

## Scope of undesirable company names extended to registered trademarks Kenya - Coulson Harney Advocates

July 25 2016

Under the Companies Act (17/2015, Laws of Kenya), the registrar of companies now has a mandate to consider registered trademarks prior to approving company names.

A company name may not be registered where the registrar believes on reasonable grounds that the name is offensive, undesirable or contrary to the public interest. The criteria under which a company name will be considered offensive, undesirable or contrary to the public interest now include the existence of a registered trademark. This is set out in Regulation 11 of the Companies (General) Regulations 2015. The registrar may register a name that incorporates a registered trademark only where a document signed by the trademark owner confirms consent to its use.

The new provision has been welcomed by trademark owners, as it further secures the interests and rights accruing to their registered trademarks under the Trademarks Act (Chapter 506, Laws of Kenya). In the past, trademark owners faced numerous challenges in protecting their trademarks – often due to the registration of similar or even identical company names which diluted the distinctiveness of and goodwill in their marks.

Although it appreciated the difficulties that resulted for trademark owners, the registrar generally had little option when deliberating on the similarity of trademarks and company names, as the legislation provided insufficient grounds to refuse registration of a company name on this basis. Trademark owners thus previously relied on actions for infringement or passing off, or sought the discretionary intervention from the registrar, to have company names that were similar to their trademarks removed or amended following registration.

The Kenyan courts have previously been approached to demystify the law relating to the registration of companies with names that are similar to registered trademarks. For instance, in 2012 and 2014, in *Agility Logistics Limited v Agility Logistics Limited [2012] eKLR* and *Webtribe Limited t/a Jambopay v Jambo Express Limited [2014] eKLR* respectively, the courts attempted to provide clarification on the issue. The courts in both matters were cognizant of the fact that it is crucial that the Companies Registry and the Trademark Registry work closely together and create a shared database of names.

One hurdle in achieving the aims of the Companies Act will thus be to establish a system that facilitates coordination between the Companies Registry and the Trademarks Registry. At the moment, the databases of the registries are not consolidated, although this is vital to facilitate the confirmation of registered trademarks and company names by either registry. To ensure optimal protection of IP rights, close interaction between the Companies Registry and the Kenya Industrial Property Institute (KIPI) will be essential. Enhanced administrative efficiencies will also be necessary to avoid inadvertent errors in registration. To this end, procedures must be put in place to streamline the system, including the gazetting of company names and the introduction of timelines for objections, criteria for objection and relevant documentation and procedures.

Notably, the regulations do not expressly state whether proposed company names that are similar (as opposed to identical) to registered trademarks are undesirable; clarification is required in order to ensure the effective application of the regulations.

Although challenges will doubtless be encountered in the implementation of the new regime, it is hoped that it will result in a more coherent system for the registration of companies and trademarks. This should encourage business owners to secure their brands locally and stimulate the IP industry in Kenya.

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