



REPUBLIC OF KENYA



**Scotch Whisky Association & 2 others v Africa Spirits Limited (Civil Case 502 of 2017)
[2021] KEHC 224 (KLR) (Commercial and Tax) (28 October 2021) (Ruling)**

Neutral citation: [2021] KEHC 224 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)
COMMERCIAL AND TAX
CIVIL CASE 502 OF 2017
WA OKWANY, J
OCTOBER 28, 2021**

BETWEEN

**SCOTCH WHISKY ASSOCIATION 1ST PLAINTIFF
DIAGEO BRANDS BV 2ND PLAINTIFF
UDV (KENYA) LIMITED 3RD PLAINTIFF**

AND

AFRICA SPIRITS LIMITED DEFENDANT

RULING

1. This ruling is in respect to the application dated 28th September 2020. The application is brought under Article 165, 50(1) of the *Constitution of Kenya*, Section 3A, 6 and 7 of the *Civil Procedure Act*. The applicants seek the following orders: -
 - a. Spent
 - b. THAT the proceedings in the instant suit being Civil Suit No. 502 of 2017, Scotch Whisky Association & 2 others Vs Africa Spirits Limited be stayed pending the hearing and determination of opposition proceedings pending before the Registrar of trademarks respecting trademarks Number: GLEN ROCK RESERVE T.M.A No. 97495 (word and Mark); SCOTTS CHOICE T.M.A No 96330 (word mark)
 - c. The costs of this application be provided for.



2. The application is supported by the affidavit of Kepha Gakure and is based on the following grounds; -
- a. The plaintiffs contend that the defendant's trademark numbers: ROCK RESERVE T.M.A No. 97495 (word and Mark) and SCOTTS CHOICE T.M.A No 96330 (word mark) have been employed by the defendant as an instrument to pass off the defendants proceeds as though they are those of the plaintiff.
 - b. The 1st plaintiff is the opponent in the opposition proceedings pending before the registrar of trademarks.
 - c. The suit herein is founded on the same grounds as those grounds founding the opposition proceedings.
 - d. The 1st plaintiff has maintained opposition proceedings based on among other grounds that GLENROCK RESERVE and GLENROCK NO 1 are causing deception and confusion in the market.
 - e. No person should appropriate the ordinary English word "GLEN" unless he is from Scotland or is running a business production in Scotland
 - f. In opposition proceedings, the 1st plaintiff relies on materially the same evidence as the plaintiffs in the suit.
 - g. Decisions of the registrar of trademarks are appealable to the High Court as provided for under Section 52 of the Trademarks Act Cap 506 Laws of Kenya
 - h. The decisions of the High Court are binding on the registrar of trademarks as they are binding on other subordinate tribunals.
 - i. Then this honourable court delivers its decision in the matter, the hands of the Registrar of trademarks will be tied. The registrar of trademarks cannot be free to make an independent decision.
 - j. Under Article 50 all parties to a dispute that can be resolved by an application of the law are entitled to an expeditious hearing before an impartial tribunal.
 - k. Once this court makes a determination that resolving issues pending determination before the registrar of trademarks, the hands of the Registrar of trademarks will be tied. This will be in violation of the right to a fair hearing of the parties.
 - l. Should either of the parties to the opposition proceedings prefer an appeal, the appeal will lie to the High Court that has already made a decision.
 - m. The non derogable right to a fair hearing is guaranteed under Articles 50 read together with Article 24 and 25 of the Constitution 2010 and the Fair Administrative Actions Act.
 - n. In making the determination herein, this honourable will rob the Registrar of Trademarks his independence in exercising his administrative powers in respect to the register of trademarks Kenya. As such, the parties herein cannot have a fair Administrative action as guaranteed by Article 47 of the Constitution 2010 and the Fair Administrative Actions Act.



- o. In trying this suit before the conclusion of the opposition proceedings, this honourable court will be usurping the jurisdiction of the Trademarks Tribunal without just cause.
 - p. Allowing this application will enable the court to meet the ends of justice.
 - q. The Supreme Court has held severally that the Superior Courts should exercise restraint in usurping the powers, discretion and the jurisdiction of the courts below the hierarchy of courts then and the subordinate tribunals under their supervision.
 - r. It is only fair and just that these proceedings be stayed as prayed
 - s. This court may direct the expeditious disposal of the proceedings before the registrar of trademarks on priority. The said proceedings are due for hearing.
 - t. The prayers sought herein will assist this court and the trademarks tribunal under its supervision to utilize the available judicial time prudently.
 - u. This Honourable court has the power to determine matters of procedure and administration in a manner that ensure that the Human rights and fundamental freedoms are preserved.
 - v. The plaintiffs will suffer no prejudice when the application is allowed as prayed.
 - w. It is in tandem with justice to allow this application as prayed. It is in tandem with the overriding objective of this court to allow this application as prayed.
3. The respondent opposed that application through the replying affidavit of Kenneth Murray Cobb Gray who states that the applicant is aware that the proceedings before the registrar that seek to determine whether the defendant is entitled to registration of the various trademarks. He contends that the issues in the present suit are not directly, indirectly or substantially in issue in the opposition proceedings. He further states that the registrar does not have jurisdiction to grant interlocutory orders. He avers that the registrar is yet to render his decision in which case the cannot be stayed pending an appeal.
 4. The application was canvassed by way of written submissions which I have considered. The main issue for determination is whether the proceedings in this suit should be stayed pending the outcome of the objection proceedings before the Registrar of Trademarks.
 5. The applicant contends that there are similar objection proceedings before the Registrar of Trademarks with respect to the marks GLENROCK RESERVE and GLENROCK NO 1. The applicant argued that the Registrar of Trademarks will be bound by this court's decision in the event the court makes a verdict concerning the matter, thus hindering the Registrar's independence in making a decision in the opposition proceedings.
 6. The respondent, on the other hand, contends that the issues in this suit are not directly or substantially in issue in the objection proceedings. According to the respondent, the Registrar does not have the jurisdiction to grant interlocutory orders.
 7. The *Trademarks Act* provides for objection proceedings under Section 21 as follows: -

“Opposition to registration



- (1) When an application for registration of a trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Registrar shall, as soon as may be after acceptance, cause the application as accepted to be advertised in the prescribed manner, and the advertisement shall set forth all conditions and limitations subject to which the application has been accepted:

Provided that the Registrar may cause an application to be advertised before acceptance if it is made under paragraph (e) of subsection (1) of section 12, or in any other case where it appears to him that it is expedient by reason of any exceptional circumstances so to do, and where an application has been so advertised the Registrar may advertise it again when it has been accepted but shall not be bound so to do.

- (2) Any person may, within the prescribed time from the date of the advertisement of an application, give notice to the Registrar of opposition to the registration.
- (3) The notice shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition.
- (4) The Registrar shall send a copy of the notice to the applicant, and within the prescribed time after receipt thereof the applicant shall send to the Registrar, in the prescribed manner, a counter-statement of the grounds on which he relies for his application, and, if he does not do so, he shall be deemed to have abandoned his application.
- (5) If the applicant sends a counter-statement, the Registrar shall furnish a copy thereof to the person giving notice of opposition, and shall, after hearing the parties, if so required, and considering the evidence, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted.
- (6) The decision of the Registrar shall be subject to appeal to the court.

8. In *Match Masters Limited vs Kenafriic Matches Limited & another [2021] eKLR* the court observed that; -

“In considering an application for injunction, the High Court must always be careful not to make findings or observations that could prejudice the opposition proceedings. If the Court were to make determinative findings as to whether or not the competing marks are similar and could cause confusion, then the Registrar may feel some pressure, even if subconsciously, not to depart with the High Court. The net effect would be that the High Court, which will have made its decision on untested evidence, will have made a decision for the Registrar who has the opportunity of engaging in more involved proceedings.

26. Indeed so as not to appear to hamstring the Registrar of Trade Marks, some Courts have been reluctant to grant any orders of injunction where parallel opposition proceedings exist. Take for example Nzioka J in *Unga Limited v Capwell Industries Limited* [2019] eKLR where she observes: - “Further in view of the fact that, the Trademarks are still a subject of proceedings before the Registrar of Trademarks, the grant of any orders at this stage in favour of or as against any of the parties will not be in the interest of justice as it will have far reaching impact on their business operations and/or may determine the matter at this stage.



In that regard, I shall not grant any of the orders sought for at this interim stage hold and order that, the parties proceed expeditiously to deal with the matter at the Registrar of Trademarks and/or prepare this matter for hearing of the main suit. The costs of the application herein to abide the outcome of the main suit.” “

9. In *Microtech Enterprises Ltd vs Sollatek Electronic (Kenya) Ltd [2019] eKLR* the court stated that; -

“The Trademarks Act Cap 506 grants both Tribunal and the Court jurisdiction to adjudicate on trademark disputes. The plaintiff filed in both the Tribunal and the Court proceedings on the same dispute. Whereas as a matter of good practice and prudence all matters ought to be filed at the lowest competent Court with jurisdiction to hear and determine the matter, the Defendant filed Defence and Counterclaim on 5th May 2017 which as a separate ‘suit’ they wish to pursue in Court and thus they object to stay of proceedings. The Court is moved by parties; so since both forums the Tribunal and Court have jurisdiction to adjudicate on the dispute, the parties are at liberty to pursue their claim in any of the 2 forums and upon determination serve the order to the other forum for closure of the matter. This Court finds the application for stay of proceedings shall prejudice the Defendant pursuit of their claim under the Counter claim and in the interest of justice all parties should be treated fairly each to his/her own choice of presentation and adjudication of the claim without hindering the other party. Secondly, the Trial Court granted injunctive orders pending the substantive matter being heard and determined; to stay the proceedings without reasonable cause is against a valid Court order; interim injunction is to preserve status quo pending final orders/ determination.”

10. From the above cited authorities, it is clear that the jurisdiction to adjudicate on trademark disputes is fall within the purview of both this court and the Registrar of Trademarks. The applicant’s case is that the issues before the court and the Registrar are the same and that it will be in the interest of justice have the matter before the court stayed pending the outcome of the case before the Registrar.

11. While I appreciate the fact that the parties herein have submitted to the jurisdiction of both the court and the Registrar of Trademarks, I find that the court has a wider scope in terms of granting the reliefs that available to the parties. The Registrar’s mandate is with respect to settling disputes over registration of trademarks which mandate does not extend to the granting of injunctive reliefs which are only available to the parties if the matter is before the court. I therefore find that the justice of this case would require that the plaintiff be allowed to prosecute the matter in the forum of its choice as parties have the right to pursue their claims in any of the two forums.

12. For the above reasons I find that the instant application is not merited and I therefore dismiss it with no orders as to costs.

DATED, SIGNED AND DELIVERED VIA MICROSOFT TEAMS AT NAIROBI THIS 28TH DAY OF OCTOBER 2021 IN VIEW OF THE DECLARATION OF MEASURES RESTRICTING COURT OPERATIONS DUE TO COVID-19 PANDEMIC AND IN LIGHT OF THE DIRECTIONS ISSUED BY HIS LORDSHIP, THE CHIEF JUSTICE ON THE 17TH APRIL 2020.

W. A. OKWANY

JUDGE

In the presence of:

Mr. Mwangi for Defendants/Applicants



Mr. Ndungu for Mwangi for Plaintiff

Court Assistant: Margaret

