

**COMMENTS ON THE KENYA TRADEMARKS BILL 2015 AND THE TRADEMARK RULES,
2016**

Introduction

The Trademarks Bill, 2015 (hereinafter the “Bill”) and the Trademarks Rule, 2016 (hereinafter the “Rules”) seek to bring trademark laws in Kenya at par with international best practices and to repeal the Trademarks Act, Cap 506 Laws of Kenya and the rules made there under. The Bill is meant to bring Kenyan legislation up to date as regards to trends in the trademark field. The major highlights of the Bill are the recognition of trademark rights as a form of collateral and the affirmation of international exhaustion of rights.

About INTA:

Founded in 1878, INTA is the world’s oldest and largest brand owners association. With a membership of over 7,200 companies, INTA represents over 31,000 trademark professionals in diverse capacities: multinational corporations, businesses of all sizes, law firms and other professionals, academic institutions, and not-for-profit organizations from 190 countries. The mission of INTA is to encourage and support best practices and excellence in the field of trademarks and intellectual property, and protection of rights for brand owners and consumers, as well as foster economic growth and innovation through awareness of the importance and development of brands. INTA is dedicated to the support and advancement of trademarks and related intellectual property rights as elements of fair and effective national and international commerce. To achieve this goal, INTA recently unveiled its new Strategic Plan. The 2018-2021 Strategic plan is articulated around the following areas namely: 1) promote the value of trademarks and brands; 2) reinforce consumer trust; and 3) embrace innovation and change.

1. Remedies for infringement

Clause 24 lists the remedies a proprietor of a trademark may be granted where a registered trademark has been infringed. These include an injunction, an order for removal of the infringing mark from all offending material or delivering up of the material on which the mark is attached, damages and a reasonable royalty in lieu of damages. Although these remedies will aid the courts in matters of infringement, the Bill should state specifically whether the list is to be used as a guide thereby allowing the proprietor to seek other remedies (such as costs for the lawsuit, including

attorney fees) not included in the Bill, or whether the proprietor shall have no rights to additional remedies save for the ones listed.

In so far as injunction is concerned, 24(1)(a) may be amended to read as “an injunction(subject to such terms, if any, as the court thinks fit.” For example, orders such as maintenance of accounts and filing statements thereof before the Court during the pendency of the proceedings could be a ‘term.’

The remedies may also include ‘accounts of profits’ in addition to or in lieu of ‘reasonable royalty’ which may be far difficult/time consuming to calculate.

2. Hypothecation

Clause 30 states that a registered trademark may be hypothecated by a deed of security or a charge. This will expose registered proprietors to financing. The Rules also provide for the endorsement of the hypothecation in the Register. To properly give effect to the security, the effect of the form should be a forced full or partial assignment of the trademark to the lender.

Clause 30(6) provides that upon discharge of the debt or obligation only a person interested, i.e the registered proprietor and/or the lender, may be permitted to apply to the Register in the prescribed manner for the removal from the Register of the endorsement. Allowing ‘any person’ is likely to have undesirable effects on the purity of the Register.

3. Attachment of trademark

The Rules introduce procedures for the treatment of a registered trademark as property that can be attached by court orders pursuant to clause 30 of the Bill. The Rules prescribe a form which shall be used in the attachment of a registered mark upon a court giving the order. It is however not clear how the value of a trademark will be determined and whether the entry of the attachment in the register will have the same effect as an assignment. To better protect the judgment creditor, the form should indicate how the property shall pass from the registered proprietor to the judgement debtor. The form may include a forced assignment whereby the Registrar is authorized to assign the trademark in place of the proprietor.

4. Refund of fees

Rule 3 (3) of the Rules provides that the Registrar may refund fees that is un-utilized or paid in error but the Rules do not prescribe how an application for such refund may be made. The Rules should provide a specific form for use by persons making such a claim as well as indicate clear procedures and timelines for making the claim.

5. Extension of Time

Rule 54 of the Rules grants the Registrar discretion to extend time for doing any act under the Bill. It goes further to state that the Registrar may not extend a time expressly provided in the Bill, other than the period prescribed under Clause 25 (6) of the Bill. However, the Bill does not contain a Clause 25 (6) and it is thus not clear what Clause the rule is referring to.

6. Famous and Well-Known Marks

6.1 Protection of well-known marks

The Revised Bill contains a number of provisions on well-known marks and proposes slight departures from the position under the Trademarks Act that is currently in force in Kenya.

The Act provides for the protection of marks which are entitled to protection under the Paris Convention¹ and the WTO Agreement² and Clause 13 of the Revised Bill provides the same kind of protection for well-known marks as that which is provided for under section 15A of the Act.

Section 15A (1) of the Act reads as follows:

“References in this Act to a trademark which is entitled to protection under the Paris Convention or the WTO Agreement as a well-known trademark, are to a mark which is well known in Kenya as being the mark of a person who—is a national of a convention country; or is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not that person carries on business or has any goodwill in Kenya.

The Revised Bill however proposes to delete the phrase “whether or not that person (the proprietor of a well-known mark) carries on business or has any goodwill in Kenya” from section 15A (1) of the Act. The intention behind this proposed deletion is presumably to remove the subtle conflict between (a) the requirement that the well-known mark be well-known in Kenya and (b) the statement that well known status is recognized whether or not the proprietor enjoys goodwill in Kenya (presumably in relation to the said well-known mark).

No replacement phrase has been put forward to take the place of this phrase that has been earmarked for deletion. As such, debate could arise on whether the position has changed regarding whether or not the proprietor of a well-known mark ought to be carrying on business in Kenya for his well-known mark to be entitled to the benefits of the protection proposed to be conferred under the Bill. It would have been preferable if only the words “or has any goodwill in Kenya” would have been deleted.

Furthermore Clause 13(3) which deals with the Protection of well-known trademarks limits the scope of protection accorded to well-known trademarks by limiting the effect to |identical or similar goods or services|“.....the use in Kenya of a trademark which is identical or the essential part of which is identical or similar to his, in relation to identical or similar goods or services, where the use is likely to cause confusion among the users of the goods or services”

For instance, the proprietor of the trademark LEVIS which is entitled to protection as a well-known trademark may not be able to prevent the use of LEVIS in respect of hair brushes over which it may not have a registration in Kenya. Therefore, the requirement of ‘identical or similar goods or services’ in respect of well-known trademarks ought to be dispensed with.

6.2 Defensive registration of well-known trademarks

The Act provides for the defensive registration of well-known trademarks (as does the Revised Bill). The Act limits the availability of defensive registration to those well-known trademarks that contain an invented word or words (e.g. Google). Technically speaking therefore, well-known trademarks (e.g. Apple) would not be eligible for defensive registration in Kenya as they do not contain invented words.

The Revised Bill proposes a departure from this position and the widening of the scope of well-known marks that will be eligible for defensive registration by removing the requirement for the invented word(s) component. As such, if the Bill becomes law, any well-known mark will be eligible for defensive registration regardless of whether or not it contains any invented word(s). INTA supports this position.

6.3 Factors to be considered in determining whether a trademark is well-known

The Revised Bill proposes the codification of the factors to be considered in determining whether or not a trademark is well-known in Kenya. Clause 13 (2) of the Revised Bill provides that the eight factors listed under the First Schedule to the Revised Bill are to be taken into account in making a determination of well-known status. These factors are heavily borrowed from Article 2 (b) of WIPO’s Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, which INTA supports.

7. Non registrable trademarks and ‘well-known’ trademarks

Clause 5(1)(e) provides that ‘a mark which, on the date of application for registration thereof, or, where appropriate, of the priority claimed in respect of the application for registration thereof, constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of a trade mark which is entitled to protection under the Paris Convention and the TRIPS Agreement as a well-known trademark within the meaning of section 13 and which is used for goods or services identical or similar to the goods or services in question.’

The highlighted and underlined portion dilutes the protection accorded to ‘well-known trademarks’ in as much as the reputation of a well-known trademark transcends the boundaries of classification. To limit the scope in respect of ‘goods or service identical or similar to the goods or services in question’ will allow squatters to negate the provision and adopt well-known trademarks in respect of dissimilar goods or services and create confusion and/or deception.

Further this provision could limit the scope of Section 13 (1)(2) of the First Schedule (Protection of Well Known marks) which holds that” A well-known mark shall be protected against conflicting marks, with effect from the time when the mark has become well known in Kenya.”

8. Infringement of a registered trademark

Section 23 which deals with infringement of a registered trademark should also cover the following forms of infringements

8.1 Use of registered trademark in respect of goods or services which are not similar to those for which the trademark is registered

23(1)(c) could be amended to read as “ the trademark is well known in Kenya and the use of the mark in relation to any goods or services, being without due cause, takes unfair advantage of , or is detrimental to the distinctive character or the repute of the trademark.

OR

Addition of the following to take into account trademarks which are not well known strictly within the definition but have a reputation in Kenya. While a trademark may not be well known in Kenya it may still have reputation which needs to be protected. The criteria of well-known sits on a higher pedestal than reputation.

23(1)(d) the mark is identical with or similar to the registered trademark; and is used in relation to goods or services which are not similar to those for which the trademark is registered; and the registered trademark has a reputation in Kenya and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trademark.

8.2 Use of a registered trademark as a part of its trading name

We propose the addition of the following:

A registered trademark is infringed by a person if he uses such registered trademark, as his tradename or part of his tradename, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trademark is registered.

Conclusion

INTA is pleased to have the opportunity to submit comments to the Trademarks Bill, 2015 and the Trademarks Rule, 2016.

If you have any questions, do not hesitate to revert to Tat-Tienne Louembe, Representative, Africa and the Middle East tlouembe@inta.org