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IN THE MATTER OF THE TRADE MARKS ACT CAP 506 OF THE LAWS OF KENYA

AND

**IN THE MATTER OF TRADE MARK APPLICATION NO.91937 "CITY CLOCK" (WORD &
DEVICE) IN THE NAME OF**

**CITY CLOCK (KENYA) LIMITED AND OPPOSITION THERETO BY PAUL MUIMI MUTEMI &
COUNTRY CLOCK KENYA LIMITED**

RULING BY ASSISTANT REGISTRAR OF TRADE MARKS

BACKGROUND

On 25th April 2016, City Clock (Kenya) Limited (hereinafter referred to as "the Applicant") filed an application to register the mark T.M.A No. 91937 "CITY CLOCK" (word & device). The application was filed in respect to services in class 35 of the International Classification of Goods and Services as follows:

Class 35: Outdoor advertising.

The application was duly examined by the Registrar of Trade Marks in accordance with the provisions of the Trade Marks Act, Cap 506 of the Laws of Kenya. Vide a letter dated 26th May 2016, the application was approved for publication.

However, by a letter dated 24th June 2016, the Trade Marks Examiner issued a refusal notice against registration of T.M.A. No. 91937 on the ground that there is an existing and registered Industrial Design that looks exactly like the Applicant's mark titled ID

No.728 "COUNTRY CLOCK DEVICE" in the name of Paul Muimi Mutemi. That the registration of the trade mark would amount to infringing on the three dimensional Industrial Design that is protected at the Kenya Industrial Property Institute designs Register. The Examiner indicated that the existence of the Industrial Design was brought to his knowledge by the proprietor of the Design.

Through a letter dated 11th August 2016, the Applicant filed an appeal against the Examiner's refusal decision. The appeal was considered and by a letter dated 31st August, 2016, the application was approved for publication. The Applicant's application was published in the Industrial Property Journal of 30th September 2016 at page 55.

On 9th November 2016, the Opponents filed their notice of opposition against registration of the Applicant's mark citing inter alia the following grounds:

1. That the 1st Opponent is the holder of patents number KE/D/2013/001328 and KE/D/2013/001327 which is industrial designs very similar to what the Applicant is attempting to have a trade mark over.
2. That the 1st Opponent is a shareholder and director of Country Clock Kenya Limited.
3. That the Opponents had through their advocates written to KIPI objecting to the current application and a letter of refusal was done to the Applicant.
4. That the Applicant and the Opponents are in the same business and currently in court over the issue of both the trade mark and patent and the Applicant is trying to steal a match by having this mark registered.

The notice of opposition was duly forwarded to Applicant vide a letter dated 15th November 2016 who filed its counter statement on 22nd December 2016 and stated inter alia, as follows:

1. The Applicant is the proprietor of the "CITY CLOCK" trade mark and filed the trade mark application Number 91937 in Class 35 for registration on 25th April, 2016 with a disclaimer on the exclusive use of the word "CITY" ("the opposed mark").

2. The Registrar of Trade Marks received and examined the opposed mark and on 26th May, 2016 issued his official notification of approval of the opposed mark for advertisement in the Kenya Industrial Property Institute (KIPI) Journal. The Applicant proceeded to pay the advertisement and registration fees of Kshs.3,000 and Kshs.2,000 respectively and was issued with a receipt no.9466971 on 13th June 2016 and while the Applicant expected the trade mark to be advertised in the KIPI Journal for the month of June, the same was not advertised and upon follow up on 20th July, 2016, it was presented with refusal notice dated 24th June, 2016.
3. The Applicant, through a letter dated 21st July, 2016 sought clarification on the two conflicting decisions-the approval and refusal of registration.
4. The Registrar of Trade Marks, through another letter dated 24th June, 2016 (erroneously so as it was a response to the clarification sought through a letter dated 21st July, 2016) informed the Applicant's agent that the refusal was based on an existing and registered Industrial Design that looks exactly like the mark titled ID No.728-Country Clock Device in the name of Paul Muimi Mutemi. The Registrar further informed the Applicant that the existence of the design was brought to his knowledge by the Proprietor of the Design.
5. The Applicant, being aggrieved by this decision filed an appeal dated 11th August, 2016 but received at KIPI on 12th August, 2016 against the Refusal. The Registrar of Trade Marks considered the appeal and all supporting documentation and on 31st August, 2016 issued a notification confirming that the application was now proceeding for advertisement in the Industrial Property Journal.

6. The Applicant proceeded to schedule the opposed mark for advertisement in the Industrial Property Journal and it was advertised on 30th September, 2016.
7. That while Paul Muimi Mutemi, (“1st Opponent”) is the holder of Industrial Designs, not patents, nos. KE/D/2013/001328 and KE/D/2013/001327 the said registration is the subject of an application for invalidation/revocation proceedings filed with the Industrial Property Tribunal on 27th October, 2016 on the grounds that:
 - a) There was no novelty in the designs in view of the Applicant’s use of confusingly similar clocks in the market for more than thirty (30) years;
 - b) The Purported inventors are not the persons who devised the designs and are not entitled to apply for the registration under Section 30, 31 and 33 of the Industrial Property Act-the designs were devised by an employee of the Applicant; and
 - c) The registration was procured by means of misrepresentation and in breach of the duty of confidentiality owed to the Requester by one of the purported inventors who was an employee of the Applicant.
8. That the Applicant was incorporated in Kenya in 1984 and has since then been involved in the business of moulding and installation of clocks for advertising purposes. The opposed mark is a picture of a four-sided clock which the Applicant has produced and installed for the last thirty (30) years in various parts of Nairobi, other towns country wide and in the larger East African Region.
9. By virtue of the extensive use of the name and the mark/design of the clock for the last thirty (30) years and for the last three years since the 1st Opponent registered his Industrial Design the Opponents never objected to the Applicant’s use. There is no doubt that the Opponents were aware of the Applicant’s use of the opposed mark as one of its purported inventors, Boniface Muange Kitivo, was

an employee of the Applicant as at the time of registration of the Industrial Design.

10. The Applicant's opposed mark is protected under the principle of vested rights as an anterior trade mark recognised under Section 10 of the Trade Marks Act.
11. The Applicant's mark is also a well-known trade mark and therefore protected under Article *6bis* of the Paris Convention and Sections 14 and 20 of the Trade Marks Act (Cap 506) Laws of Kenya.
12. The Applicant is also the registered proprietor of the trade mark "CITY CLOCK" trade mark No. KE/T/1988/035936 in class 14 (schedule III) in respect of clocks, horological and other chronometric instruments and trade mark No. KE/T/1997/01039 in class 42 (Schedule III) in respect of hire of clocks. It is also the registered Proprietor of the trade mark "TICK TOCK" registered as trade mark No. KE/T/2007/060826 in class 35 in respect of outdoor advertising among others.
13. The Opponents cannot, therefore, claim infringement of their design registered three (3) years ago by the opposed mark that has been in the public domain for more than thirty (30) years.
14. The 2nd Opponent, Country Clock Kenya Limited, has no locus in these proceedings as it is neither the registered proprietor, an inventor/creator of the designs nor is it a licensee /assignee of the rights to the Industrial Designs.
15. While it is true that the Opponents objected to this application prior to gazettment and the Registrar issued a refusal notice, the Applicant, being aggrieved by this decision filed an appeal dated 11th August, 2016 but received at KIPI on 12th August, 2016 against the Refusal.

16. The Applicant in the said appeal set out a background relating to its use of the mark/device dating back to 1984 as well as supporting documentation including photographs of clocks-the exact representation of the device sought to be registered. The Registrar of Trade Marks considered the appeal and all supporting documentation and on 31st August, 2016 issued a notification confirming that the application was now proceeding for advertisement in the Industrial Property Journal.
17. While the Applicant admits that there is currently a trade mark infringement and passing off case pending in court, it denies that the current application is an attempt to try and steal a match at the Opponents and puts the Opponents to strict proof of this allegation.
18. On the contrary, it is the Opponents who are trying to steal a match from the Applicant by attempting to deny it the registration of the opposed mark for the following reasons:
- a) Being that one of the purported inventors of the designs was an employee of the Applicant, the Opponents must have known of the existence of the City Clock advertising units before making the application for registration of the two designs.
 - b) The 1st Opponent who is registered co-inventor must also have believed the designs to be different in a material/significant way as to satisfy the novelty requirement for purposes of Section 86 of the Industrial Property Act for him to proceed to present them for registration. This must have been the case unless the registration was an attempt to steal a match at the Applicant.
 - c) For the designs to be registered, the 1st Opponent's design must have met the threshold set out under Section 86 of the Industrial Property Act i.e. that the design was new. That Section provides:-

"a design is deemed to be new if it has not been disclosed to the public, anywhere in the world, by publication in tangible form, or in Kenya by use

or in any other way, prior to the filing date ...”

- d) The general but rebuttable assumption, therefore, is that the Opponent’s registered design having been registered despite the existence of the Applicant’s design that has been disclosed to the public in Kenya by use for over thirty (30) years and even longer to the rest of the world was significantly different.
19. The Applicant avers that the 1st Opponent’s registration of the design which is very similar to the Applicant’s clock units (by his admission at ground 1 in the notice of opposition to Application) and the use of the designs and a name, Country Clock, similar to the Applicant’s starting 2014 was a sole attempt by the Opponents to pass off their clock units as those of the Applicant and to confuse and deceive the public that the Opponent and its clock units were in some way connected with the Applicant, a well-known brand/trade mark in Kenya. The actions of the Opponent are acts of unfair competition and are contrary to Article 10bis of the Paris Convention.
20. The Applicant asserts that the Applicant’s opposed mark has gained substantial amount of goodwill arising from its use for over thirty (30) years, heavy investment in research and development of its units as well as rigorous marketing over the years from the 1980’s when the then Nairobi City Commission fervently opposed the installation of the clock advertising units at strategic locations as being capable of distracting drivers to date when they naturally form the general set up and outlook of urban centres and are a trusted point of reference in matters of time and a preferred advertising medium for businesses. The Opponents seek to gain an unfair business advantage over the Applicant on the basis of the designs registered in 2013.
21. The Applicant has not in any way acquiesced and or consented to the Opponent’s use of the design that is similar to the opposed mark. It has filed a trade mark infringement case in court and the industrial design invalidation proceedings before the Industrial Property Tribunal.
22. The Applicant further states that the opposition proceedings as filed are not

only an abuse of due process and the rule of law but are also an attempt to circumvent justice, mislead the Honourable Registrar and are brought in bad faith. They seek to perpetuate a continuing breach/infringement of the Applicant's trade mark and the same are acts of unfair competition contrary to Article 10bis of the Paris Convention.

Wherefore, the Applicant respectfully requests the Registrar to dismiss the opposition and award the costs of these proceedings to the Applicant.

The counter statement was duly forwarded to the Opponent vide a letter dated 4th January 2017. Through a letter dated 4th March 2017, the Applicant requested that the Opponent's opposition be deemed abandoned under Rule 52A of the Trade Marks Rules for failure to file a statutory declaration. By a letter dated 27th March 2017, the Opponent's opposition was deemed abandoned.

On 31st March 2017, the Opponent filed an application for extension of time to file the statutory declaration out of time. The Applicant filed grounds of opposition in response to the said application for extension of time. However by a consent letter dated 26th July 2017, both parties agreed to have the matter settled by allowing the application for extension of time by the Opponent to file its statutory declaration. From the Registry record, the Opponent had filed its statutory declaration on 3rd April 2017. The said statutory declaration was sworn by Paul Muimi Mutemi, a Managing Director and shareholder of Country Clock Kenya Ltd, who stated inter alia, as follows:

1. Country Clock Kenya Ltd is a duly incorporated company primarily *involved* with providing outdoor advertising features specifically through erecting and installing digital clocks at designated locations around the country.
2. That Country Clock Kenya Ltd was duly incorporated on the 8th day of November, 2012 and has been in business of advertising from then.
3. That vide a notice of opposition dated 8th November 2016 together with a letter addressed to the Registrar of Trade Marks received on 9th November 2016, the

Opponents objected to the application for registration of trade mark application No. 91937 made by City Clock (K) Ltd following the advertisement made in journal No. 2016/09 at page 55.

4. That the grounds for objecting the application for registration of T.M.A-No 91937 as stated in the Opponents notice of opposition are that, the 1st Opponent Paul Muimi Mutemi is the holder of patent numbers KE/D/2013/001328 and KE/D/2013/001327 which is an industrial design very similar to what the Applicant is attempting to have a trade mark over. The Declarant annexed copies of the said certificates marked as "PMM1".
5. That the Applicant City Clock Kenya Ltd is the registered owner of three trade marks, trade mark Nos. KE/T/1988/035936, KE/T 1997/01039 and KE/T/2007/060826 thus the current application for registration is based on material non-disclosure and the same is made in bad faith to defeat the cause of justice. This can be evidenced by the fact that there is an on-going matter before the High court HCCC No. 6 of 2016 City Clock Kenya Limited vs. Country Clock Limited and another application to extend time within which to have the Opponent's patents revoked. The Declarant annexed copies of the court Ruling and the application for extension of time marked as "PMM2".
6. That the Applicant (City Clock) is in the business of clock hire, as opposed to the Opponents who are mainly in the advertising business which business no one can claim monopoly and or exclusivity.
7. That the allegation that a clock mold was lost from the Applicant's workshop at the time when Boniface Muage Kitivo was their employee is unfounded baseless and insulting on the part of the Opponents who made the mold from scratch. In fact he was cleared of the allegations when he was summoned at the station and questioned and it was established that items lost if any were lost in his absence and as such he was absolved from any liability and or wrong doing. Further that at the time the alleged theft took place in September the

mold by the Opponent had already been registered which in any event is different from the one the Applicant uses. The Declarant annexed pictures of the two designs marked as "PMM3".

8. That after having built a working mold from the scratch the 1st Opponent caused the same to be patented vide an application dated 10th May, 2013 by Kenya Industrial Property Institute (KIPI) on the 12th September, 2013 for both a four and two sided clock.
9. That the Applicant's claim that the mould was stolen in 2014 and that one of the inventors of the mould Boniface Muage Kitivo was aware of the existence of the city clock advertising units is unfounded. This is over one year from the date the design of the mould was submitted by the 1st Opponent to KIPI for approval and registration.
10. That the Declarant is alive to the fact that the Opponents are not the only providers of advertisement with two sided and or four sided clocks despite being the only patented owners of the rights there are other advertisers who use the same format the Applicants being among them and thus the application to register the trade mark by the Applicants is out rightly an infringement of the Opponents' design registered 3years ago. The Declarant annexed copies of designs of four sided clocks marked as "PMM4"
11. That the length and or use of a design similar to the other does not amount to infringement if none of the parties has a right to its patent. However in this case the 1st Opponent registered the patent and he is a holder of patent number KE/D/2013/001328 and KE/D/2013/001327 thus he has sufficient grounds to oppose to the registration of a similar design as this will amount to infringement of its patent.
12. That the product which the Opponents sells is advertisement space on their clocks

and not the name Country Clock as alleged. The Applicant is a trade mark holder of the word City Clock which by its self is not a product contrary to the patent held and owned by the 1st Opponent which is by itself a product. In any event the fonts and character of the names are totally different for one is done with line while the other is dot matrix. The Declarant annexed a copy of two names "COUNTRY CLOCK" and "CITY CLOCK KENYA LTD" marked as "PMM5".

13. That the allegations by the Applicant that the Opponents are using their good will as they have been in use of the design for 30 years and that the Opponents are undercharging is unfounded and baseless, this is so because the Opponents' costs are way above what the Applicant charges.
14. That the alleged confusion by clients is baseless and unfounded for the Opponents market strategy is based on two things, one the strategic location the Opponents place their products and two the unique design that they have adopted and they should not be faulted for that.
15. That a closer look at the application by the Applicant to register the mark it is clear that it is not only claiming infringement of a trade mark but also wants monopoly on both the use of four sided tower clock and the advertisement on the clocks thereof which would be contrary to the provisions of *The Restrictive Trade Practices; Monopolies and Price Control Act* Cap 5040. (There can never be monopoly on advertisement and or exclusivity in use of tower clocks). Further that this is purely done in bad faith, malice and material nondisclosure.
16. That it is not in dispute that the Applicant holds a trade mark for the words "city Clock" among other names, but is also not in dispute that the word "city" or "country" are generic words that no one can claim ownership over.
17. That being the patent holder of the mold of a four sided a two sided tower clock, the Opponents are protected by the Industrial Property Act Cap 509 of the Laws of

Kenya.

The Opponents indicated that in their opposition to the application filed herewith by the Applicant followed by a counter statement, they pray that the same should be dismissed and costs be awarded.

I have however noted that the Opponents statutory declaration filed at the Registry of Trade Marks on 3rd April 2017 was neither signed, dated nor commissioned. The annexures enclosed are also not properly sealed. Although the Applicant has not raised any objection on the credibility of the statutory declaration and the admissibility of the evidence attached to the statutory declaration I find it prudent to raise this issue.

The Opponents statutory declaration was served on the Applicant on 24th August 2017. On 8th September 2017, the Applicant filed its statutory declaration sworn by Rabari Alai, the Regional General Manager of City Clock (K) Limited, who stated that she had the authority of the Applicant to swear the Affidavit on the Applicant's behalf and stated as follows:

1. That the Applicant, was incorporated in Kenya in 1984 and has since then been involved in the business of installation of clocks for advertising purposes. The Applicant annexed a copy of certificate of incorporation marked as CCKL-1.
2. That in 1985, the Applicant installed its first and second clocks at the Sarit Centre and the Nairobi Kenya Bus Station respectively. In 1986 the Requester installed its third four-sided clock at the Nairobi Railway Station. The Applicant annexed a newspaper article published on January 17, 1986 bearing a picture of the clock and a background of the Applicant's business which it indicates was then relatively new in the country, marked as CCKL-2.
3. That while the Applicant molds and installs various types of clock designs, the

four-sided clock which is the most common type. The Applicant annexed a pictorial representation of the four-sided clock and photographs of the various clocks installed in various parts of the country, marked as CCKL-3.

4. That the Declarant is aware that the Applicant instructed its advocates on record to apply for the registration of a trade mark under class 35 with the device of a four-sided clock. The said application was submitted on 25th April 2016 and allocated number 91937. The Applicant annexed a copy of the application for registration and the pictorial representation of the device as submitted to the Registrar of Trade Marks for registration of the trade mark, marked as CCKL-4.
5. That the device of the clock as presented for registration is the most common of all the designs that the Applicant has installed in various sides of this country, in Uganda, Tanzania, Rwanda, Namibia among other countries since its incorporation in 1984 and the same clocks have become synonymous with its name and business image over the years.
6. That the Declarant is aware that the Applicant did not register the industrial design of the clock over the years as it was advised that its registration was not feasible on the grounds that the industrial design had been in the public domain across the world and thus failed the test as laid out under Section 86 of the Industrial Property Act. The Applicant's advocates have, however advised which advice the Declarant believes to be correct that this was no bar to the registration of the trade mark with the device of the clock.
7. That the Declarant is informed by the Applicant's advocates on record, which information the Declarant believes to be true, that the Opponents' opposition to the registration of the Applicant's trade mark with the device of the four-sided clock is premised on the grounds that the same is already in existence as

an industrial design registered as KE/D12013/001328 and KE/D12013/001327, in 2013.

8. That the Applicant's advocates on record have informed the Declarant, which information the Declarant believes to be true, that a perusal of the relevant documents lodged at KIPi shows that the inventors of the two (2) designs are Paul Muimi Mutemi and Boniface Muange Kitivo. The Applicant annexed a copy of the application for registration of the four sided clock and the certificate of registration of industrial designs marked as CCKL-5.

That it is imperative to note that in the advertisement and certificate subsequently issued, Mr Kitivo's name was suspiciously dropped leaving Mr Mutemi as the only inventor.

9. THAT at the time of registration of the industrial designs Mr Kitivo was an employee of the Applicant and he resigned when the Applicant commenced his dismissal proceedings in December 2014 when Country Clock installed its first clock whose design was of that of a prototype clock that had been stolen from the Applicant's workshop in circumstances where he was implicated in the theft. The Applicant annexed copies of Mr Kitivo's employment agreement and correspondences relating to termination of the agreement exchanged in December, 2014, marked as CCKL-6. I however note that the said employment agreement is not signed.
10. That being that one of the purported inventors of the designs was an employee of the Applicant, he must have known of the existence of the Applicant's advertising units before making his application for registration of the two designs. He must also have believed his designs to be different in a material/significant way as to be new for purposes of Section 86 of the Industrial Property Act for him to proceed to present them for registration. This must have been the case unless the registration was an attempt to steal a match at the Applicant.

11. That the Declarant is advised by the Applicant's advocates on record, which advice she believes to be correct, that Section 86 of the Industrial Property Act requires that for a design to be registered the design must be new. *"a design is deemed to be new if it has not been disclosed to the public, anywhere in the world, by publication in tangible form, or in Kenya by use or in any other way, prior to the filing date ..."*
12. That the Declarant is further advised that in view of the above background, it would be understood, therefore, is that the registered designs are different from the Applicant's design that has been disclosed to the public in Kenya by use for over thirty (30) years and even longer to the rest of the world unless registration was founded on material non-disclosure and misrepresentation.
13. That the opposition is, therefore, is unmerited, clearly misplaced, misinformed and taken in bad faith in light of the background provided above.
14. That the Declarant therefore, prays that the opposition herein be dismissed and costs and a certificate of registration of trade mark be issued to the Applicant.
15. That what is stated herein is true to the best of the Declarant's knowledge, information and belief such knowledge and information having been derived by her from the sources referred to herein above.

The Applicant's statutory declaration was forwarded to the Opponents vide a letter dated 13th September 2017 who filed their statutory declaration in Reply. The statutory declaration was sworn by Paul Muimi Mutemi, a Managing Director at Country Clock Kenya Ltd, who stated as follows:

1. That the Declarant has authority to swear the affidavit.
2. That Country Clock Kenya Limited is a duly incorporated company primarily involved with providing outdoor advertising features specifically through erecting and installing digital clocks at designated locations around the country.
3. That the Declarant had read and had explained the contents of the Applicant and would like to reply as follows.