defendant as prayed.

Evidence

8. The Plaintiff called one witness, Mr. Nelson King'ori, its Operations Manager (PW1). He adopted his witness statement dated 10th August 2010 and further statement dated 21st April 2022 and the documents appearing at pages 20 - 43 of the Plaintiff's bundle of documents as his evidence in chief and urged the court to issue a permanent injunction against the defendant, damages and costs.

9. Upon cross-examination, he testified that the Plaintiff has a certificate of incorporation at page 20, appendix 3 of the bundle. He contends that PARAFAST was registered by the Plaintiff. He states that I.V stands for infusion in medical drugs. It is a mode of administration of medicine, not orally but through an injection. He testified that a comparison of PARAFAST and PARAFLASH, the Defendant's packaging of PARAFLASH has a blue background, while the one for the Plaintiff PARAFAST is orange. The word PARA is on top and FLASH on the bottom, while the Plaintiff PARAFAST is one-word ET 1000. He testified that it had not produced a trademark for Parafast ET 1000. He told the court that both drugs are administered orally. He stated that the Plaintiff had not exhibited a product in the market with the trademark PARAFAST IV that the defendant has infringed. He admitted that both products are manufactured by a company in India.

10. The Defendant called Mr. Salauddin Yousuf Khan, a pharmacist (DW1), who adopted his witness statement and list of documents, both dated 3rd March 2022, as his evidence in chief. He testified that the Plaintiff's product is "PARAFAST I.V". In medicine IV stands for intravenous medicine

administered in the form of injection or infusion. He testified that PARAFLASH is an effervescent product dissolved in water, while PARAFAST ET 1000 is similar and also dissolved in water. He testified that in the two products, the packaging is different, the background colours are different, the write-ups are totally different, and the same cannot be confused. He stated that PARAFLASH is licensed to be sold in Kenya, and the same has been duly registered with the relevant board, the Pharmacy and Poisons Board. The Defendant is registered by a company in India. He states the two products have to be prescribed by a doctor or a medically qualified person.

11. In cross–examination by Mr. Kiingati, stated that PARAFAST and PARAFLASH are both paracetamol and are effervescent soluble tablets and are both 1000mg. They both read that they are sugar free, both are used to relieve pain and fever and are both packaged in 8 tablets. He stated that the first four syllables are PARA and the only difference is the FAST and FLASH, both have the same meaning of Quick. He states that PARAFLASH is not registered with the Registrar of Trademarks, though the license was bought in 2020. He states that since an injunction was place, there has not been any production of the PARAFLASH drug. That there are 2071 packets unsold, and there is a drug retention certificate of 2019. He states there were two batches of 200,000 and 100,000 that were sold, each pack was sold at Kshs. 150/=. He stated that in PARAFLASH 1000, the figure represents the strength of the drug. The certificate of disposal does not show the number of drugs destroyed. He states there is no evidence that the Plaintiff has the exclusive use of the word PARA, which comes from the active ingredient paracetamol.

12. The Defendant's intended witness from KIPI was not availed, despite court orders, and the defence was closed.

13. Both parties filed written submissions, which I have considered.

Analysis and determination

14. Having considered the pleadings, evidence, and submissions of counsel, the following issues arise for determination:

    i. Whether the Plaintiff has established ownership of a valid and subsisting Trademark "PARAFAST"

    ii. Whether the Defendant's use of the mark "PARAFLASH" constitutes infringement of the Plaintiff's registered mark "PARAFAST"

    iii. Whether the Defendant is liable for passing off;

    iv. Whether the Plaintiff is entitled to the remedies sought.

    v. Whether the Defendant is entitled to its counterclaim.

    Has the Plaintiff established ownership of a valid and subsisting trademark "PARAFAST"?

15. It is undisputed that the Plaintiff is the registered proprietor of Trademark No. 86417 "PARAFAST I.V" in Part A of the Register, Class 5, under the *Trade Marks Act*. Section 7 of the Act provides that:

> " Registration of a person as proprietor of a trade mark... shall, if valid, give to that person the exclusive right to the use of the trade mark in relation to the goods in respect of which it is registered."

16. The Plaintiff produced the Certificate of Registration and associated documentation confirming its proprietary rights. The Defendant did not contest the validity of the registration, save to argue that the Plaintiff cannot claim exclusivity over the prefix "PARA," being a derivative of "paracetamol."

17. In Beiersdorf AG v Emirates Industrial Laboratory Ltd & Another [2002] eKLR, the Court held that a certificate of registration is prima facie evidence of proprietorship of a trademark and entitles the holder to restrain unauthorized use of identical or confusingly similar marks.

18. Indeed, Section 15 of the *Trade Marks Act* bars registration of marks that are descriptive of the kind, quality, or intended purpose of the goods. However, once registered, the presumption of validity applies until the registration is expunged.

19. Further, the Court of Appeal in Sony Holdings Ltd v Registrar of Trade Marks & another [2018] eKLR affirmed that a certificate of registration is prima facie evidence of ownership and exclusive right to the use of the trade mark.

20. I am therefore satisfied that the Plaintiff is the registered proprietor of the trade mark "PARAFAST".

> Does the Defendant's use of the mark "PARAFLASH" constitutes infringement of the Plaintiff's registered mark "PARAFAST"?

21. The law on infringement is set out in Section 7(1) of the *Trade Marks Act*, which provides that a registered proprietor has the exclusive right to use the mark. Infringement occurs where a person uses a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade.

22. In Pharmaceutical Manufacturing Co v Novelty Manufacturing Ltd HCCC No.746 of 1998 it was held that:

> " ...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..."

23. The guiding principle in determining whether one mark infringes another is the likelihood of confusion test. In deciding whether there is a likelihood of confusion, the Court must assume the position of the Notional consumer. In this regard, the following passage in Reed Executive PLC v Reed Business Information Limited (2004) EWCA Civ 159 is helpful:

> " ...the person to be considered is the ordinary consumer, 'neither too careful nor too careless, but reasonably circumspect, well informed and observant'. An allowance for defective recollection must be considered and this varies depending on the goods concerned...a fifty-pence purchase in the station kiosk will involve different considerations from a once-in-a-lifetime expenditure of £50000."

24. In this case, both marks "PARAFAST" and "PARAFLASH" are used on identical goods, namely paracetamol-based effervescent tablets. They share the prefix "PARA", derived from the active ingredient paracetamol, and differ only in their suffixes "FAST" and "FLASH". Both words connote speed or rapid relief and thus evoke the same idea in the mind of the consumer. The evidence of PW1 and DW1 confirmed that the products share the same active ingredient, dosage (1000mg), mode of administration (dissolved in water), and are marketed through similar channels.

25. The Court of Appeal in Pharmaceutical Manufacturing Co v Novelty Manufacturing Ltd [2001] eKLR observed that:

> " In considering whether there is deceptive similarity, the court should look at the marks as a whole and consider the likelihood of confusion in the minds of unwary purchasers who must rely upon imperfect recollection."

26. The first four letters "PARA" are identical; the suffixes "FAST" and "FLASH" are phonetically and semantically close, both conveying the notion of quick or rapid relief. This similarity in sound, idea, and use would likely confuse a consumer of average intelligence purchasing over the counter.

27. Phonetic, visual, and conceptual similarities must all be considered. The minor difference between "FAST" and "FLASH" is insufficient to dispel the likelihood of confusion, especially considering that both products are of identical composition, dosage (1000mg), and intended for similar therapeutic use.

28. I find persuasive the reasoning in Bata Shoe Company Ltd v Farid Ahmed t/a Bash Shoe Company [2006] eKLR, where the Court held that phonetic resemblance alone could suffice to prove infringement where the goods are of the same description.

29. The Defendant's argument that the packaging colours differ cannot defeat statutory protection, since infringement is determined by the mark itself and not its get-up. The Defendant's mark reproduces the dominant feature "PARA" and adds a suffix with similar connotation to "FAST," which taken together creates a deceptive similarity likely to mislead consumers.

30. I find persuasive the reasoning in Cadila Health Care Ltd v Cadila Pharmaceuticals Ltd [2001] 5 SCC 73 (India SC), where the Court emphasized that a higher standard of care must be applied in cases involving medicinal products because confusion may have grave public health implications.

31. Applying these principles, I find that the Defendant's use of "PARAFLASH" is likely to deceive or cause confusion among consumers as to the origin of the goods. The Defendant's assertion that its packaging colour and design are different cannot cure the phonetic and conceptual similarity of the marks. The test is not whether consumers can distinguish the products on close examination, but whether confusion is likely to arise in the ordinary course of trade.

32. The Defendant further argued that the term "PARA" is descriptive of paracetamol and hence not capable of exclusive appropriation. While this is true to some extent, the protection extends to the mark as a whole. The Plaintiff's mark "PARAFAST" is a composite mark, and the Defendant's adoption of a closely resembling composite word "PARAFLASH" falls within the scope of Section 7 infringement.

33. The Defendant conceded that its mark "PARAFLASH" is not registered under the *Trade Marks Act*, and relied only on a license from the Pharmacy and Poisons Board to market the product. Such licensing relates to safety and quality control, not intellectual property. Hence, the Defendant's use of the mark without consent constitutes infringement under Section 7(1) of the Act.

34. Accordingly, I find and hold that the Defendant's use of the mark "PARAFLASH" constitutes an infringement of the Plaintiff's registered trade mark "PARAFAST."

Whether the Defendant is liable for passing off

35. So, what are the elements of the tort of passing off? In Newton Oirere Nyambariga v KCB Bank Kenya limited & Another [2017] eKLR, the Court observed;

> " A passing off claim is a right of trader to bring a legal action for protection of goodwill. It is actionable under the law of unfair competition and sometimes as a Trademark infringement."

36. In Reckitt & Colman Products Ltd v Borden Inc. & others, (1990) R.P.C.34 Lord Oliver Aylmerton sets out the three elements to be proved in an action for passing off. He states:

> " The law of passing off can be summarized in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the Plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packing) under which his particular goods or services are offered to the public, such that the get up is recognized by the public as distinctive specifically of the Plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the Defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the Plaintiff. Whether the public is aware of the Plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the Plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the Defendant's good or services is the same as the source of those offered by the Plaintiff."

37. From the foregoing, it is clear that for a claim in passing off to succeed, the Plaintiff must prove three essential elements; that is, goodwill or reputation attached to the goods, misrepresentation by the Defendant leading or likely to lead the public to believe that the goods offered by him are those of the Plaintiff, and damage suffered or likely to be suffered.

38. The element of goodwill is an essential to the tort. The Plaintiff must show that the mark "PARAFAST" has, by virtue of use, acquired a distinct reputation among the purchasing public linking it specifically to the Plaintiff. The Plaintiff asserted that it has marketed "PARAFAST" since 2015 and that it enjoys goodwill in the pharmaceutical market. However, beyond the mere certificate of registration and assertions in pleadings, there was no cogent evidence, such as sales figures, advertising expenditure, or market surveys to show that the mark has acquired distinctiveness or that the public associates it exclusively with the Plaintiff's goods.

39. The mere registration of a trade mark is insufficient to prove goodwill. It must be shown that the mark has become distinctive of the plaintiff's goods in the market. In the instant case, I find that the Plaintiff, while being the registered proprietor of "PARAFAST," did not adduce evidence of any substantial market presence or reputation associated with the mark beyond its registration.

40. In the absence of persuasive evidence of reputation or goodwill attached to the "PARAFAST" mark in Kenya, the first essential element of the tort of passing off fails. Consequently, the Plaintiff cannot succeed in its passing off claim.

41. Having found that the Plaintiff has failed to establish goodwill or reputation in the relevant market, it follows that the tort of passing off cannot be sustained. I therefore find and hold that the Defendant is not liable for passing off.

Reliefs

42. The Court found that the Defendant infringed the Plaintiff's registered trade mark. Therefore, the Plaintiff is entitled to the remedies provided under Sections 7 and 35 of the *Trade Marks Act*, including an injunction and damages.

43. In East African Industries v Trufoods Ltd [1972] EA 420, the Court held that once infringement is established, a permanent injunction must issue to restrain further use of the infringing mark. Accordingly, I grant a permanent injunction restraining the Defendant, its agents or servants, from manufacturing, distributing, or selling pharmaceutical products under the mark "PARAFLASH" or any mark confusingly similar to "PARAFAST."

44. On damages, the court is permitted to award damages for infringement. Damages in trade mark infringement are compensatory, intended to restore the plaintiff for loss of goodwill and profits. The Plaintiff did not, however, provide sufficient material for the Court to compute such profits. However, to vindicate its proprietary right and deter infringement, I award general damages of Kshs. 5,000,000/=.

45. The Plaintiff prayed for both damages and an account of profits. A claimant cannot recover both since these are alternative remedies. The Plaintiff is therefore awarded damages only.

46. The Defendant's counterclaim for special damages fails for want of proof. It neither tendered audited financial records nor demonstrated legal entitlement to trade under the impugned mark.

Disposition

47. Judgment is accordingly entered for the Plaintiff against the Defendant as follows:

    i. A permanent injunction restraining the Defendant by itself, its servants, agents, or distributors from manufacturing, marketing, or selling pharmaceutical products under the mark "PARAFLASH" or any mark deceptively similar to "PARAFAST."

    ii. General damages for trade mark infringement in the sum of Kshs 5,000,000.00.

    iii. Costs of the suit and interest on (ii) above at court rates from the date of judgment until payment in full.

    iv. The Defendant's counterclaim is dismissed with costs.

JUDGMENT DELIVERED VIRTUALLY, DATED AND SIGNED AT NAIROBI THIS 6TH DAY OF NOVEMBER 2025.

P.M. MULWA

JUDGE

In the presence of:

Ms. Makhokha h/b for Mr. Kingati for Plaintiff

Ms. Mugambi h/b for Mr. Ongegu for Defendant

Court Assistant: Carlos