IN THE COURT OF APPEAL

AT NAIROBI

(CORAM: GITHINJI, AZANGALALA & SICHALE, JJ.A)

CIVIL APPEAL NO. 157 OF 2011

BETWEEN

HYGIENE BINS LIMITED…….....……APPELLANT

AND

SANITAM SERVICES (E.A) LTD…….....……..RESPONDENT

(An appeal from the Ruling and Order of the High Court of Kenya at Nairobi, Milimani Commercial Courts, (Hon. Lady justice P.M. Mwilu) delivered by Lady Justice Martha Koome on the 25th day of August, 2010)

in

HCCC NO. 3 OF 2008)

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JUDGMENT OF THE COURT

This is an appeal from the ruling of the High Court (**Mwilu J,** as she then was) allowing the application of the respondent (**"Sanitam"**) for an injunction restraining the appellant (**"Hygiene Bins")** from selling, providing services, using its foot operated sanitary bin, offering for sale, selling, passing off the same as theirs, trading in Kenya howsoever and in any manner likely to cause Sanitam's business to be confused with that of Hygiene Bins and/or from trading in any manner as to infringe Sanitam's registered patent No.AP 773 pending the hearing and determination of the suit.

Before the ruling and order of the High Court, both companies traded in sanitary bins. In its plaint filed contemporaneously with the application, Sanitam claimed that in the year 1997, it designed and invented a foot operated litter/sanitary disposal bin wholly or principally of plastic for use in hygienic storage and disposal of sanitary towels, tampons, surgical dressings, serviettes and other waste materials. To protect its invention, it applied for its registration to the African Regional Industrial property Office (herein after referred to as **"ARIPO"**) which office, on 15th October, 1999 registered and granted to Sanitam the suit patent under certificate number AP773.

Sanitam further claimed, in its plaint, that during the pendency of registration and thereafter, Hygiene Bins wrongfully and without reasonable excuse supplied and passed off to consumers bins identical or similar to those it had patented which acts, according to Sanitam, were calculated to deceive and had in fact deceived and misled the trade and the general public into the belief that the said bins are Hygiene Bins and into buying/using Sanitam's said bins as those of Hygiene Bins thus depriving the former the right of exclusive use and enjoyment of its invention/patent. It is for those reasons that Sanitam sought the injunction aforesaid. The suit remains pending before the High Court.

Hygiene Bins, in its written statement of defence, denied ever using or passing off Sanitam's bins as its own or deceiving or misleading the general public that its bins were Sanitam bins. It contended that it was engaged in the business of providing sanitary services which excluded the manufacture of sanitary bins and that the sanitary bins it supplied its customers were imported and lawfully supplied by foreign manufacturers and had done so even before 1999 when Sanitam acquired its patent. Hygiene Bins further contended that it was Sanitam which had imitated the foreign patent. It therefore denied that Sanitam had suffered any damage.

In the affidavit in support of the application for injunction, which affidavit was sworn by Sanitam's director, **Samson Kamau Nganga**, it, *inter alia*, reiterated the claims made in its plaint and added the following:

> ***"10. THAT the defendants variously in this cause have not denied that they are actually dealing, providing as a service to their customers and the public the foot operated sanitary bin whose market range is national.***
>
> 11.***THAT the said patent was the subject of proceedings in C.A. No. 228 of 2004 where the Court of Appeal, affirmed the plaintiff's right to the patent as per copy of judgment marked SKN/5.***
>
> 12.***THAT on 30th April 2007 the ARIPO Board of Appeal in Appeal Case No. 2 of 2007 affirmed yet again the plaintiffs right to the patent as per annexed copy marked SKN/6***
>
> 13.**…….**
>
> 14.**……..**
>
> 15.***THAT there is need to protect intellectual property rights that have taken years of painstaking effort to develop."***

Hygiene Bins resisted the application by way of a replying affidavit sworn by its director **Michael Wanyoike** in which it was deponed, *inter alia*, that its equipment is an internationally available off the shelf common product and had nothing to do with Sanitam's product; that its product was lawfully supplied by foreign manufacturers who had been in business even before Sanitam obtained its patent registration; that Hygiene Bins only provides sanitary services and was not a manufacturer of sanitary bins; that Hygiene Bins had never passed off its products as those of Sanitam and that the products they supplied to its customers were different from those of Sanitam.

The parties stand-points in their respective affidavits were reiterated before **Mwilu J,** who, in a reserved ruling, held, *inter alia*, as follows:

> "***Then follows the question whether or not that patent was infringed by the defendant. The annextures marked "SKN/1", "SKN/3" and those in the annexture marked A-19 at page 4 appear similar and the mode of operating the same is definitely the same, that by foot. The entry point for the dirt at the top of the various bins is similar and the opening mechanism is done by the foot of the user stepping on the gadget at the bottom of the bin. The annexture marked SKN/8 explained those points clearly and there was no supplementary affidavit filed to controvert that point by whatever means. As correctly stated by counsel for the defendant this same patent No. AP773 has been the subject of***

various cases in these courts being Milimani HCC No. 58/1999 and 597/2007 and Civil Appeal No. 228/2004 and now this. All prior cases have recognized the validity of the Plaintiff's patent No. AP773 and I was not given any material to make me depart from those findings."

In the end the learned Judge concluded thus:-

"For those reasons I find and hold that the plaintiff/applicant has made out a prima facie case entitling it to the grant of the orders sought and so that its patent No. AP773 may be protected by the court, I grant orders in terms of prayer 1. The plaintiff will have the costs of the application. It is so ordered."

Hygiene Bins was aggrieved by that finding and so, lodged the appeal before us, premised on some 22 grounds which were condensed into 3 by learned counsel for the appellant, **Mr. Thangei.** The three grounds were aligned to the three principles for the grant of a prohibitive interlocutory injunction namely: that Sanitam did not demonstrate a *prima facie* case with a probability of success at the trial; that it also did not demonstrate that unless the injunction was granted it would suffer irreparable damage and that balance of convenience tilted in favour of declining the injunction. Learned counsel contended that Sanitam did not establish breach of any right nor was the date of such infringement given. In furtherance of the same point, learned counsel submitted that Sanitam never availed the alleged offending sanitary bin samples nor did it demonstrate that Hygiene Bins were trading in its version of bins.

On the irreparable damage limp, learned counsel submitted that both Hygiene and Sanitam stood to suffer loss or damage and should have been left to trade, pending trial.

On balance of convenience, learned counsel submitted that Hygiene Bins was inconvenienced more than Sanitam by the injunction as the learned Judge granted the latter a final order at an interlocutory stage. For those reasons learned counsel urged us to allow Hygiene Bins appeal with costs.

Responding to those submissions, **Mr. Mutiso**, learned counsel for Sanitam, supported the findings of the learned Judge of the High Court. In learned counsel's view, the learned Judge properly exercised her judicial discretion on the material availed to her and Hygiene Bins had not demonstrated improper exercise of discretion on the part of the learned Judge of the High Court. Learned counsel submitted that Sanitam had a registered patent in respect of its sanitary bin which patent had to be protected as the court below found. In learned counsel's view, infringement of Sanitam's patent was demonstrated and was flagrant and such disregard of its right could not be encouraged thereby rendering demonstration of irreparable loss irrelevant. With regard to the last condition, according to the learned counsel, the learned Judge entertained no doubt as to the infringement of Sanitam's right to the patent and therefore, the issue of balance of convenience did not arise.

We have considered the record of appeal, the grounds of appeal, learned counsel's submissions and the law. We are alive to our duty on a first appeal as stated by **Sir Clement De Lestang VP** in **Selle -v- Associated Motor Boat Company [1968] EA 123** at page 126 that:

"Any appeal to this Court from a trial by the High Court is by way of retrial and the principles which this Court acts in such appeal are well settled. Briefly put, they are that this Court must reconsider the evidence, evaluate it itself and draw its own conclusions."

We are also guided by the settled principle in **Peters -v- Sunday Post Ltd. [1958] EA 424,** that we should not lightly differ from the Judge at first instance on a finding of fact. At page 429 of that case, it was stated thus:

"It is a strong thing for an appellate Court to differ from the finding, on a question of fact of the judge who tried the case and who has had the advantage of seeing and hearing the witnesses.

But the jurisdiction (to review the evidence) should be exercised with caution: It is not enough that the appellate court might itself have come to a different conclusion."

As this appeal is from an order made on an interlocutory application, we are enjoined to reconsider and evaluate the affidavit evidence adduced before the High Court and reach our own conclusions. As we do so, we shall examine whether the conclusions reached by the High Court were based on the said affidavit evidence or on a misapprehension of the same or whether the conclusions were based on wrong principles. The issues raised before us by learned counsel for the appellant revolve around the application of the principles in **Giella -v- Cassman Brown & Company Limited [1973] EA 358.** It was the view of counsel for the appellant that the learned Judge of the High Court improperly applied those principles. The principles are well settled and are as follows:

1. ***An applicant must show a prima facie case with a probability of success at the trial***

2. ***An interlocutory injunction will not normally be granted unless an applicant can show that he would suffer irreparable loss if the injunction is not granted.***

3. ***If the court is in doubt, it should decide the application on a balance of convenience.***

In the matter before us, the affidavit evidence placed before the learned Judge of the High Court demonstrated that Sanitam was the owner of a patent in respect of its sanitary bin. It demonstrated the ownership by exhibiting its certificate of grant of patent No. AP773 before the learned Judge of the High Court. The Certificate of Grant of Patent is dated 25th October, 1999 and had effect in five countries including Kenya. The Certificate was in respect of an invention entitled "***Foot operated Sanitary/Litter Bin"*** and the patent was granted to the respondent. The respondent further demonstrated that the patent was valid at the time of filing its suit and application before the High Court. Further, the respondent exhibited a copy of this Court's decision in the case of **Sanitam Services (EA) Ltd. –v- Rentokil (K) Ltd & Another**

[Civil Appeal No. 228 of 2004] (UR). In that case, Sanitam had appealed against a High Court order, dismissing its application for an injunction, restraining Rentokil (K) Ltd and Another from infringing the same patent herein. We allowed Sanitam's appeal against that dismissal stating as follows in part:

> ***"We stated earlier that there was no cross-appeal on the finding made by the superior court that the appellant had obtained a valid patent from ARIPO in October 1999. The grant of the patent was neither brought to the attention of the respondents nor pleaded until 16th December, 1999 after leave of the Court was obtained. In our view, the applicant would have been entitled to a temporary injunction to protect the patents until the determination of the suit but we are told one was sought and refused by the superior court at that stage. Ultimately however, the court found for the appellant on that issue and it was logical that injunction relief which the appellant sought in the amended plaint should have been given. In concluding that ground of appeal therefore, we would grant an injunction to last the life of the patent with effect from 16th December, 1999, in terms of prayer (a) (i) (ii) (iii) (iv) and (v) of the amended plaint. That order accords with the provisions of section 36 of the Act.***
>
> ***It is evident from what we have said that, if there was any infringement of the appellant's patent, then it could only have occurred after 16th December, 1999"***

Section 54 of the Industrial Property Act provides, *inter alia,* as follows:

> **" The owner of the patent shall have the right to preclude any person from exploiting the protected invention by any of the following acts –**

a. **When the patent has been granted in respect of a product**

i. **Making, importing, offering for sale, selling and using the product; or**

ii. **Stocking such product for the purposes of offering it for sale, selling or using the product;"**

The Certificate of Grant of Patent in this case was issued to the respondent by the Africa Regional Industrial Property Ortanisation (**ARIPO**). By virtue of **section 59** of the **Industrial Property Act 2001 ("the Act"),** the patent had the same effect as if it had been granted under the **Act**. The respondent was accordingly entitled to the same protection given under **section 54(1)** of the **Act.**

Mr. Thangei submitted, for the appellant, that the respondent failed to demonstrate a *prima facie* case with the probability of success, because, in learned counsel's view, the respondent did not furnish to the court samples of the offending products associated with the appellant. With all due respect to learned counsel, we think, that submission was not entirely correct. We are of that view because the respondent, through the supporting affidavit of

Samson Kamau Nganga, one of its directors/employees, exhibited expert opinion evidence of **Moses Frank Oduori,** a Senior Lecturer in the Department of Mechanical and Manufacturing Engineering of the University of Nairobi, which opinion concluded:

> ***"Having examined the two bins in question and following all the observations that we have recorded above, we concluded that the exhibit bin "HYGIENE" marketed in Kenya by "HYGIENE BINS LIMITED" is not different, in design and operation of its opening mechanism, from the bin "Sanitam Monny" for which Sanitam Services (EA) Limited holds a patent as per the patent document No. AP773."***

Given what we have said above, we cannot fault the learned Judge for finding that, on the material availed to her, the respondent had demonstrated a *prima facie* case with a probability of success at the trial. In our view the learned Judge, in making that finding, had in mind the guiding principles in granting or refusing an injunction as enunciated in **Giella -v- Cassman Brown & Co. Ltd. (supra)**. The learned Judge was exercising her judicial discretion and we do not perceive any apparent error in that exercise of discretion. We do not also lose sight of the decades old principle that this Court will not normally interfere with the exercise of discretion by a judge of the High Court save in exceptional circumstances. The principle was articulated appropriately by **Madan J.A** (as he then was) as follows, in

United India Insurance Co. Ltd. –v- East African Underwritters (Kenya) Ltd [1985] EA 898, at p. 908:-

> ***"The Court of Appeal will not interfere with a discretionary decision, of the judge appealed from simply on the ground that its members, if sitting at first instance, would or might have given different weight to that given by the judge to the various factors in the case. The Court of Appeal is only entitled to interfere if one or more of the following matters are established: first, that the judge misdirected himself in law; secondly, that he misapprehended the facts; thirdly that he took account of considerations of which he should not have taken account; fourthly, that he failed to take account of considerations of which he should have taken account, or fifthly, that his decision albeit a discretionary one, is plainly wrong."***

In the matter before us, we have not detected any of the above factors which would persuade us to interfere with the learned Judge's exercise of discretion.

Having, properly found that the respondent had demonstrated a *prima facie* case, the learned Judge did not expressly proceed to consider the other principles enunciated in **Giella -v- Cassman Brown & Co. Ltd. (supra)**. Our consideration of her ruling however shows that the learned Judge entertained no doubt as to the existence of a *prima facie* case with probability of success at the trial. With that finding, balance of convenience did not fall for consideration.

On whether the respondent would suffer irreparable loss if the injunction was not granted, we observe that the learned Judge was satisfied with the demonstration that the respondent's patent had been infringed. The respondent was, according to the learned Judge, entitled to statutory protection given under **section 54(1)** of the **Act.** The respondent as the owner of the subject patent, had the right to "*preclude any person from exploiting the protected invention"* by any person where the person was *"(i) making, importing, offering for sale, selling and or using the product; or (ii) stocking such product for the purposes of offering it for sale, selling or using the product."* And the right to an injunction is expressly enforceable under **section 55** of the **Act** which is in the following terms:-

> ***"55. The owner of a patent shall have the right***
>
> a. ***to obtain an injunction to restrain the performance or the likely performance by any person without his authorization, of any of the acts referred to in section 54; and***
>
> b. ***to claim damages from any person who, having knowledge of the patent performed any of the acts referred to in section 54 without the owners authorization."***

It would appear from the language of **sections 54** and **55** of the **Act** that the respondent need not have demonstrated that it would suffer irreparable loss unless the injunction was granted before the granting of the injunction. In any event it is not the law that in all cases where a temporary prohibitory injunction is sought, it will not be granted unless irreparable loss will result. Indeed the second principle in **Giella -v- Cassman Brown & Co. Ltd.,** is plain that an interlocutory injunction will not ***normally*** be granted unless an applicant can show that he would suffer irreparable loss if the injunction is not granted. The condition is therefore not cast in stone.

Before concluding this judgment we observe that the learned Judge used language which appeared to suggest that she had made a definitive finding that infringement of the respondent's patent had been proved. The language may have given the impression that the learned J udge made a final decision on the respondent's suit yet she was seized of an interlocutory application. That impression in our view is unfortunate. However, the use of definitive language does not detract from the fact that the findings were *prima facie* findings which would not bind the trial Judge and indeed even the same learned Judge if it fell upon her to hear the main suit. We also observe that despite the granting of the temporary injunction as far back as 25th August, 2010, none of the parties to this dispute appears to have taken steps towards the disposal of the High Court case with dispatch. We have no doubt in our minds that if such steps had been taken the suit would have been disposed of by now.

In the end and for the foregoing reasons, this appeal fails and it is dismissed with costs.

DATED AND DELIVERED AT NAIROBI THIS 25th DAY OF SEPTEMBER, 2015.

E.M. GITHINJI

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JUDGE OF APPEAL

F. AZANGALALA

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JUDGE OF APPEAL

F. SICHALE

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JUDGE OF APPEAL

I certify that this is a true

copy of the original

DEPUTY REGISTRAR