

IN COURT EVERY DAY:
A PERSPECTIVE ON LITIGATING
TRADEMARKS, BRAND MANAGEMENT
AND FRANCHISING

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WORKSHOP ON THE 9TH DAY OF MARCH 2006

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1. TRADEMARK, BRAND MANAGEMENT, FRANCHISING

1.1 Definitions

According to the legislative definition¹ the word trade means any type of profession or other business occupation in which a mark may be used in the manner prescribed by the (Trade Marks) Act. On the other hand, mark includes a distinguishing guise, slogan, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof whether rendered in two-dimensional or three-dimensional form

A trade mark is then defined as a mark used or proposed to be used

- * in relation to goods for the purpose of indicating a connection between the goods and the person having the right to the same
- * in relation to services for the purpose of indicating a connection in the course of business between the person and the provision of those services

The word trademark² has continued to be expanded so as to include what sometimes could be stated as the ingredients of a trademark. Terms such as "mark", "brand" and "logo" are sometimes used interchangeably with the word "trademark".



In actual sense, the terms "brands" and "branding" raise distinct conceptual issues and are generally more appropriate for use in the concept of marketing or advertising.

A brand is the symbolic embodiment of all the information connected with either a company, a product or a service.

A brand typically includes a name, logo, and other visual elements such as images, fonts, color schemes, or symbols.

Brand management can be termed as the marketing phase of Trade Marks as it refers to the application of such marketing techniques to a specific product, product line or brand. It is the art of creating and maintaining a brand.

The main aim of brand management is to increase the product's *perceived value to the customer* and thereby increase brand equity and franchise.

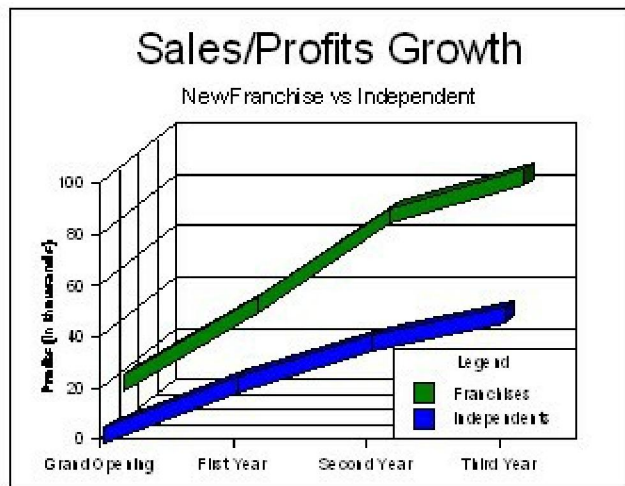
¹ The Trade Marks Act, Cap 506 of the Laws of Kenya,

² In some jurisdictions, the word appears a single word *trademark* whilst others prefer two words *trade mark*.

Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with present and future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This results from a combination of increased sales and increased price.

A good brand name should: be legally protectable; be easy to pronounce; be easy to remember; be easy to recognize; attract attention; suggest product benefits or suggest usage; suggest the company or product image; distinguish the product's positioning relative to the competition.

A franchise is an arrangement where the owner or developer of a brand or a concept (the franchisor) agrees to let others (franchisees) own and operate businesses based on that concept. Licensing, on the other hand, usually involves an arrangement between two parties where the licensor grants temporary use of a trademark, product or intellectual property for a specified period of time. More often than not, it involves manufacturing and marketing rights for technologies, inventions or processes.



Economists will say that Grand Opening Sales (and resulting profits) are usually higher for a franchise unit than an independent. After that, sales grow more rapidly thanks to a proven marketing plan, advertising programs that work, and help in choosing the right site for the venture (see the chart³). The franchise's training keeps the neophyte from going down

many "dark alleys" that consume cash, time and energy. In addition, you gain name recognition and discounts on equipment, inventory and supplies---all adding to the bottom line.

³ Source: International Franchise Association

2. Main Characteristics of Trade Marks



2.1 Capacity to distinguish

A Trade Mark needs to be distinctive to qualify for consideration as a Trade Mark. Previously, only the trade representations of the Marks, or slogans or get-up or colour schemes were considered as distinctive elements. Not all slogans will for instance be deemed registrable. In a recent case in the United Kingdom, involving B&Q plc⁴, the Registry was not prepared to register the slogan 'You can do it' for, *inter alia*, financial services and information. It held that the mark was devoid of any distinctive character and was 'considered to be the kind of mark that others may wish to use during the course of trade and should be free to do so'.

In another case, this time involving WalMart Stores, Inc, the Registry would not accept that the slogan 'Our people make the difference' should be registrable for, *inter alia*, stationery and price tags. The Registry ruled that: '*... the relevant consumer seeing this mark as goods... or on a price tag, would understand the slogan as conveying a purely promotional message extolling the qualities of the staff of the undertaking which is responsible for the business in which the goods are used.*'

However there is a broadening trend in the current set up of Intellectual Property with shapes being admitted as Trade Marks as long as they are capable of distinguishing the Mark from others. The most famous shape that has been registered is the Coca Cola contour bottle. In South Africa, the Supreme Court cancelled⁵ the registration of the AUGMENTIN tablet shape trademark on grounds that registration of the tablet shape trade mark was contrary to the provisions of the (South African Trade Marks) Act as a shape of a tablet is necessary to obtain a technical result and such registration would limit the development of the industry.

Single colour, sound and smell (olfactory) trademarks have also become accepted as distinctive Trade Marks in other jurisdictions though in this country, the two are not yet recognized as registrable Trade Marks.

2.2 Graphic representation

A trademark ought to be graphically represented. Usually this is in a visual manner so that the eye may see what the Trade Mark looks like for ease of distinction and everyday use. Graphic representation however need not be necessarily in a visual manner.

⁴ 30 August 2001, Trade Marks Registry decision no 0/043/02

⁵ Beecham Group plc and SmithKline Beecham Pharmaceuticals v Triomed (Pty) Ltd and the Registrar of Trade Marks

Musical notations can qualify as representations; whilst smells may be described in terms of chemical components. Graphic representation has to be clear, precise, self-contained, easily accessible, intelligible, durable and objective⁶.

3. Justification for Trade Mark Protection

Trade Mark protection performs a variety of economic purposes.

3.1 Origin Function

The traditional justification for Trade Mark protection is that it allows the consumer to distinguish between competing products and services.

The origin function need not necessarily relate to the geographical origin of the goods or services, but its commercial origin. The consumer is therefore able to tell by the identification that the product originates from a certain company. For instance, when you buy the mineral water 'Dasani' you will note that it has the words '*a product of the Coca Cola Company*' displayed on the bottle. Some people do not agree with this function as often, some consumers do not know, or are not they concerned about a products commercial origin.



3.2 Guarantee Function

Trademarks symbolize qualities associated by a consumer to certain goods and services. This guarantee function provides the consumer with information at first glance that the product will meet their requirements for the quality or of product. If you have flu, for instance, and you want it gone quickly, you will easily settle for product identified as FLUGONE⁷. Suppose one had a headache and he or she wished to get medication that will act fast, there is a product like ACTIFAST⁸ that will lead you to the guarantee function of the Mark.

3.3 Investment Function

Many times you will note that when a new product or service is being launched, a company usually spends heavily on the advertising of the said product or service. Companies invest heavily in the promotion of their services and products and that outlay deserves protection. An example of this when there is a merger between

⁶ Sieckmann v Deutsches Patent und Markenamt Case C-237/00 in the European Court.

⁷ This has led to some people rightly believing that a trade mark is a merchandising psychological short cut which induces a purchaser to select what he wants, or what he has been led to believe that he wants.

⁸ Trade Mark KE/T/2001/051427

companies as was evidenced when Apollo Insurance Company Limited merged with Pan African Insurance Company to form APA Insurance Company. A new company was formed; a new logo was created⁹; a new slogan was created¹⁰ and massive presence was felt on television, newspapers, t-shirts, calendars and others. Once this presence is attained, the trademark owner has something of value and if another poaches upon the commercial magnetism of the symbol that has been created, the owner can obtain legal redress¹¹.

4. LEGAL REMEDIES

When a person notes that their intellectual property is being infringed, it is natural that such infringement, being a wrong, will attract a remedy.

4.1 PRE LITIGATION REMEDIES

4.1.1 Cease and Desist

At the point that a proprietor of a trade mark notices that their trade mark is being infringed, or that the brand they have worked so hard to develop is being infringed, there is the need to rush to put a stop to such wrongs.

Few enterprises in Kenya carry out trade mark watch¹² on behalf of the trade mark proprietors. It is however expected that the trade mark proprietors also have personnel to monitor the use or abuse of their trade marks.

Before taking any action, it is normal for proprietors to engage commercial investigators or surveillance and data keeping companies to provide information in respect of the said wrong doers.

The investigators will be given instructions to carry out a market survey as the information on use or abuse of trade marks is not available from the Registry of Trade Marks. Such investigation will establish whether and the extent to which the product has been distributed or sold. The investigation

⁹ Trade Mark KE/T/2004/055812

¹⁰ A New Dimension In Insurance, Trade Mark Application KE/T/2004/055815

¹¹ Dictum of Frankfurter, J in the case of *Mishawaka Rubber & Woolen Manufacturing Company v SS Kresge Co.* [316, U.S. 203]

¹² Some law firms provide these services and charge a retainer fee for the same. They subscribe to the *Industrial Property Journal* and also advise their clients if a similar or closely resembling Mark is being filed at the Registry.

could be confined to Nairobi or may extend to other major towns in the country being Mombasa, Kisumu, Nakuru and Eldoret amongst others.

Competent commercial investigators usually charge approximately Kshs. 10,000 per hour and such investigation in most cases does not take more than twenty hours.

If it is established that there is a wrong being committed, the proprietor in most cases send a *Cease and Desist* letter to the infringers or instruct a firm of Advocates to do so on its behalf. In the Cease and Desist letter, it amounts to a warning that the proprietor is aware of such infringement and a demand notice to the concerned parties to acknowledge the wrong or agree to pay agreed damages.

In the recent past, there have been instances where such Cease and Desist communication is communicated through the daily press. Reckitt and Colman (Overseas) Limited as owners of the trade mark Dettol Heart Run and Device¹³ has recently issued such notice.

The advantage of such Notice in the press is two fold: It warns the persons who are infringing the Mark or Brand and those who are desirous of getting into a business arrangement with such persons.

4.1.2 Opposition

A party may also take part in opposition proceedings at the Registry of Trade Marks if it feels aggrieved by the action of another to register a Trade Mark that closely resembles their own.

Opposition proceedings are at times seen as long and winded though the process has now been stream lined at the Registry of Trade Marks.

Opposition proceedings have a limitation period of sixty days unless a party applies to the Registry for extension of time in which to file the opposition. The period is sixty days from the date of publication of the offending Mark in the Industrial Property Journal.

¹³ Trade Mark KE/T/1998/048246

As explained below, there are scenarios where a business has been trading under an unregistered trade mark for many years, and a rival business starts using the same or a similar mark. Recently, this emerged in the form of the fight for the former ruling party Kenya African National Union (KANU) when its symbols were the subject of an application as a trade mark¹⁴ by a



splinter party, New Kanu. The three applications were advertised in the Industrial Property Journal and the Registrar made a note that the Marks had been “*advertised before acceptance pursuant to Paragraph 2 of Section 21(1) of the Trade Marks Act since it was expedient by reasons of exceptional circumstances relating to the application, namely a letter dated 6th January 2006 received from KANU lawyers raising concerns on these applications and also the fact that the applicant and KANU are both political parties*”.

Ordinarily, such matters rarely take this course due to the fact that most people only come to know of the applications when the Marks are advertised or when a search has been done at the Registry.

The best way to avoid this is by having the trade mark duly registered.

4.1.3 Expungement

One other way in which a party can move the Registry is by way of expungement proceedings. The difference with opposition proceedings is that whilst the opposition proceedings deal with a new registration that is still in the application stage, the expungement deals with an already registered mark. Reasons have to be given for the expungement. Section 29 of the Trade Marks Act (Chapter 506 of the Laws of Kenya) provides as follows¹⁵:-

Subject to provisions of Section 30 (of the Trade Marks Act), a registered Trade Mark may be taken off the register in respect of any of the goods or services in respect of which it is registered on application by any person... at the option of the Applicant and subject

¹⁴ Kanu MP and legal adviser Mutula Kilonzo was quoted as saying that he felt that New Kanu did not have a legal case as in his view Kenya’s trademark laws were only connected with trading.

¹⁵ Rule 82(1) of the Trade Marks Rules (made under the Trade Mark Act) provides that “an application to the Registrar under any of the Sections 29...of the Act for the making, expunging or varying of any entry in the register shall be a statement setting out fully the nature of the applicant’s interest, the facts upon which he bases his case and the relief he seeks”.

to the provisions of Section 53 to the Registrar on the ground that either

- a) *the Trade Mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him, and that there is in fact been no bona fide use of the trademark in relation to those goods or services by any proprietor thereof for the time being up to the date one month before the date of the Application; or*
- b) *up to the date one month before the date of the Application a continuous period of five years or longer elapsed during which there was no bona fide use hereof in relation to those goods or services by any proprietor thereof for the time being.*

This in essence means that a Trade Mark can be removed from the register if the proprietor, registered a mark with no intention of using the same in respect of goods and services of which it was registered and the non-use should be for five years or more.

This is however subject to some limitations for instance non-use due to special circumstances in the trade.

4.2 CIVIL LITIGATION REMEDIES

4.2.1 ACTION FOR PASSING OFF OR FOR INFRINGEMENT

Passing off is the common law mechanism for protecting goodwill between a business and its customer. In the case of *Erven Warnick v Townend*¹⁶, Lord Diplock identified the five features that must be present in order to establish a valid cause of action for passing off. These were a) a misrepresentation b) made by a trader in the course of trade c) to prospective customers of his or ultimate consumers of goods or services supplied by him d) which is calculated to injure the business or goodwill of the trader (in the sense that this is a reasonably foreseeable consequence) and e) which causes actual damage to a business or goodwill of the trader by whom the action is brought.

Differences

¹⁶ [1979] A.C. 731

The main difference between passing off and infringement of registered¹⁷ trade marks is that in passing off, a cause of action arises occurs when there is deceptiveness as to the origin of the goods but in registered trade marks, infringement only occurs when certain requirements have been met. The requirements are that the Mark has to be (correctly) registered, and that the defendant's use of the trademark falls under the definition of infringement.

Other differences between an action for infringement of a Trademark and an action for passing of are: -

- a) a passing off action is based on injury to goodwill and not solely on a monopoly vested in the complainant
- b) passing off is wider as it extends to the imitation of get up
- c) passing off protects reputable merchandise or business not new business having no goodwill as yet
- d) the Trade Marks Act excuses bona fide infringement whilst good faith is immaterial in passing off actions which seek injunctions
- e) for purposes of restraining passing off, registration of the defendant's mark is immaterial.

A plaintiff residing outside Kenya and carrying on no direct business in Kenya can still succeed in an action for passing off.

Misrepresentation

The earliest recognised type of misrepresentation in a passing-off action is a false representation that the defendant's goods are the plaintiff's.

The action also embraces a wide range of more subtle misrepresentations, such as: (1) that the plaintiff's goods of one class or quality are of another class or quality; (2) that the plaintiff's goods of a type of quality sold abroad which is different from the type or quality of the plaintiff's goods normally sold in the home market are goods of the type or quality normally sold in the home market; (3) that second-hand or used goods of the plaintiff are new; (4) that second hand or rejects of the plaintiff's manufacture to which the plaintiff has chosen not to apply his mark are goods of the plaintiff's ordinary manufacture; (5) that stale or deteriorated goods are in the state of freshness in which purchasers would ordinarily receive the plaintiff's goods; (6) that outmoded or superseded goods are the plaintiff's current production; (7) that altered or adulterated goods are goods of the plaintiff's original

¹⁷ Section 5 of the Trade Marks Act makes it clear that no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered Trade Mark.

manufacture; or (8) that goods are covered by the plaintiff's guarantee when they are not so covered.

The misrepresentation must be material, in the sense of being likely to influence to some extent the persons to whom it is made. A misrepresentation as to the origin of goods is generally sufficient even though the defendant's goods are in fact inferior to the plaintiff's. A mere representation that the defendant's goods or business are licensed by the plaintiff without any belief by the public that it can rely on quality control exercised by the plaintiff appears not to be material, and in this respect it is relevant to consider whether or not there is any common field of activity between the activities of the plaintiff and those of the defendant in deciding whether such reliance is likely.

The Courts in Kenya have seemed to set a very high degree in the test and degree of resemblance in proving an action for passing off. In *Cut Tobacco Limited v British American Tobacco*¹⁸, the court held that: there can be no proprietary rights in any colour¹⁹... evidence needs to be tendered to show that the get up is likely to deceive the cigarette buying public that they are buying a (rival) packet cigarette.

In this case, British American Tobacco (K) Limited had been entered on the Register as the proprietor of a trade mark known as Sportsman²⁰. This Mark featured a head of a horse and was red get up. The other party used the picture of a full horse calling its product Horseman and adopted a maroon get up.

The court was inclined to the idea that colour schemes may run across a certain field. The red colour in cigarette packaging is associated in Kenya with stronger brands of cigarettes whereas the white colour is associated with milder brand of cigarettes or cigarettes with lesser nicotine or tar content.

Similar arguments have been used by potential passing off agents in the fields of tea packaging (yellow and green) or cooking fat packaging (blue and white).

¹⁸ Civil Appeal No. 126 of 2000

¹⁹ On the contrary, a number of companies have managed to get single colour trade mark registrations eg:
- the colour green, applied to the exterior surface of filling stations, for petrol and service stations in the name of BP;
- the color brown for transport services in the name of UPS
- the colour turquoise, applied to the visible surfaces of products and the frontage of bank premises, for banking services and cheque books in the name of Barclays Bank;

²⁰ Trade Mark 2012

On the contrary in *Libertel Groep BV v Benelux-Merkenbureau*²¹, the European Court held that a colour per se was under certain conditions capable of constituting a trade mark, and could, in respect of certain goods and services, have distinctive character. In this case, the issue was whether an application to register another colour with connotations in Northern Ireland, the colour orange, should be granted.

It is correct that applications to register single colours as trade marks should be examined very carefully, because these registrations can have a significant impact on competition²². There are, however, undeniably cases where a particular colour has come to be so much associated with a single enterprise that it is a badge of origin. In such a case, the use of that colour by a competitor would clearly cause confusion, and we can see no reason why in those circumstances a well-defined and carefully limited trade mark application should not be allowed.

Some of you might recall the war in the advertisements that raged between KenCell²³ (now Celtel) and Safaricom²⁴ whereby KenCell had registered the trademark *Yes!* and Safaricom would ask consumers questions about the reliability of the Safaricom network and give the answer using the *Yes!* trademark. The use of a similar name or get-up in order to satirise or disparage the plaintiff or his goods or business is not actionable as passing off in the absence of a misrepresentation that the defendant's goods or business are those of the plaintiff, even if such conduct is likely to be damaging or hurtful to the plaintiff.

To some extent, comparative advertising will fall under infringement unless it can be shown that: it is in accordance with honest business practices, is with due cause and has not taken unfair advantage of, or is detrimental to, the distinctive character of the mark.

The statement ignorance of the law is not a defence shall come in handy especially where a person accused of Trade Mark infringement alleges that they were not aware that the said trade mark was in existence.

In many jurisdictions, a registered trademark may be easily identified by the use of the symbol TM or the symbol ®. It is not mandatory that a trade mark has to bear such symbols²⁵ for one to bring an action.

²¹ Case C-104/01

²² Hans Muhlberg

²³ Kencell Communications Limited

²⁴ Safaricom Limited

²⁵ On a Microsoft Windows computer with American keyboard layout, alt+0153 types TM, while alt+0174 makes ®

The plaintiff in a passing-off action must show at least the following facts: (a) that his business consists of, or includes, selling a class of goods to which the particular trade name applies; (b) that the class of goods is clearly defined, and that in the minds of members of the public, or of a section of the public, the trade name distinguishes that class from other similar goods; (c) that because of the reputation of the goods, there is goodwill attached to the name; (d) that the plaintiff, as a member of the class of those goods, is the owner of goodwill which is of substantial value; (e) that he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendant's selling goods which are falsely described by the trade name to which the goodwill is attached.

Damage

It is essential to a passing-off action that the defendant's activities cause substantial damage to the plaintiff's business or goodwill, or are likely to do so if continued. Where the defendant's goods or services compete with the plaintiff's, it is likely that the plaintiff will suffer loss of profits as a result of purchasers buying the defendant's goods or services in place of the plaintiff's. Damage may occur despite the fact that the defendant's goods or services are not inferior to the plaintiff's, although, if they are inferior, the plaintiff may suffer additional damage to the reputation of his goods or services.

Where the plaintiff and the defendant do not compete and so the defendant's activities cannot lead directly to loss of sales by the plaintiff, the plaintiff may nevertheless suffer damage by being associated in the minds of the relevant traders or the public with the defendant or his business, goods or services. The quality of the defendant's goods or services, the kind of business he does and the credit which he enjoys are all matters which may injure a plaintiff who is assumed wrongly to be associated with him.

Damage is likely to occur if the defendant or his business is unsavoury in character, and if the defendant has adopted a name similar to the plaintiff's, with fraudulent intent, the court will readily infer the probability of tangible injury to the plaintiff's trade reputation.

Even where there is no reason to suppose that there is anything concerning the defendant or his business which would adversely affect the plaintiff in the immediate future, the fact that the plaintiff's reputation is placed at the mercy of an entity over which the plaintiff has control and which might get into difficulties in the future may be sufficient to justify the grant of a

permanent injunction at the trial, provided that the degree to which the plaintiff and the defendant may be associated by the public is sufficiently great. In some cases the risk that the plaintiff may be exposed to litigation if the public assumes that he is responsible for the defendant's business has been held to give rise to a tangible risk of damage to the plaintiff.

4.2.2 Breach of Franchise Agreement

A party may also take civil action against another in the event of the breach of a franchise agreement. The franchisor/franchisee relationship can easily give rise to litigation if either side is incompetent (or just not acting in good faith). An incompetent franchisee can easily damage the public's goodwill towards the franchisor's brand by providing inferior goods and services, and an incompetent franchisor can destroy its franchisees by failing to promote the brand properly or by squeezing them too aggressively for profits.

4.3 CRIMINAL LITIGATION REMEDIES

There are instances where the remedy available to the proprietor of a trade mark or a brand is to take criminal proceedings against the offending party.

On the other hand, taking a dekho at the Counterfeit Goods Bill, 2005 that is not yet law but is still pending before Parliament for enactment brings to fore the criminalization of counterfeiting. For reference purposes only, I wish to quote Section 4 in this Bill that is titled "Laying a complaint". It reads:

"Any holder of an intellectual property right, his successor in title, a licensee or agent of such an intellectual property right holder in respect of any protected goods, who has reasonable cause to suspect that an offence ... has been or is being committed or is likely to be committed by any person may lay a complaint with the Director."

The action being laid out here is basically seizure of goods or removal or detention which is not the same as infringement action. This is still a Bill in its formative days and I was only mentioning it to the extent that it refers to agents of a Trade Mark owner having a right to complain.

4.4 EXTRA JUDICIAL REMEDIES

Because litigation is expensive, the majority of franchisors have inserted mandatory arbitration clauses into their agreements with their franchisees. Since 1980, the Supreme Court in the United States has dealt with cases involving direct franchisor/franchisee conflicts at least three times, and two of those cases involved a franchisee who was resisting the franchisor's motion to compel arbitration.

4.5 POST LITIGATION REMEDIES

In matters of Franchising, there are instances where the parties shall notwithstanding the decision that has been taken in Court renegotiate their Agreements. There is a more sobered approach when the issues in dispute have been put to rest and the parties agree on the decision.

Parties who may wish to legalize their relationship can also do the same whereby a party that did not get permission to use a particular trade mark can be a later partner to the proprietor of the Trade Mark after following the correct channels.

Where the brand has been cheapened by the use of inferior imitations, it is always in the interest of the proprietor to ensure that the sub-standard imitations have been destroyed.

5. OTHER SANCTIONS

5.1 Wrongful or groundless threats of infringement

Various jurisdictions have laws which are designed to prevent trademarks' owners from making wrongful threats of trademark infringement action against other parties. These laws are intended to prevent large or powerful companies from intimidating or harassing smaller companies.

Where one party makes a threat to sue another for trademark infringement, but does not have a genuine basis or intention to carry out that threat, or does not carry out the threat at all within a certain period, the threat may itself become a basis for legal action.

6. CHALLENGES FOR LITIGATING TRADE MARKS AND OTHERS

There are many challenges that face trademark owner and practitioners in this field face. These include:-

6.1 Lack of interlink between Registries

At this moment in time, when one applies for a trade mark, the Registrar of trade Marks does not consult with other registries (especially the Registrar of Companies) on the availability of the Trade Mark. It is therefore possible that one might run into problems when he realizes that he or she has registered a trademark yet somebody else has registered a company with a similar name.

This problem has already arisen in other jurisdictions. In *Glaxo PLC v Glaxowellcome Ltd*²⁶, the Lightman J granted a *quia timet* injunction on the grounds of passing off.

6.2 Need for a specialized bench for Intellectual Property issues

There have been interesting decisions by the Judiciary in respect of claims for Trade Mark infringement and passing off in Kenya. This being a fairly recent and fast growing branch of the law, it is imperative that the Bench keeps up with the modern trends so that the genuine owners of Trade Marks do not end up feeling that the Kenyan Courts are not protecting their rights as they should. The Judiciary should organize courses for the Bench so that they are able to make informed decisions since these decisions are followed in detail by the multinational companies that have filed Trade Marks in Kenya and wish to know their level of protection.

6.3 The reach of the IPJ

Advertisement of Trade Marks can now be done in the Journal or in the Kenya Gazette. Previously, all Trademark applications were advertised in the Gazette, published by the Government Printer. The Government Printer was very slow in the publishing of the advertisements as the Gazette carried all the official announcements and notices. Space for Trade Marks advertisements was very limited thus the need to clear the backlog by having a Trade Marks Journal. The Journal has also carried our advertisements for colour applications unlike the Gazette.

However, the circulation of the Journal is much lower than that of the Gazette. The question to ponder is whether the proprietors of Trade Marks or their Agents (read

²⁶ 1996 FSR 388. The Defendant had registered 'Glaxowellcome' as a company name when he realized that a merger was planned between Glaxo PLC and Wellcome PLC. The Defendant wrote to the Plaintiff demanding Pounds 10,000 for the company name.

Advocates) are getting these notices so as to take appropriate action in form of oppositions.

6.4 Promotional Use of Trade Marks

The so-called 'promotional use' of a trademark is a challenge in the sense that in instances where a particular trademark is being used for promotional purposes in a field removed from the main trade of the proprietor, a trademark registration for the former would be vulnerable to an expungement attack on the basis of non-use. This would be the position if the mark were not applied with the object of promoting trade in those (secondary) goods. This principle can be illustrated further by having regard to the British decision in *Kodiak Trade Mark*²⁷.

As a legal practitioner, one of the things that one would have advised a client to do would have been to associate trademarks but this was removed with the coming into force of multi-class applications in the aforementioned amendments to our Act.

6.5 Slow branding

There is also general lack of the branding craze in this country. This therefore means that whilst there are for instance many slogans that companies have come up with, few of them get to the Registrar's office. Save for a few, even Law Firms have not tried to brand themselves and register their Service Marks at the Registry. The title above reads "*In Court Every Day*" which is a slogan taken from an American Law Firm that prides itself as representing its clients in Intellectual Property Matters on a daily basis. It is an appropriate title especially to the client who is pursuing its right in court by way of litigation to defend its brand.

This has led to a very low jurisprudence on Intellectual Property law in Kenya and most decisions as has been quoted in this Paper are foreign based. There should be sensitization to everybody that branding is the key to business success.

6.6 Cybersquatting

Cybersquatting is the word given to the scenario that arises when someone, frequently a private individual, registers valuable trade marks as domain names for the objective of selling to the trade mark owner the entitlement to the domain name.

²⁷ 1990 FSR 49. Kodak obtained a registration for Kodak in relation to clothing. This registration was attacked on the basis that it had not been used. The evidence established that Kodak had had T-shirts, sports jackets, ties, etc manufactured and then sold them to, *inter alia*, its representatives. This clothing featured slogans such as: 'Do it. Use Kodak film and plates'. They were not sold through normal retail channels. The court considered the latter fact, in conjunction with the size and the number involved, to signify that the Kodak trade mark on the clothing would not be taken to be the trade mark of the clothing itself, but of the business being advertised on it. Consequently, there was no *bona fide* use of the mark.

In other jurisdictions for instance the United States, the courts have showed willingness to apply intellectual property rights to the internet. In the United Kingdom, the courts have been flexible with their interpretation of passing off, so that it now covers those who threaten to sell a domain name. Future passing off is now a term that has been coined by the Courts and may be used by trademark owners in claims against cybersquatters.

17. Conclusion

It is clear that for a very long time to come, trademarks will continue to play an important role in our society. New companies and business enterprises shall be formed and new products and services will always be brought into the market by such new companies or by the existing companies;

As it is now, there are still many business enterprises especially the local ones who have yet to grasp the importance of protecting their trademarks and service marks. Most institutions including universities²⁸, colleges²⁹, hospitals, schools and many others have their own identity, badges or motto. This needs to be protected so that in the event of infringement, one may have recourse by bringing a claim on infringement against anyone who makes profits from where he has not sown.

The process of registration is not difficult, the cost is very minimal and yet the advantages of registration of trademarks and industrial designs are so vast.

It should be the aim of all those who have attended this Workshop to vigorously protect the sweat of their brow.

Thank you.

²⁸ Trade Mark KE/T/2004/055544 is a logo of Moi University and includes the motto Foundation of Knowledge

²⁹ Trade Mark KE/T/2003/055399 is a logo of Tec Institute of Management

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