

The IP rights recordal system is now live: what you need to know

John Sykei, David Opijah , Agnes Akal and Stephanie Mulului

Bowmans

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- The ACA is rolling out the long-awaited recordation of IP rights on a pilot basis
- Particulars relating to protected IP rights, IP rights holders/owners and appointed agents are captured and stored in an electronic database known as AIMS
- IP rights holders are required to record their IP rights; importers must also ensure that IP rights relating to imported goods are declared via the recordal system

The Anti-counterfeit Authority (ACA) has now rolled out the long-awaited recordation of IP rights on a pilot basis. This follows the publication in the *Official Gazette* of the Anti-counterfeit (Amendment) Regulations 2021 via Legal Notice No 117, and the Anti-counterfeit (Recordation) Regulations 2021 via Legal Notice No 118 (collectively, the '2021 regulations').

Key points

The recordal system is an electronic database known as the Anti-counterfeit Authority Integrated Management System (AIMS), where particulars relating to protected IP rights, IP rights holders/owners and appointed agents are captured and stored. This information is then used by the ACA to combat counterfeiting by verifying the status of recorded IP rights and the relevant persons to contact in case of suspected IP rights infringement. AIMS can also be accessed by border protection officers to ascertain the recordation status of goods to be imported into Kenya.

Notably, the 2021 regulations prohibit the importation into Kenya of goods bearing a trademark, trade name or copyright for commercial purposes unless the IP right is recorded. This means that not only IP rights holders/owners are required to record their IP rights, but importers also have the responsibility of ensuring that IP rights relating to the imported goods are declared via the recordal system. Non-compliance by importers will result in prosecution, seizure of the non-compliant imported goods and forfeiture for destruction by the ACA. The penal consequence of such prosecution is a fine of not less than three to five times the value of the prevailing retail price of the goods, and/or imprisonment for a term not exceeding five to 15 years.

Recordal process

During this pilot stage, the ACA intends to conduct the recordal process in three phases, as expounded below.

Phase 1: applications

The ACA is gearing towards developing a detailed directory of IP rights, IP rights holders/owners and agents appointed to represent IP rights holders/owners. Therefore, the ACA is currently only receiving and processing agents' admission applications and applications for the recordal of trademarks.

An IP rights holder/owner which ordinarily resides or has a principal place of business outside of Kenya may be represented by an agent pursuant to the provisions of the 2021 regulations. Admission as an agent is limited to any person qualified either to be a member of any statutory professional body, such as advocates of the High Court of Kenya, or persons registered under the Private Security Regulation Act (13/2016).

An application for admission as an agent must be accompanied by a prescribed fee of **KSh10,000** (\$ 100). The validity of admission as an agent is one year, which must be renewed annually by filing a renewal application accompanied by a prescribed fee of **KSh5,000** (\$50).

The recordal process has further been limited to the processing of applications for recordal, renewal, change of name and change of ownership of trademarks. The statutory costs associated with recordal applications amount to **KSh9,000** (\$90) for the first class and **KSh1,000** (\$10) for each subsequent class. It will take the ACA a maximum of 30 days from the date of submission to process the trademark application for recordal under phase 1. The ACA will then publish a monthly newsletter indicating the IP rights that have been successfully recorded.

Phase 2: declaration of particulars of IP rights by importers

After developing a sufficient database of IP rights, the ACA intends to roll out phase 2 of the recordation process. The ACA will require persons other than registered IP rights owners intending to import any goods for commercial purposes to declare their associated IP rights by filing the prescribed declaration form and paying the prescribed fees. Failure to declare the associated IP rights may attract the penalties discussed above.

Phase 3: ACA security device

Pursuant to the provisions of the Anti-counterfeit Act, an importer having declared the IP rights associated with goods intended to be imported will be issued with a certification mark in the form of an anti-counterfeit security device. Imported goods not bearing this mark will be seized and destroyed by the ACA.

The ACA is yet to develop the modalities around the issuance of the security device. This phase has thus not been rolled out. However, importers should keep watch to avoid being caught unawares.

Comment

Over the years, the fight against counterfeits has proved quite challenging, not only for IP rights holders/owners, but also for the ACA. The rollout of the first phase is therefore welcome, as it is the first step by the ACA towards improving the enforcement of IP rights in Kenya at border entry points. IP rights owners are urged to commence submitting applications for recordal of their IP rights to ensure compliance with the regulations and to prevent the importation into Kenya of infringing foreign goods.

John Syekei

Author | Partner

john.syekei@bowmanslaw.com

Bowmans

David Opijah

Author | Head of trademarks

david.opijah@bowmanslaw.com

Bowmans

Agnes Akal

Author | Associate

agnes.akal@bowmanslaw.com

Bowmans

Stephanie Mulului

Author

stephanie.mulului@bowmanslaw.com

Bowmans

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