



**REPUBLIC OF KENYA**

**IN THE HIGH COURT OF KENYA AT NAIROBI**

**COMMERCIAL & ADMIRALTY DIVISION**

**MISC. CIVIL APPLICATION NO. 292 OF 2013**

**DR DEDAN MAINA WARUI .....1<sup>ST</sup> PLAINTIFF**

**CHEMIBAGMED INNOVATIONS LIMITED.....2<sup>ND</sup> PLAINTIFF**

**Versus**

**SAFARICOM LIMITED.....DEFENDANT**

**RULING**

**Intellectual Property: Temporary injunction**

[1] In this case, allegations of breach of copyrights and or intellectual properties have arisen. And the Applicant has applied by way of a Notice of Motion brought pursuant to the provisions of Order 40 Rules 1 of the Civil Procedure Rules, 2010 and Section 3A of the Civil Procedure Act seeking relief to tame the breach. He has sought for;

- 1. A temporary injunction to restrain the defendant, whether acting by its directors, officers, servants or agents or any of them or otherwise whatsoever from further infringing upon the plaintiffs copyrights and/or intellectual property of the Applicant's product pending the determination of the suit.**
- 2. An Order for the delivery to the Plaintiffs, alternatively, obliteration upon oath of all infringing copies of the Plaintiff's copyright works in the possession and custody of the defendant.**
- 3. An order for the costs of the Application.**

[2] The application is founded on the ground set out in the main application and in depositions in the supporting affidavit of the 1<sup>st</sup> Plaintiff sworn on 8<sup>th</sup> July, 2013.

**Brief background**

[3] According to the 1<sup>st</sup> Plaintiff, sometime in 2010 he came up with an innovation for an electronic medical prescription styled under the name "Med Dispenser". The 1<sup>st</sup> Plaintiff allegedly proposed the said product for a joint venture with the Defendant with a view of making profit. It was further claimed that the Plaintiff held several meetings with the employees of the Defendant namely one Paul Mugambi, Grace Wanyoike and Edward Kiiru where the Plaintiff offered sufficient detail and information on the workings of the innovation as required by the Defendant. It was also deposed that, following the said meeting and discussions, the Defendant referred the 1<sup>st</sup> Plaintiff to Bernsoft Interactive Limited, a

software development company, which would assist in the development of a software program for the innovation. Thereafter, the said software company and the Plaintiff prepared a final proposal on the innovation and forwarded it to the Defendant.

[4] The Plaintiff further claims that the parties entered into a Non-disclosure Agreement committing each of the parties to confidentiality of all information obtained in the course of their relationship. The plaintiff alleges after the confidentiality agreement, the defendant unreasonably and unjustifiably failed to respond to any queries he made concerning the innovation and was astonished to come learn from a newspaper article on 23<sup>rd</sup> October, 2012 that the defendant had purportedly launched a Tele- medicine Application by the name “Safaricom Health Presence” in partnership with another third party, namely, African Air Rescue (AAR). The Plaintiff closely scrutinized the newspaper article and he discovered that the Tele-Medicine application launched by the Defendant was almost similar to the innovation contained in the proposal he had presented to the defendant. In the month of January, 2013, the defendant made a business presentation to the Pharmaceutical Society of Kenya on the “Health Presence” solution which the Plaintiff attended as a member of the Society. And during the presentation, the Plaintiff was able to determine that the, “Safaricom Health Presence” solution had similar salient features and components to the Plaintiff’s innovation. The Plaintiff alleges that the Defendant contravened the Plaintiff’s its intellectual property rights, and should, in the interest of justice and fairness be stopped through the relief sought.

### **Submissions by the 1<sup>st</sup> Plaintiff**

[5] The Plaintiff filed submission in court on 6<sup>th</sup> November, 2013 and reiterated the contents of the affidavit sworn in support of the application. The Plaintiffs reinforced that the court has unlimited jurisdiction to hear this application and that there was no specific provision of law that precludes the court from exercising the jurisdiction. That was apparently in reply to the Defendant’s contention that the Industrial Property Tribunal is the proper forum for the determination of the issues arising in this suit as provided in Section 113 of the Industrial Property Act No. 3 of 2001. According to the Plaintiffs, even the NDA signed between the parties did not prevent or delay a party from seeking urgent injunctive or interlocutory relief from the Court.

[6] It was also the Plaintiffs’ submission that the Defendant has infringed upon its copyright and intellectual property rights, by launching the “Tele-medicine Application” and the presentation of the “Health Presence Solution” to the Pharmaceutical Society of Kenya. The two products by the Defendant were based on the Plaintiff’s work which forms the core of his proposal as a literary work and is registered with the Kenya Copyright Board as such. Accordingly, the Plaintiff termed as idle the Defendant’s argument that the work did not fall under the classification of literary works under section 22 of the Copyright Act of Kenya. The Plaintiffs argued that they have spent time and resources in coming up with the proposal. Further, it was contended that the proposal and information supplied to the Defendant by the Plaintiffs in “med dispenser” was proprietary information belonging to the Plaintiffs and which the Defendant was not only obligated in law not to infringe upon but also to take positive steps to protect and secure. In the premises, the Plaintiffs submitted that the Defendant in breach of the NDA, used the Applicant’s proprietary information whether copyright or otherwise in a predatory manner, in coming with the Safaricom health Presence tele-health product, The Plaintiffs answered the Defendant’s argument that the Safaricom Health Presence was different from the Plaintiffs’ Med dispenser due to the fact that the former utilized video conferencing doctor-patient solution and not mobile telephony. The Plaintiffs stated that as at the date of the launch of the product on 23<sup>rd</sup> September 2012, the Defendant claimed that its product would assist Kenyans with mobile phones to help them deal with the problem of inaccessibility to timely and quality healthcare which is a clear indication that the Defendant was riding on the innovation presented to it by the Plaintiffs which had a component for the interaction between the doctors and patients remotely through a computer. As such the Defendant was in clear breach of the NDA clause 2.4.1 which provides that the receiving party shall not use any proprietary information to compete or obtain any competitive or other advantage with respect to the disclosing party. In conclusion the Plaintiffs submitted that they had satisfied the conditions set in the case of **GIELLA v CASSMAN BROWN CO. LTD (1973) EA 358** for the grant of an injunction as sought in the application.

## Defendant fought back

[7] The Defendant opposed the application through the Replying Affidavit of Judy Njogu, the Defendant's Product Manager E- health and E-Learning in the Enterprise Business Unit, sworn on 22<sup>nd</sup> July, 2013. The deponent avers that this court did not have the jurisdiction to entertain the instant suit and the proper forum to determine the issues arising in this suit was the Industrial Property Tribunal established under section 11 of the Industrial Property Act, No.3 of 2001. Further, the Defendant argued, the Jurisdiction of this court could only be invoked through an appeal from the said tribunal. In the same breadth, the Defendant admitted that it had held several meetings with the 1<sup>st</sup> Plaintiff with regard to his innovation dubbed "medical dispenser", wherein, it referred him to Bernsoft Interactive Limited to further develop the idea. As part of policy on receipt of proposals, the Defendant required the Plaintiffs to sign a Non – Disclosure Agreement (hereinafter "NDA"). According to the Defendant, the Plaintiff did not have any intellectual property rights over the Defendant's product "Health presence". It was deposed that the electronic medical prescription concept upon which the Defendant's product is built, has been in use in other jurisdiction, namely India, since May 2010 and was therefore not an original idea of the Plaintiff as claimed. Again, the Defendant's Enterprise Business Unit opted to utilize the solution offered in India and presented the proposal to different stakeholders. The Defendant admitted that it did give some initial consideration to the Plaintiffs' proposal, but however made a decision to proceed with a separate proposal which involved a partnership with AAR and Cisco Systems Inc. (Cisco) to launch the Tele-health product which was developed without any reference to the Plaintiffs' innovation or ideas.

[8] The Defendant averred that its Health Presence product was built on the Cisco Health Presence software owned by Cisco and registered with the United States Food and Drug Administration as Class 1, 510k exempt medical device pursuant to the medical Device Data System rule and as a medical device with other governmental agencies in other jurisdictions. It was the Defendant's contention that the 1<sup>st</sup> Plaintiff's innovation "Med Dispenser" and the Defendant's "Safaricom Health Presence" are materially different. That the Med-dispenser is premised on physical diagnosis by a doctor and subsequent dispensation of prescription drugs and payment via mobile and mobile money transfer, while the Safaricom Health Presence is a video conference doctor –patient solution that does not utilize the mobile phone in doctor –patient diagnosis and treatment. It was also the assertion of the Defendant that the Tele-care and Tele-health concept has been in the public domain for almost 10 years and the plaintiff could not claim that it was his original idea, and therefore the Defendant was not in breach of any intellectual property rights owned by the Plaintiff.

[9] The Defendant further alleged that the Plaintiff's innovation referred as "Med Dispenser" did not fall within the ambit of works eligible for copyright protection under section 22 of the Copyright Act, No. 12 of 2007. Even though the same were eligible for copyright protection as a literary work, there was no allegation that the Defendant had undertaken any of the acts set out in section 26 of the act in relation to the said proposal and the application therefore did not disclose a reasonable cause of action against the Defendant. Therefore, the Plaintiffs have not satisfied the requirements for the grant of an injunction and the application should therefore be dismissed.

[10] In its written submissions filed in court on 21<sup>st</sup> November, 2013, the Defendant stated that copyright is a creature of the law and any claim to copyright must be grounded on the provisions of the Copyright Act, 2001. Although the Plaintiffs contend that it has copyright over the innovation known as med dispenser, it is unclear whether they sought protection of the idea of 'Med Dispenser' or the concept paper submitted to the Defendant. The Defendant cited the case of **DESIGNERS' GUILD LTD v RUSSEL WILLIAMS (TEXTILES ) LTD (2001) 1 All ER 700** and the work in *Copinger and Skone James on Copyright, 14<sup>th</sup> Edition at para 3-10* to support its position that there was no copyright that subsisted in ideas as, copyright law only protects the expression of the idea and not the ideas themselves. Accordingly, it was the submission of the defendant that the idea or innovation referred to as 'Med-Dispenser' has no connection with any literary work as defined at Section 2 of the Act; and in so far as the concept paper seeks to describe a system for the methodology with which 'Med-Dispenser' was intended to work, the same does not entitle the Plaintiffs to claim protection for the system or invention. The Defendant further denied being in breach of the Plaintiff's copyright contained in the Concept paper

as it had not reproduced, distributed to the public, translated, adapted, leased, hired out or communicated to the public the whole or any part from the Plaintiff's concept paper. In any event the Plaintiffs work did not constitute a literary work as it was held in the case of **FAULU KENYA DEPOSIT TAKING MICROFINANCE LIMITED VS. SAFARICOM LIMITED [2012] eKLR** and the court cannot therefore issue an injunction as prayed by the Plaintiffs.

[11] The Defendant did not stop there. It was further pointed out that even though the court were to accept the assertion that the 1<sup>st</sup> Plaintiff came up with an innovation, it does not fit in the definition in the Industrial Property Act No. 3 of 2001 of the same as utility models, technovation models, and industrial designs and any other non-patentable creations or improvements that may be deemed as deserving specified intellectual property rights. The Plaintiffs have not supplied any evidence of having patented their innovation and neither do they claim to have patented such innovation or that the same is patentable. The Defendant further submitted that the parties had presented conflicting descriptions with respect to the "Med Dispenser" and the "Safaricom Health Presence" and the same could not be resolved through affidavit evidence since issues raised can only be canvassed through the main trial in order for the Court to reach the conclusion that there was a breach of the Plaintiffs' intellectual property. Thus, the affidavit evidence produced by the Plaintiffs was insufficient at this stage to make a determination. See the cases of **SANITAM SERVICES (EA) LIMITED v RENTOKIL (K) LIMITED AND ANOTHER [2007] 1 EA 362**; **CUT TOBACCO (K) LTD v BRITISH AMERICAN TOBACCO (K) LIMITED [2001] 1 EA 24**; and **HOSWELL MBUGUA NJUGUNA T/A FISCHER & FISCHER MARKETING v EQUITY BANK LIMITED (HIGH COURT CIVIL CASE NO. 599 OF 2010) (UNREPORTED)**.

[12] In conclusion, the Defendant submitted that the Plaintiffs had failed to establish a prima facie case with a probability of success in terms of the principles set out in **GIELLA v CASSMAN BROWN & CO. LTD (1973) E.A. 358** and the application for injunction should be dismissed with costs.

### COURT'S RENDITION

[13] After giving due consideration to the rival arguments as well as the pleadings of the parties, I take the following view of the matter. The threshold for a temporary injunction is as set out in the case of **Giella v Cassman Brown (supra)** in which Spry, V.P (as he was then) held at page 360 that ;

**"The conditions for a grant of an interlocutory injunction are now I think well settled in East Africa. First, an applicant must show a prima facie case with a probability of success. Secondly, an interlocutory injunction will not normally be granted unless the applicant must otherwise suffer irreparable injury, which would not adequately be compensated by an award for damages. Thirdly if the court is in doubt, it will decide an application on the balance of convenience."**

[14] Have these dimensions been met? Before I look at the merits and the peculiar circumstances of this case, let me settle the question of this court's jurisdiction which is *sine qua non* adjudication of any judicial proceedings despite the debate now ranging within the scholarly, practitioner's as well as judicial circles that **LILIAN 'S' CASE** is in comatose. I do not think we should yet admit **LILIAN 'S' CASE** in terminal decline or conduct a coup de grace on the case despite certain pronouncements from the Highest Court in the land which have been given ominous interpretation. In paragraph 3 of the Replying affidavit of Judy Njogu, the Defendant stated as follows;

**"3. At the outset, I wish to state that I have been advised by the Defendant's Advocates, which advise I accept as correct, that the proper forum for the determination of the issues arising in this suit is the Industrial property Tribunal established under Section 113 of the Industrial Property Act, No. 3 of 2001 and the jurisdiction of the High Court is appellate in accordance with section 115 of the said Act."**

[15] Section 113 of the Industrial Property Act, No. 3 of 2001 establishes the Industrial Property Tribunal, with powers of listening to appeals from decisions rendered by the Managing Director of the Kenya Industrial Property Institute (KIPI) and while exercising all other powers conferred on it by the Act. I am mindful of section 106 of the aforesaid Act which also provides as follows;

**“106. On the request of the owner of the patent or registered utility model or industrial design, the Tribunal shall grant the following relief –**

- a. **an injunction to prevent infringement where infringement is imminent or to prohibit the continuation of the infringement, once infringement has started;**
- b. **damages; or**
- c. **any other remedy provided for in law.”**

[16] From the foregoing provision, only the owner of the patent or registered utility model or industrial design can request the tribunal for relief under section 106 of the Industrial Property Act. In this particular case, the Plaintiffs have not claimed to be in any way owners of a patent or registered utility model, or industrial design. Instead, the Plaintiffs have argued that they are the registered owners of a copyright of the innovation known as the “med dispenser”. On that basis, the provisions of section 106 may not apply. See the case of **FAULU KENYA DEPOSIT TAKING MICROFINANCE LIMITED v SAFARICOM LIMITED [2012] eKLR**. This Court, therefore, has jurisdiction to hear and determine the instant suit and, to my mind, is the proper place for the Plaintiff to air its grievances.

[17] I now resume the merits of the application. The Plaintiffs alleges the Defendant infringed their copyright in their innovation known as med dispenser. And that the 1<sup>st</sup> Plaintiff pitched the said innovation to the Defendant’s Digital Inclusion Team on or about March 2011. Following a series of meetings thereafter, the parties signed a Non-Disclosure Agreement (hereafter NDA) in September 2012. To prove ownership of the copyright to the innovation, the Plaintiffs presented a certificate of registration No. CR 000712 dated 8<sup>th</sup> March, 2011 where by the Med Dispenser was registered as a Literary Work number KCB 0712 by the Kenya Copyright Board. But one thing is startling and I should state from the outset, that, I agree with the Defendant that it is not clear whether the Plaintiffs are seeking orders based on infringement of the idea of the Med Dispenser or the concept paper of the Med Dispenser submitted to the Defendant. However, a close examination of the concept paper attached to the application and marked as the Plaintiffs’ exhibit “**DMW2**” shows the concept paper presented to the Defendant contains the work flow, methodology or the process in which the med dispenser innovation would work once deduced into a software program. The question then becomes whether the concept paper in itself is entitled to protection as copyright. Section 2 of the Copyright Act, 2001 is the guide her; it defines a “literary work” in the following terms;-

**“...means, irrespective of literary quality, any of the following, or works similar thereto –**

- a. **novels, stories and poetic works;**
- b. **plays, stage directions, film sceneries and the broadcasting scripts;**
- c. **textbooks, treatises, histories, biographies, essays and articles;**
- d. **encyclopedias and dictionaries;**
- e. **letters, reports and memoranda;**
- f. **lectures, addresses and sermons;**
- g. **charts and tables;**
- h. **computer programs; and**
- i. **tables and compilations of data including tables and compilations of data stored and embodied in a computer or a media used in conjunction with a computer, but does not include a written law or a judicial decision;” (emphasis added)**

[18] I must confess that the reading I make of the above provision is that the list thereto is not intended to be exhaustive, and the opening words of section 2 of the Copyright Act, 2001 do not pretend it is exhaustive at all. See the phrase “**any of the following or works similar thereto**”. Literary work need not only be a work of literature, and inclusion of charts, tables, compilations, computer programs etc. speak beyond the argument by the Defendant to the contrary-which I find it to be narrow. The concept paper presented by the Plaintiffs comprised of a preparatory design material for perhaps how the med dispenser would work using the Short Messaging Service Short Code and the work flow was reduced into writing and fixed in material form which brings it within the protection of copyright law by virtue of Section 2 of the Copyright Act. I say this fully aware of the persuasive decision by **Havelock J.** in the case of **FAULU**

**KENYA DEPOSIT TAKING MICROFINANCE LIMITED v SAFARICOM LIMITED (supra).**

[19] With that finding that the Concept Paper presented by the Plaintiffs was capable of protection by Copyright, the question is whether the Plaintiffs have shown a prima facie case with a probability of success that there was infringement for an injunction to issue? This case is attended to by intricate and complex causes of action. Whereas the 1<sup>st</sup> Plaintiff contends that he gave the Defendant some information about the Med Dispenser for the purposes of developing the innovation further and entering into an agreement for the creation of a product, the Defendant contends that the concept of tele-care and tele-health has been in the public domain for almost 10 years and the Plaintiff could therefore not claim any intellectual property in the Tele-Health innovation employed by the Defendant. Further, the Defendant asserted that its product, namely, the Safaricom Healthcare Presence is fundamentally different from the Med Dispenser presented to it by the Plaintiff since it utilizes different aspects of technology such as video conferencing as opposed to the SMS platform. The Plaintiffs did not offer any seriously challenge to those assertions by the Defendant especially on the originality of Med-dispenser as innovation and that tele-health has been in the public domain for almost 10 years. It bears repeating also that, it is not clear whether the Plaintiffs are challenging the infringement of the copyright in the Concept Paper by either reproduction of the said paper or communication of the same to the public without the prior approval of the plaintiffs' et al. That brings me to the point where I should recognize the dichotomy in opinion which exists on the concept of "idea expression"; where the Copyright law only seeks to protect the expression of an idea and not the underlying idea itself, method or process. See the case of **BAIGENT v RANDOM HOUSE GROUP LIMITED (2007) FSR 24** and **DESIGNERS GUILD LTD v RUSSEL WILLIAMS (TEXTILES) LTD (2001) FSR 11**. It could be said that Copyright seeks to protect the author's actual expression and not the ideas, and it does not therefore forbid independent creation. As such, the claim that the two parties in this suit had an idea on tele-healthcare, but which they expressed differently is not untenable in law. In the circumstances of this case, that particular aspect as well as two others on whether the Plaintiffs innovation can be adequately protected by the copyright and whether there is an infringement thereto, I think, should be canvassed at the trial. I adopt a work of Njagi J (as he then was) in the case of **HOSWELL MBUGUA NJUGUNA T/A FISCHER & FISCHER MARKETING** and state that, in the absence of oral evidence which can be tested by way of cross examination, it would be difficult to ascertain whether the Defendant has infringed on any intellectual property rights of the Plaintiff in the Med Dispenser innovation by introducing the Safaricom Health Care Presence platform in conjunction with Cisco Limited. From the material before the Court, the Plaintiffs did not quite navigate the mix in this matter arising from the circumstances of the case, and thus, did not establish a prima facie case with a probability of success. The upshot is that the application before the court fails. However, the suit should be set down for hearing on a priority basis so that the substantive issues which are of great significance in the field of intellectual property law are resolved once and for all. Costs shall be in the cause.

**Dated, signed and delivered in open court at Nairobi this 22<sup>nd</sup> day of September, 2014**

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**F. GIKONYO**

**JUDGE**