



IN THE COURT OF APPEAL

AT NAIROBI

(CORAM: MUSINGA, GATEMBU & MURGOR, J.J.A.)

CIVIL APPLICATION NO. NAI 203 OF 2012 (UR 147/2013)

BETWEEN

REPUBLIC

EX-PARTE SONY HOLDINGS LIMITED..... APPLICANT

VERSUS

THE REGISTRAR OF TRADE MARKS..... 1ST RESPONDENT

SONY CORPORATION..... 2ND RESPONDENT

(Being an application for stay of opposition proceedings pending before the Registrar of Trademarks, pending the hearing and determination of the Applicant's appeal No. 37 of 2013

in

H.C.JUDICIAL REVIEW MISC. NO. 165 OF 2012)

RULING OF THE COURT

1. In the application before us brought under sections 3A and 3B of the Appellate Jurisdiction Act Chapter 9 of the Laws of Kenya and Rules 5(2)(b) and 47 of the Rules of this Court, the applicant seeks an order that pending the hearing and determination of the applicant's appeal (Civil Appeal No. 37 of 2013) from the judgment of the High Court delivered on 20th November 2012 "*there be a stay of opposition proceedings pending before the Registrar of Trademarks or any action under the Trademarks Act by the Registrar of Trademarks or by any other person or authority in respect to trademarks numbers TMA No. 65981 and TMA No. 65982*".
2. In its judgment delivered on 20th November 2012 that is the subject of Civil Appeal No. 37 of 2013, the High Court (Warsame J, as he then was) dismissed the applicant's application in which the applicant sought reliefs against the 1st respondent, the Registrar of Trademarks ("**the Registrar**") including an order of certiorari to quash the decision of the Registrar to extend time for filing notice of opposition; an order of certiorari to quash proceedings pending before the Registrar in respect of trademarks numbers TMA No. 65981 and TMA No. 65982 and an order of mandamus to compel the Registrar to register the applicant's trademarks numbers TMA No.

The background to the application

3. In accordance with the procedure set out under Part III of the Trade Marks Act, Chapter 506 of the Laws of Kenya and the Trade Marks Rules made thereunder, the applicant applied to the Registrar for registration of two Trademarks.
4. After initially refusing to accept the application for registration, the Registrar upon the applicant's request to rescind its decision declining the application accepted the same whereupon the application was advertised in the Industrial Property Journal.
5. Any person opposed to the registration of a Trade Mark is required, under rule 46 of the Trade Mark Rules, to give notice of opposition to the Registrar within 60 days from the date of advertisement. The elaborate procedure for dealing with such opposition to registration of a trademark is set out under section 21 of the Act and under the Trade Mark Rules. That procedure includes the submission of a statement of grounds upon which the opponent objects to the registration; the submission of a counter-statement by the applicant; the submission by the opponent of evidence by way of statutory declaration in support of opposition; the submission by the applicant of evidence by way of statutory declaration in support of the application; the submission of evidence in reply by the opponent and the conduct of a hearing before the Registrar. The decision of the Registrar rendered after such hearing is subject to appeal to the court.
6. It would seem that, after the 60 days window within which notice of opposition should have been given following the advertisement of the applicant's application for registration of the trademarks had expired, the 2nd respondent, intent on opposing the registration of the trademarks in favour of the applicant, applied for and was granted extension of time by the Registrar within which to submit notice of opposition.
7. The applicant took the view that the Registrar exceeded his powers by granting the extensions of time in the manner he did and that the Registrar is therefore duty bound to issue the applicant with certificate of registration with respect to the trademarks.
8. It was on that basis that the applicant applied to the High Court for judicial review in Misc. Civil Application No. 165 of 2012 seeking orders of certiorari and mandamus. That is the application that was rejected by the High Court in its judgment delivered on 20th November 2012.

Analysis and our decision

9. To succeed in the application before us, the applicant must satisfy us that the intended appeal is arguable and that if we do not accede to its request and grant the orders it seeks the intended appeal will be rendered nugatory. In **Ishmael Kagunyi Thande v Housing Finance of Kenya Ltd Civil Application No. Nai 157 of 2006** this Court stated:

“The jurisdiction of the court under rule 5(2)(b) is not only original but also discretionary. Two principles guide the court in the exercise of that jurisdiction. These principles are now well settled. For an applicant to succeed he must not only show his appeal or intended appeal is arguable, but also that unless the court grants him an injunction or stay as the case may be, the success of the appeal will be rendered nugatory.”

10. Does the applicant's application meet that standard? At the hearing of the application before us the parties were represented by learned counsel. Mr. K.M Mwangi represented the applicant. Mr. Malebe represented the Registrar and Mr. Kiragu Kimani represented the 2nd Respondent.
11. Mr. Mwangi submitted that the applicant has an arguable appeal in that in considering the powers of the Registrar with regard to extension of time and by holding that the Registrar had the power to extend time in the manner that he did, the High Court in effect usurped the powers of the minister to make rules under section 41 of the Act and further, that the judge misconstrued Rule 102 of the Trademarks Rules.
12. While conceding that there may well be an arguable appeal, Mr. Kimani for the 2nd respondent submitted that in the circumstances of this case and having regard to its conduct, this Court should not exercise its discretion in favour of the applicant.

13. Mr. Malebe for the Registrar submitted that the applicant has not demonstrated that it has an arguable appeal.
14. On our part, we are unable to say that the intended appeal is frivolous. We think it is arguable whether, under rule 102 of the Trademarks Rules, the Registrar has unfettered discretion to extend time. An arguable appeal is not one that will necessarily succeed.
15. On the question whether the intended appeal will be rendered nugatory, we have carefully considered the material placed before us, the arguments by counsel and the authorities cited.
16. Mr. Mwangi emphasized that the opposition proceedings before the Registrar are on-going and that if the proceedings are determined then the intended appeal will be rendered nugatory and the applicant will suffer hardships in the proceedings and his right to be heard will be violated; that the applicant is unable to file its statutory declaration because the Respondents have not supplied it with two of three annexures cited in their notice of opposition and that the applicant needs time to get proper instructions since some of the applicant's directors are not in the country. Counsel went on to say that the substance of the appeal is the legality of the opposition proceedings before the Registrar and if the proceedings continue to conclusion then the substance of the appeal would be lost. He added that prejudice would be caused to the applicant because he will be denied a chance to put forward his defence.
17. Mr. Kiragu Kimani in reply argued that the Registrar has not been given a chance to adjudicate on the opposition to the application for registration of trademarks and that since the Registrar is a statutory body created by parliament to deal with trademark issues, the court should be slow to interfere with its proceedings.
18. Counsel further submitted that the appeal is about extension of time and should the appeal succeed, the decision of the High Court will be reversed and the prayers sought will be of no consequence. Counsel added that in any case the applicant has a right of appeal or review to the High Court on the merits of the proceedings and for that reason there would be no prejudice to the applicant should the opposition proceedings before the Registrar proceed to conclusion.
19. Mr. Malebe submitted that the applicant has abused the process of the court by bringing the present application to this Court after having withdrawn a similar application from the High Court. Counsel further submitted that because of the withdrawal, the applicant clearly showed that he would not suffer any prejudice.
20. On our part, we are not satisfied that the applicant has demonstrated that unless the opposition proceedings before the Registrar are stayed, the appeal will be rendered nugatory. We are also not persuaded that the applicant's apprehension that the opposition proceedings before the Registrar will be in violation of its rights is well founded. The rights of the parties to challenge the decision of the Registrar after the culmination of the opposition proceedings are reserved under the statute. Any party dissatisfied with the decision of the Registrar will have recourse to the Courts.
21. We accordingly reject the applicant's application. The same is hereby dismissed. The costs of the application will abide the outcome of the appeal.

DATED and DELIVERED at Nairobi this 14th day of February, 2014.

D.K. MUSINGA

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JUDGE OF APPEAL

S. GATEMBU KAIRU

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JUDGE OF APPEAL

A.K. MURGOR

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JUDGE OF APPEAL

I certify that this is a true copy of the original.

DEPUTY REGISTRAR

ewm