DEAR CLIENTS

We have a double edition of the IP newsletter lined up for you packed with twice as many interesting articles and case reviews for the months of March and April.

Interesting fact is that March was originally the first month of the year according to the Roman calendar before the change to the Gregorian calendar in 1752. The beginning of this month usually signals the end of winter and beginning of spring in the Northern Hemisphere. In our case we choose to interpret it as the beginning of better and brighter days to come.

In the Southern Hemisphere, and East Africa in particular, April is normally associated with the commencement of the rainy season. Farmers across Kenya have tilled their lands in preparation for rains after what has been an extraordinarily hot few months.

COULSON HARNEY HIGH RANKING IN CHAMBERS & PARTNERS GLOBAL REPORT

We are pleased to share news of our fantastic performance highlighted in the 2016 Chambers & Partners Global Report. Chambers & Partners is an independent legal directory which identifies and ranks law firms and lawyers in over 180 jurisdictions throughout the world.

In Kenya, we were ranked in Band 1 in Banking and Finance and Corporate/C

Commercial practise areas with 13 of our lawyers being rated. Chambers & Partners notes that the firm is, “well respected for its ability to handle the full range of banking and finance mandates, with particular strengths in debt capital markets transactions and complex structured financings”. Our IP Department was not left behind led by John Syekei (ranked Band 2) who client describe as... "I would rate him as number one in terms of turnaround, experience, ability and approachability."

SOME EXCITING EVENTS TO LOOK FORWARD TO IN MARCH AND APRIL:

- 1 March: Zero Discrimination Day
- 8 March: International Women’s Day
- 10 March: World Kidney Day
- 20 March: Palm Sunday
- 25 March: Good Friday
- 27 March: Easter
- 1 April: April Fools’ Day
- 22 April: Earth Day
- 22-30 April: Passover

BIRTHDAYS

- 1 March: Lupita Nyong'o, Oscar Award winning Actress (1983)
- 3 March: Alexander Graham Bell, inventor of first practical telephone (1847)
- 6 March: Shaquille O’Neal, Retired pro-basketball player (1972)
- 14 March: Albert Einstein, Nobel Prize laureate in Physics (1879)
- 20 April: Adolf Hitler Nazi Leader, German Dictator and Chancellor of Germany (1889)
- 21 April: Elizabeth II, Queen of the United Kingdom (1926)
- 25 April: Al Pacino, actor, filmmaker and screenwriter (1940)

INTERBRAND’S TOP 10 GLOBAL BRANDS AND THEIR VALUE

1. Apple (USD 170 276 million)
2. Google (USD 120 314 million)
3. Coca-Cola (USD 78 423 million)
4. Microsoft (USD 67 670 million)
5. IBM (USD 65 095 million)
6. Toyota (USD 49 048 million)
7. Samsung (USD 45 297 million)
8. GE (USD 42 267 million)
9. McDonald’s (USD 39 809 million)
10. Amazon (USD 37 948 million)

Top risers

• Facebook (#23 USD 22 029 million)
• Apple (#1 USD 170 276 million)
• Amazon (#10 USD 37 948 million)
• Hermès (#41 USD 10 994 million)
• Nissan (#49 USD 9 082 million)

New entrants

• Lego (#82 USD 5 362 million)
• PayPal (#97 USD 4 251 million)
• MINI (#98 USD 4 243 million)
• Moët & Chandon (#99 USD 4 131 million)
• Lenovo (#100 USD 4 114 million)
DEVELOPMENTS IN THE INTELLECTUAL PROPERTY ARENA

A summary of recent developments within the intellectual property (IP) field follows below.

CASE SUMMARIES

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On 25th March 2015, Colour Planet filed an application for the registration of the trade mark “OKOA STIMA” under the trademark application number T.M.A No. 86795 in class 36 for financial services. The application proceeded to advertisement. On 10th April 2015, Safaricom lodged its application for the trade mark “OKOA STIMA” under the trade mark application number T.M.A No. 86982 in classes 16, 36 and 38. Safaricom's application was rejected on the basis that the application made by Colour Planet was still undergoing the registration process. Safaricom then filed a Notice of Opposition (NOP) against the registration of the mark. The NOP was delivered to Colour Planet and it was given notice to file its Counter Statement.

The Counter Statement was prepared and filed. The Registrar forwarded the Counter Statement to Safaricom requiring them to file a Statutory Declaration. In December 2015, Colour Planet wrote to Kenya Industrial Property Institute (KIPI) twice asking the Registrar to deem the Opposition as abandoned under Rule 52A of the Trade Marks Rules since Safaricom had neither filed its Statutory Declaration within the prescribed period nor had it filed for extension of time as provided for under the Trade Marks Rules. The Registrar at KIPI wrote to Safaricom stating that the Opposition was deemed withdrawn under Rule 52A of the Trade Marks Rules since Safaricom had neither filed its Statutory Declaration nor obtained an extension of time to have the Declaration filed at a later date. Meanwhile Safaricom, in a letter dated 21 December 2015, claimed that it had made “a slight typographical error” on the application for extension of time and requested the Registrar to apply the principle of natural justice and Rule 103 to allow for a hearing before making a decision adverse to it as the opponent. On 4 January 2016, the Registrar wrote a letter to Safaricom upholding its decision to withdraw the Opposition under Rule 52A stating that there was nothing in the Registry of Trade Marks to indicate that Safaricom had sought an extension of time and the error made by Safaricom was not a slight typographical error.

Safaricom has filed a suit of its own (Civil Suit No. 15 of 2016) following the Registrar’s decision to issue a certificate of registration to Colour Planet for the OKOA STIMA trade mark.
### Landmark case sets out the legal mechanisms that can be utilized to protect trade secrets.

East African Breweries Limited ("-EABL-") claimed that it invested significantly in developing a unique brewing technique which utilized enzyme technology to produce beer from nonmalted barley. It branded the new product Citizen Beer. Citizen Beer was purported to be the first beer in the world brewed from the unique production process and since beer produced from nonmalted barley attracted a lower rate of excise duty, Citizen Beer retailed at a comparatively lower price.

EABL presented evidence before the court to demonstrate that it had applied for patents to protect its unique production process in several African countries. At the time of going to court, the patent was pending in Kenya.

EABL presented evidence to show that two of its employees who held senior positions in its breweries and had access to confidential material relating to its unique non-malted beer production process, resigned and were employed by Castle Brewing (K) Ltd ("-Castle-").

Shortly afterwards, Castle developed a similar non-malted beer termed Ranger Special Larger Beer. At the time EABL went to court, Castle was at the point of launching Ranger Beer.

Consequently, EABL sought an injunction to restrain the brewing, manufacturing, bottling or canning and marketing of the defendant’s product Ranger Special Larger Beer in Kenya or elsewhere pending the final determination of the suit. In addition, EABL agreed to enter into an undertaking to make good any losses suffered by Castle as a result of the injunction should the trial court find that Castle did not infringe on EABL’s intellectual property rights in the unique beer production process.

Although Castle argued that the injunction would occasion significant losses to its business, the Court granted the injunction based on the finding that EABL had established a \textit{prima-facie} case to demonstrate that; its trade secrets had been divulged by the employees; it stood to suffer irreparable harm since its intellectual property rights in the production process would be unlawfully utilized; and that it had agreed to enter into an undertaking to make good any losses incurred from the injunction should the court not find in its favour.

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**It is possible to obtain temporary injunctions to protect trade secrets.**

Employers are advised to take steps to protect their trade secrets by inserting provisions in employment contracts that prohibit the divulging of trade secrets.

See full details of case [here](#).
## UGANDA

### Nairobi Java House V Mandela Autosapres

**Victory for Nairobi Java**

The High Court of Uganda has set aside the decision of the Registrar of Trade Marks at Uganda Registration Services Bureau (URSB). Mr. Justice Madrama Izama allowed the appeal by Nairobi Java House Limited with costs and found that the two marks from Kenya and Uganda in question are capable of concurrent usage.

The Applicant filed application to register the device trademarks Nairobi Java House Coffee & Tea and Java House and Java Sun in respect of services in class 43. The Opponent is the registered owner of trade marks Café Javas in classes 30, 32, 43 and 21 and Javas in class 30. The Opponent also operates several restaurants in Kampala that make use of the mark. The opposition was filed against class 43 with respect to; “services for providing food; restaurant, catering services; booking and reservation services for restaurants.” The Opponent’s main ground of opposition was that the offending applications were confusingly similar to the Opponent’s earlier used and registered trade marks. The Applicant argued that its marks were distinctive, not likely to cause confusion as the relevant consumers were of superior discernment, that the Opponent could not be allowed exclusive use of the generic word “Java” and in the alternative the trade marks were capable of concurrent use.

The Registrar in his ruling had previously upheld the objection of Mandela Auto Spares Limited against the registration of trade mark application numbers 48062/2013 “Java House” and “Java Sun” and 48063/2013 “Nairobi Java House” in the name of Nairobi Java House. He had found that the proposed registration of Nairobi Java House's trade marks would lead to confusion in the marketplace.

The court on appeal, found that the word “Java” is common to the services undertaken by both parties and that this word was properly disclaimed by Nairobi Java in terms of section 26 of the Trade Marks Act 2010. The court also determined that no survey had been conducted and that the opinions relied upon to determine likelihood of confusion of the public were insufficient.

### Discernment when determining the possibility of confusion cannot be measured based on the consumer (superiority or better ability to discern based on social class) but rather on the services in question.

The rule that the trade mark registered first in time has priority over those registered at later date in case of resemblance was emphasized.

Read full story [here](#).

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## UNITED STATES

### Apple V Samsung

**Apple loses appeal in USD 119.6 million Samsung Smartphone Case**

Apple Inc. lost an Appeals Court ruling that invalidated two of its patents, including the iPhone’s slide-to-unlock feature, and threw out a USD 119.6 million jury verdict against Samsung Electronics Co. The ruling not only ensures Samsung does not have to write another check to Apple; it can also continue using the smartphone features and will not have to make any changes to older models.

The Appeals Court threw out the verdict that Apple had won, but upheld a jury finding that the iPhone maker has to pay a USD 158,400 damage award for infringing a Samsung patent on video compression. In recent developments, The US Supreme Court agreed to grant a writ of certiorari that Samsung had applied for in December last year. This was with regards to Samsung’s petition to hear its patent dispute with Apple centering on a USD 400 million ruling that Samsung smartphones infringed three design patents owned by Apple.

The infringement is set to cost Apple USD 158,400, the only money now changing hands between the companies in the case demonstrating that the smartphone patent wars might not have been worth the effort after all.

Read full story [here](#).

Other facts also found [here](#).
The court agreed to hear questions raised by Samsung's appeal on how damages should be assessed for patent violations when the technology involved is just one of many ingredients that go into a device like an iPhone. This may be yet another instance where Apple is once again stripped off of one of its early triumphs. The Supreme Court is set to hear the arguments in October.

Adidas files ‘three-stripe’ trademark infringement claim

Adidas has headed to court again to protect its three-stripe trademark in a lawsuit filed against US footwear company Athletic Propulsion Labs (APL). This suit came closely after its victory against Sketchers for its Stan Smiths.

Adidas alleges that APL is “designing, sourcing, manufacturing, distributing, marketing, promoting, offering for sale, and/or selling” sneakers that feature “confusingly similar imitations of adidas’ three-Stripe mark,” a logo that adidas says it’s poured millions into over the years. The lawsuit added that the shoes sold by APL are likely to “dilute and tarnish” the distinctive quality of Adidas’s three-stripe mark. Adidas claims the sneakers five stripes that are vaguely reminiscent of the adidas Three Stripes logo. Adidas is seeking a judgment preventing APL from using the three-stripe mark or any imitation, and selling products bearing the mark. It is also seeking triple damages and attorneys’ fees. This is despite the fact that APL released the TechLoom Pro runners several months before the adidas Ultra Boost was released.

Suit follows a recent victory against Sketchers

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This case raises an important question as to the determination of similarity or what falls under the ambit of ‘confusingly similar’ in passing off claims.

See full story here.

Illustration: APL shoe on the left and Adidas on the right. The five stripes on the APL shoe are claimed to imitate the Adidas design.
### EUROPEAN UNION

**Plain packaging for cigarettes**

**English High Court hears plain packaging legal challenge.**

On 10 December 2015, the English High Court, heard arguments concerning the legality of the plain packaging law for cigarettes passed by the UK government in early 2015.

Phillip Morris International (PMI), British American Tobacco, the Imperial Tobacco Group and Japan Tobacco International are claiming that the new law infringes their trade mark rights. The law, which will come into effect in May this year, requires all tobacco products to be sold in “dull brown” packaging with the name of the brand printed in a standardized typeface. Logos will be replaced with images showing the effect that smoking has on an individual’s health.

The tobacco companies have argued that the law “unlawfully deprives” the companies of their trade mark rights and “obstructs the free movement of goods through means that are neither necessary nor proportionate to achieving the UK government’s public health objectives”.

The case is likely to drag on for some time in light of the EU Tobacco Products Directive that was passed. The tobacco companies have filed a case at the Court of Justice of the European Union (CJEU) challenging the legality of the directive.

Generally EU states are free to implement directives according to their needs and concerns, so long as they meet the minimum standards set out by the directives. The problem created by this approach is that many EU states will opt to implement the lowest standards possible while ensuring compliance, while other nations will implement higher standards than those depicted in the directive, thereby creating an inequality of sorts across the EU states. This is quite an oddity as the key goal of EU legislation is to promote compliance and uniformity across the union.

See full story [here](#).

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**The London Taxi Corporation Limited trading as the London Taxi Company v Frazer-Nash Research Limited and Ecotive Limited**

**High Court finds shape of London taxi is not distinctive**

The claimant, The London Taxi Corporation (LTC) held three-dimensional trade marks for the shapes of the Fairway (an old model it stopped producing in 1997) and the TXI/XXII taxis. The Fairway trade mark was a Community Trade Mark (CTM) registered for motor vehicles, accessories and parts. The TXI/XXII mark was a UKTM registered for cars. The shape (which was its subject) was also protected as a registered design. In addition LTC claimed goodwill in these models, as well as the TX4.

LTC argued that the defendants intended to deceive the public as to the origin of the new Metrocab by adopting a shape which closely resembled LTC taxis and that, by marketing the Metrocab, they would commit trademark infringement and passing off. The defendants counterclaimed for invalidity of LTC’s trade marks.

LTC’s claims for infringement and passing off failed. Their CTM was also revoked for non-use. Arnold J. in holding that the trademark was not distinctive stated: “the fact that the shape of a product is unusual is a necessary, but not a sufficient condition for it to have inherent distinctive character.”

The case highlights the important element of use that has to be proven in a claim for passing off. For a passing off suit to succeed, one must prove thee elements; use, misrepresentation and damages incurred by owner of trademark.

The case also places emphasis on the requirement that the trademark be distinct.

Find full facts of the case [here](#).
GENERAL

HUAVEI HAS TOPPED THE LIST OF INTERNATIONAL PATENT FILLERS FOR THE SECOND-YEAR RUNNING

China’s Huawei Technologies has topped the list of international patent fillers for the second-year running according to the World Intellectual Property Organization (WIPO), highlighting a growing patent frenzy amongst Chinese companies, driven by global ambitions and robust government support.

According to Geneva-based WIPO, Huawei filed some 3,898 patent applications in 2013, 456 more (13 percent increase) than the previous year and more than Qualcomm, Samsung, Sony, and HP. U.S. chipmaker Qualcomm Incorporated, which came in second in the ranking, filed 2,442 patent applications while China technology company, ZTE Corporation, came in third with 2,155 patent applications.

The ranking is based on the international patent system called the Patent Cooperation Treaty (PCT), whereby filing an international patent application under the PCT allows an applicant to seek protection for an invention in 148 countries throughout the world.

Huawei also rose to fourth place among companies filing patents with the European Patent Office (EPO) having filed a total of 1,953 applications with EPO in 2015. For the second year in a row, it was the top filer in the digital communications sector, with 1,197 filings in that sector alone.

NEW PRECEDENT IN WAITING?

Is the Concept of ‘form’ in the sense of Article 3(1)(e)(iii) of Directive 2008/95 (sic) restricted to the three dimensional characteristics of the product that is; outlines, dimensions and volume or, does the concept of form also provide for other two dimensional properties of the product, such as colour?

There has been a recent referral to the Court of Justice of the European Union of a case involving Christian Louboutin and its trade mark registration for its red-soled shoe in a suit initiated by Louboutin against Van Haren Shoenen which purported to sell high heeled shoes with red soles.

What does the law provide? Article 3(1)(e) (iii) of Directive 2008/95 states that “signs which consist exclusively of the shape which gives substantial value to the goods” shall not be registered, or if registered shall be liable to be declared invalid. Notably, different language interpretations of Article 3 do not refer to shape. The German, French and Italian translations of this Article refer to “Form, Forme and Forma”, respectively, which do not only describe three-dimensional shapes, but can be interpreted to mean two-dimensional as well. Does this mean therefore that the word “shape” as interpreted in English and possibly in Dutch is unfairly restrictive in comparison to its European neighbours?

The provision does not mention colour. It was argued that the red soled trade mark was still caught by Article 3(1)(el)(iiii) because it is the shape of the red sole for the shoes, which adds substantial value to the product.

Louboutin disagreed that the Article should apply, on the basis that the exception refers purely to shape and the substantial value is due to the coloured sole alone which distinguishes the product. Reference is made to the opinion of Advocate General Szpunar in the Hauck v. Stokke case, in which he said “Art 3(1)(el)(iii) is intended to preclude a monopoly on the appearance of goods which have no technical or functional use, but at the same time where attractiveness strongly influences the preference of the consumer”.

As the matter awaits ruling on whether or not Louboutin trade mark is not covered by the shape element under Art 2.1.2 BCIP or Article 3(1)(el)(iii), it remains to be seen whether a new precedent will be formed by the CJEU on the notion of ‘shape’.  

DOMAIN NAME DISPUTES ON THE RISE

Cybersquatting claims filed at the World Intellectual Property Organization (WIPO) rose by almost 5% last year, fueled by a growth in the number of cases concerning new generic top-level domains (gTLDs). In 2015, 2,754 Uniform Domain Name Dispute Resolution Policy (UDRP) claims were filed, a 4.6% increase on the number in 2014. There is increased reliance on WIPO’s cybersquatting dispute resolution procedures to combat abuse of trade marks in domains with XYZ, .CLUB and .EMAIL being the most common new gTLDs.

Turning to the brands which were most active in combatting cybersquatting, Hugo Boss took the crown. The top ten were:

1. Hugo Boss (62 cases)
2. Philip Morris (60)
3. AB Electrolux (48)
4. F Hoffmann-La Roche (41)
5. Volkswagen (37)
6. LEGO (36)
7. Michelin (23)
8. Wikimedia Foundation (22)
9. Accor (22)
10. Intesa Sanpaolo (22)

WIPO’S COPYRIGHT TREATY FOR THE BLIND

The Marrakesh Treaty, first of its kind, will enter into force three months after the deposit of the instruments of ratification or accession by 20 eligible countries. So far, thirteen have done so. Brazil, which was one of the main proponents and negotiators, deposited its ratification of the treaty on December 11, 2015, after the yearlong internal legislative process. Peru was the 14th country to ratify the treaty meaning six more are required.

The treaty comes into force following 20 ratifications,. The European Parliament has however accused the European Council and EU member states of a “lack of commitment” towards ratification of the treaty. The Members of the European Parliament (MEPs) said a constructive agreement that would see the Marrakesh Treaty implemented has not yet been reached.

US President Barack Obama has urged the Senate to ratify the Marrakesh Treaty, which is designed to improve access to published works for blind and partially sighted people.

The main goal of the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled is to establish set mandatory limitations to ensure access to printed material for the benefit of the visually impaired.
impaired. The treaty, administered by the World Intellectual Property Organization (WIPO), requires nations to allow for the reproduction and distribution of published works in accessible formats by introducing limitations and exceptions to copyright law.

**Daimler AG v Együd Garage Gépjárműjavító és Értékesítő Kft**

The ruling addresses the notion of “use of trade mark” in on-line advertising and explores possible remedies against infringements on the internet.

Együd Garage is a company specialized in the sale and repair of Mercedes cars. Among other things, Együd Garage supplies after-sales services in partnership with Daimler, the German manufacturer of Mercedes cars and the owner of the ‘Mercedes Benz’ trade mark in Hungary. As per the supply contract with Daimler, Együd Garage described itself as an ‘authorized Mercedes-Benz dealer’, also in its own online advertising. After some years, the contract terminated. Együd Garage requested the advertising operator to remove the contents including the definition ‘authorized Mercedes-Benz dealer’. The advertising operator disregarded Együd Garage request. Daimler sues Együd Garage for trade mark infringement. The District Court of Budapest stays the proceedings and asks the CJEU whether the person who initially ordered an advertisement is always to be considered liable for possible trade mark infringement caused thereby. The court held that while publishing an advertisement that includes a trade mark may amount to “use” of that trade mark by an advertiser who has ordered it, that use keeps existing only inasmuch as the advertiser keeps consenting thereto.

By contrast that advertiser cannot be held liable for the acts or omissions of such a provider who, intentionally or negligently, disregards the express instructions given by that advertiser who is seeking, specifically, to prevent that use of the mark. Accordingly, where that provider fails to comply with the advertiser’s request to remove the advertisement at issue or the reference to the mark contained therein, the publication of that reference on the referencing website can no longer be regarded as a use of the mark by the advertiser”, which “cannot be held liable for the independent actions of other economic operators, such as those of referencing website operators with whom the advertiser has no direct or indirect dealings and who do not act by order and on behalf of that advertiser, but on their own initiative and in their own name”

**BUSINESS REVIEW SEGMENT**

**THE CONFUSION THAT HAS MARRIED INTERPRETATION OF RULE 52A OF THE KENYA TRADE MARKS RULES: IS RULE 52A MANDATORY OR ADVISORY?**

**Introduction**

Rule 52A as read with Rule 102 of the Kenya Trade Mark Rules demonstrates an interesting conflict in legislative interpretation. This conflict is in fact the cause of numerous trade mark disputes before the Registrar and courts of competent jurisdiction acting on an appellate capacity in Kenya.

Rule 52A provides as follows:

“If the applicant or opponent fails to furnish the required counter-statement or evidence in support within the times prescribed by rules 48 to 50, the application or opposition, as the case may be, shall be deemed to be abandoned and the Registrar may proceed to make an award of costs.”

Rule 52A as cited above lays forth the basic rule on abandonment of an application or opposition, as the case may be, for failure to submit the requisite documentation within the 42-day statutory set timeline, in the course of opposition proceedings. In respect of applications, Rule 52A has an effect similar to withdrawal of an application to register a trade mark whereas in opposition proceedings, it terminates the opposition and gives leeway for a mark to proceed to registration. Rule 102(1) on the other hand, lays down the provisions on applications for extension of time. Generally, the Rule empowers the Registrar to extend the time with regards to performing any act or taking any proceedings under the Act. This is of course subject to certain limitations.

Rule 102(1) provides as follows:

“The Registrar may extend, on such conditions as he may specify, the time for doing any act or taking any proceedings under these Rules.”

**Issue**

The genesis of most disputes when it comes to interpretation of the two cited provisions, is the misunderstanding by parties to trade mark disputes of whether the requirement to file documentation within the stipulated time frames is mandatory; whether abandonment as envisioned is mandatory; and if not, the nature of instances where the law empowers the Registrar to extend time beyond what is envisioned in the Trade Marks Act and its Rules, to avoid having to deem an application or opposition, as the case may be, as abandoned.

**Analysis**

For one, it is important to note that Rule 52A as read with the preceding rules imposes on parties a mandatory obligation to file requisite documentation in the course of proceedings before the Registrar, within the stipulated timelines. This is inferred from use of the word ‘shall’. English scholars have demonstrated that where a provision in a statute appears to have only one meaning, it should be given its ordinary meaning on interpretation. Applying this rule, would mean that parties in the absence of an extension of time sought, have to submit their documentation within the stipulated timeline, or risk their application or opposition being deemed as abandoned.

In the South African Appeal Case No. A578/14 Vodacom Ltd v The Registrar of Patents & Another, where Rule 83 of the Patents Regulation was in issue, the Court was of the view that Rule 83 is framed in mandatory terms. Rule 83 is similar to Kenya’s Rule 52A only that in the context of the South African Regulations it applies to patents. Rule 83 provides as follows:

“Within two months of the filing and service of the notice of opposition the applicant shall file and serve a counter-statement in the form of a plea. If such counter-statement is not lodged within the said period or within such other period as the Registrar may allow the application shall be deemed to be abandoned and the opponent may apply to the Commissioner for an order of costs.”
A classic case where the Registrar held an opposition proceeding as abandonment was in the unreported case involving Safaricom and Colour Planet, where a trade mark opposition was filed by Safaricom against Colour Planet’s application to register the trade mark “OKOA STIMA”. In the case, Safaricom upon being served with the notice of opposition failed to file its counter statement within 42 days of receipt, and the Registrar upon Colour Planet’s request, issued notification of abandonment of the opposition proceedings by Safaricom. It should however be noted that in practise, there are usually instances where the law and its practical application are disjointed. In Kenya there have been instances in which the Registrar deemed Rule 52A as being advisory in nature and not mandatory.

This has been brought out vividly in the case of In the Matter of TMA No.s KE/T/2008/64107 “PRESIDENT”. In the case, the Applicant’s agents wrote to the Registrar requesting him to deem the opposition abandoned or to fix the matter for hearing. The Assistant Registrar however indicated that Rule 52A was not couched in mandatory terms and thus the Registrar could not abandon the opposition, but only invited parties to fix a hearing date.

It should be noted that in practise, on lapse of the stipulated time, the interested party has to move the registrar by way of a letter informing the Registrar that the time stipulated has expired, and that there being no extension of time sought, the party seeks abandonment of the particular proceeding in line with Rule 52A. The Registrar in line with that request will then peruse their file on the matter to confirm that indeed time has lapsed, the requisite documentation has not been filed and further that no extension of time has been sought. In issuing the notification of abandonment, the Registrar sends a letter to the defaulting party, copying the other party to the proceeding, notifying them of the nature of default and the fact that following the default, the application or opposition as the case may be, has been deemed as abandoned, and that the Registry records have been marked to capture the abandonment.

Interpretation of Rule 102 raises the issue of the extent of the Registrar’s discretion in granting extensions of time in the course of proceedings. The court’s decision in Civil Appeal No. 37 of 2013, Sony Holdings Ltd v The Registrar of Trade marks & Another [2015] eKLR provides an insight on some of the issues that arise with regards to extensions of time sought.

In the case, the court was of the view that the Registrar has unfettered discretion to extend time even if sought after lapse of the stipulated time; and further that use of the word ‘may’ in imposing restrictions upon the Registrar from extending time in such a case, or extending time beyond 90 days, were interpreted liberally to allow the empower the Registrar to extend time even where not expressly envisioned or beyond the stipulated 90 days where the Registrar deemed it necessary.

An interesting approach was however adopted in the South African case of Vodacom cited above. In the case, the court in holding that the Registrar has no power to extend time once the stipulated period has expired and the proceeding in question should be deemed as abandoned. The court was of the view that the Patents Act and the Patents Regulations ought to be interpreted conjunctively and not disjunctively.

Applying the Vodacom decision to the Kenyan context would mean that Rule 52A is mandatory, and further that the Registrar’s discretion in granting extensions of time is not unfettered (as was held in the Vodacom case) and that the Registrar should at all times be guided by the law. In the Vodacom case, it was emphasized that the Registrar ought to only grant extensions sought before lapse of time, as on lapse, the provision of abandonment is invoked without even being moved by an interested party.

It should be noted that in some instances, the Registrar may fail to exercise the discretion conferred under Rule 52A due to technical malfunctions in the Registry. There have been cases where an Applicant’s trademark is opposed, the Opponent later fails to file their statutory declaration within time, the Applicant seeks abandonment of the opposition, months lapse with no notification of abandonment being issued, later the Opponent files an application for extension of time to file their statutory declaration, the Registrar then proceeds to invoke his authority under Rule 103 in fixing a hearing date.

Certain issues should be noted in light of the scenario above. For one, the technical issues at the Trade Marks Registry may occasion a delay in the issuing of the abandonment notification. Files tend to be misplaced between the time they are brought to the Registry and when they are expected to be moved to the legal department to be acted upon. With the misplacement of files, the Registrar’s hands are tied in that even if a proceeding ought to be deemed as abandonment, no notification of abandonment can be issued without a perusal of the file in question to ascertain that indeed time has lapsed and no extension has been sought, hence warranting an order of abandonment.

Secondly, Rule 103 comes into play in instances where the Registrar is faced with a dilemma, in that one party has requested for abandonment of proceedings, whereas the other party has sought an extension of time.

Rule 103 provides as follows:

“Before exercising adversely to any person any discretionary power given to the Registrar by the Act or these Rules, the Registrar shall, if so required, hear that person thereon.”

In line with the administrative law principles of natural justice and procedural fairness which apply to public bodies such as the Kenya Industrial Property Institute, a party is required to be heard prior to an adverse decision being taken against it. Keeping this in mind, faced with the dilemma envisioned above, the Registrar in most instances exercises the discretion conferred to call parties to fix a hearing date to determine whether the extension sought will be allowed or the process in question will be deemed as abandoned.

It may be said that the wide discretionary powers conferred on the Registrar leave no room for consistency in decisions rendered and it should be expected that each dispute will be determined based on the circumstances at hand.
Recommendations and practical applicability of Rule 52A as read with Rule 102

Rule 18(2) as read with Rule 77 of the UK Trade Mark Rules feature similar provisions to Kenya’s Rules 52A and Rule 102 respectively. It should however be noted that the UK Rules provide a sort of guideline on the manner of exercising the Registrar’s powers.

For one, in opposition proceedings, an extension of time would be granted only if:

(i) the irregularity or prospective irregularity necessitating an extension is attributable, wholly or in part, to a default, omission or other error by the registrar, the Office or the International Bureau; and

(ii) it appears to the Registrar that the irregularity should be rectified Practical Implications of Rule 52A

This in effect, makes parties vigilant in pursuing proceedings before the Registrar, keeping in mind that extensions are not automatically acquired. A similar guideline would be helpful in Kenya’s regulations. Legislative amendments are not the most practicable solution. It is advised that Parties file their documentation in respect of any proceedings under the Act within the prescribed time limit to avoid abandonment of their application to register their mark or opposition to such an application.

Should a party foresee it is unable to meet the stipulated timeline, it is encouraged to seek extension of time under Rule 102. Parties are however cautioned against seeking an extension of time after expiry of the stipulated period as Registrars tend to determine each case differently based on the circumstances. It is not automatic that an extension sought after time will be granted.

SUMMARY OF BILLS AND REGULATIONS AS OF 2 FEBRUARY 2016

Court of Appeal (Organization and Administration) Act, No. 28 of 2015

The main objective of this Act is to make provision for the organization and administration of matters to enable the effective and efficient functioning of the Court of Appeal.

Public Procurement and Asset Disposal Act, No. 33 of 2015

This Act gives effect to Article 227 of the Constitution of Kenya and also provides procedures for efficient public procurement and for assets disposal by public entities. This Act applies to all State organs and public entities with respect to, procurement planning procurement processing, inventory and asset management, disposal of assets and contract management. It repeals the Public Procurement and Disposal Act, No. 3 of 2005.

AMAZING IP FACTS

Some Interesting patents ever issued

The Atomic Bomb was patented. On 4 July 1934 Leo Szilard filed a patent application for the atomic bomb which application was awarded making him the legally recognized inventor of the atomic bomb. Interestingly Leo Szilard did this with the aim of protecting the idea to prevent its harmful use. He later offered it for free to the British government to ensure it was protected under British secrecy laws to restrict its availability.

The “Tracking and Managing Group Expenditures” patent by Google which is an app designed to help in ‘splitting the bill’. It not only calculates how much is owed to the person who is paying the waiter, but also automatically transfers the money to that person’s online account once the other parties install it.

OUR WORK (for the month of March)

We have been busy in the past month and have:

- filed approximately 30 trade mark applications across East Africa;
- renewed approximately 54 trade marks already existing on the Register;
- assisted with approximately 20 recordals of mergers, changes of names and assignments of trade marks; and
- filed 4 patent application and 18 renewals of patent annuities
OUR TEAM CONTINUED

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We thank you for choosing to work with us. Please do not hesitate to contact us if you require any further clarification.

Happy New Month

Yours faithfully

Coulson Harney
Per: John Syekei

INTELLECTUAL PROPERTY MONTHLY NEWSLETTER
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