REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI

COMMERCIAL & ADMIRALTY DIVISION

CIVIL CASE NO. 704 OF 2012

THE RIARA GROUP OF SCHOOLS LIMITED ::::::::: PLAINTIFF

-VERSUS-

LUCAS KIMANI :: DEFENDANT

R U L I N G

1. The Plaintiff's Notice of Motion is dated **7th November 2012** and filed in Court on the same day. It is taken out under **Order 40 Rule 1 (a)** and **Order 51 Rule 1** of the **Civil Procedure Rules** as well as **Sections 1A, 1B, 3A** and **63 (e)** of the **Civil Procedure Act**. It is also expressed to be brought under **Sections 31 (1)** and **35 (4)** of the **Copyright Act** and **Articles 22, 23** and **40 (5)** of the **Constitution of Kenya**.
2. The application seeks the following orders:-

1. **...**
2. **...**
3. **...**
4. ***That pending the hearing and determination of this suit, a permanent injunction be and is hereby issued retraining the Defendant whether by himself, his employees, servants and/or agents or otherwise, howsoever from using, passing off, selling, offering for sale, distributing, exporting, broadcasting or making available to the public, the said Plaintiff's protected and/or copyrighted works, records and/or copies thereof in any manner whatsoever.***

5. ***That pending the hearing and determination of this suit, a mandatory injunction be issued directing and/or compelling the Defendant to deliver up to the Court any article in the possession of the Defendant which appears to the Court to be an infringing copy, or any article used or intended to be used for making infringing copies of the Plaintiff's protected and/or copyrighted works known as "Digital Genius."***

6. ***That the O.C.S Kilimani Police Station be directed to provide escort, security and/or any necessary assistance to the Plaintiff, its agents and/or servants and ensure compliance with any above orders.***

7. ***That this Honourable Court do declare that the Plaintiff's intellectual property rights in the computer program and/or software known as "Digital genius" have been and are likely to be continuously infringed, contravened and/or violated and therefore the Plaintiff needs protection.***

8. ***That this Honourable Court do issue any such further and appropriate orders in the circumstances of this matter.***

9. ***That the costs of this Application be in the cause.***

3. The application is based on the several grounds stated in the application and is supported by the affidavit of **DANIEL GACHUKIA**, a director of the Plaintiff and sworn on **7th November 2012**. There is also a Supplementary affidavit sworn by the said director on **31st January 2013** and filed on **1st February 2013**.
4. The background of this application is that sometime in the year 1998, the Plaintiff and the Defendant entered into an employment contract of service whose terms and conditions were contained in a Letter of Offer of employment. Further to the said Letter of Offer of Employment, the Plaintiff and the Defendant signed a Job Description which required the Defendant to effectively carry out the responsibilities and duties of a teacher for the period assigned. The responsibilities entailed, among others, providing the School's Administration with the necessary technical support relating to software management. *Annexed hereto and marked **"DG – 1"** are true copies of the Letter of Offer of employment dated 25th September 1998 and the Job Description signed by the Plaintiff and the Defendant on 19th January 2005.*
5. The Defendant worked in his capacity as an ordinary teacher until 2010 when he was duly promoted to be the Head of Department (Computers) at the said Plaintiff's School. *Annexed hereto and marked **"DG – 2"** is a true copy of a Promotion Letter dated 7th May 2010 from the Plaintiff to the Defendant.*
6. The Plaintiff avers that sometime in the year 2011, the Defendant designed and/or developed a computer program/software known as **"Digital Genius"** primarily to be used as a teaching aid and/or revision material by the said Plaintiff's Schools. According to the Plaintiff the Defendant developed the said program/software while employed as a teacher at the School (Riara Road Primary School). The Defendant developed the program while in the course of undertaking his duties as a teacher and as the Head of Department (Computers) in the said School.
7. The Director of the Plaintiff, Daniel Gachukia, avers that the said computer program was developed by the Defendant within the scope of his contract of service with the Plaintiff. In that case it is Mr. Gachukia's assertion that automatically and by operation of the law the ownership of copyright in the program vested in the Plaintiff.
8. It is further his assertion that the said computer program was developed using the Plaintiff's resources which included but are not limited to official working hours spent in designing and developing the software, equipment and machinery including computer hardware and electricity. Further, the utility of the said computer program was tested on the Plaintiff School's pupils and was thereafter fully implemented and used as a teaching aid and revision material in the aforesaid Plaintiff's School.
9. It is the Plaintiff's case that by operation of the law and particularly the provisions of sections 2 and 31 (1) of the Copyright Act of 2001, it is the sole and exclusive author and owner of the copyright in the said computer program to the exclusion of any other person. It is further the Plaintiff's case that as per the provisions of Article 5 of the Berne Convention (incorporated into the laws of Kenya by virtue of Article 2 (6) of the Constitution of Kenya, 2010) and Regulations 8 (3) of the Copyright Regulations, 2004 (Subsidiary Legislation), the subsistence, enjoyment and enforceability of copyright in Kenya is independent of whether or not it is registered under the said Regulations. Therefore, the Plaintiff's ownership of the copyright in the said computer program subsisted and became enforceable immediately the same was designed and developed.
10. It is averred by the Plaintiff's director that the Defendant has and continues to breach, infringe and/or violate the Plaintiff's copyright in the computer program by using, passing off, selling, offering for sale, distributing, exporting, broadcasting and/or making available to the public, the said Plaintiff's computer program. The Plaintiff accuses the Defendant of covering up the alleged breaches, and infringement by obtaining registration of the said computer program in the Copyright Register kept by the Kenya Copyright Board (KECOBO). The same was duly registered in the Defendant's name in the literary category on **28th February 2012** and numbered **KCB 011021**. *Annexed hereto and marked **"DG – 3"** is a true copy of the search of the Copyright*

Register from the Kenya Copyright Board.

11. The Plaintiff made a complaint to the Kenya Copyright Board ("the Board"). On 17th July 2012, the Board issued the Defendant with 'cease and desist' orders from any dealings with the said computer program until ownership of the same was determined. However, the said Board was unable to issue permanent Orders of injunction against the Defendant hence the current suit. *Annexed hereto and marked **"DG – 3"** are true copies of a letter dated 17th July 2012 and an e - mail dated 28th August 2012 from the Kenya Copyright Board to the Defendant and the Plaintiff.*
12. It is the Plaintiff's case that as a result of the aforesaid Defendant's infringement and/or violation of its copyright in the said computer program, it has been deprived of its exclusive use of the said program. Subsequently, the Plaintiff has suffered and continues to suffer prejudice, loss and damage in the form of lost royalties that have accrued and continues to accrue from use of the said computer program by third parties.
13. It is further the Plaintiff's case that no loss or prejudice will be occasioned to the Defendant which cannot be adequately compensated by costs if the Orders sought herein are granted. On the other hand, it is the Plaintiff's position that it will suffer irreparable loss and damage if the Defendant is allowed to carry on with its infringement of the copyright in the said computer program.
14. In opposition to the Plaintiff's Application the Defendant filed a lengthy Replying affidavit sworn by himself on **19th November 2012**.
15. It is the Defendant's assertion that the current application is without any merit because the Plaintiff is not the author and/or legal owner of the copyright known as **"DIGITAL GENIUS"**. On the contrary, it is his assertion that he is both the exclusive author and the registered owner of the said copyright hence the lawful owner of the same. The Defendant reiterates the fact that he was employed by the Plaintiff by a letter dated 25th September 1998 but that his employment took effect on 1st October 1998. Initially, his role in the said employment was limited to a teacher and the core subject he was employed to teach was computer studies.

16. He further avers that on 19th January 2005 his job description was changed and he was assigned other duties. The said duties included *inter alia* offering technical support to software management to the Administration Office and ensuring that the school's website was updated regularly. The Defendant avers that he accordingly gave technical support to the Plaintiff in terms of networking the Plaintiff's 6 computer laboratories.

17. Sometimes in October 2007, the Plaintiff employed a Computer Systems Administrator by the name Kizito Kwachiyeh who then took over the said technical role from the Defendant. A technical department was established as a consequence whereof the Defendant was exclusively left with the duties of a teacher. The Defendant avers that on 7th May 2010, he was promoted to the position of Head of Department Computers at Riara Road Primary School which position he held until the time he left the service of the Plaintiff's school. However, it is his position that his role as Head of Department (Computers) was on the academic work while the technical work remained with the said systems administrator.

18. The Defendant denies the allegations that while he was employed as a teacher at the Plaintiff's School and while in the course of undertaking his duties both as a teacher and as the Head of Department (Computers) he designed and/or developed a computer programme known as **"Digital Genius"** primarily to be used as a teaching aid and/or revision material by the Plaintiff's school.

19. The Defendant avers that the idea of digitizing teaching came to his mind sometime in 2010. This is when he started developing the Digital Genius which could be used to impart knowledge digitally by use of computers as opposed to the conventional method of teaching.

20. It is the Defendant's assertion that it took him a period of more than ten months of intense reading of the Bible, collecting questions from KCPE past papers and downloading video clips from the internet before he could come up with the said work. It is further his assertion that during the said period, he invested heavily on his modem which he relied on to access the internet. The internet was his main reference point. He also used the 8-4-4 Curriculum for Upper Primary School to

gather the relevant questions and answers and later did programming to ensure that the materials gathered were synchronized.

21. The Defendant avers that he approached his teacher friends from various Schools within Nairobi and from Kiambu County to verify for him the answers. This included some of his colleagues at the Plaintiff's Riara Road School. He however avers that he consulted them in their private capacities.

22. The Defendant decided to give identity to his work and named it **"Digital Genius"**. He avers that the two words simply denote his area of expertise namely computer studies and his sheer ingenuity for originating the dream idea and working on it to full realization of the dream.

23. It is the Defendant's position that he undertook the said work purely as a personal initiative and private venture in pursuit of a personal dream. He avers that he developed the whole programme during his free hours at home and over the weekends, just like any author would spend his leisure time writing a book. According to him, for a computer teacher, programming is the equivalent to writing of books for the ordinary teacher. He therefore denies the allegation that he developed the work during his official working hours with the Plaintiff.

24. It is the Defendant's case that the Plaintiff wants to use his said contractual relationship with it to wrongfully and unlawfully lay claim on his said personal work. It is the Defendant's contention that this is not only unfair but a clear attempt by the Plaintiff to deprive him of his constitutional right to the intellectual property in the said work.

25. According to the Defendant, the only support he received in developing the said work which remotely relates to the Plaintiff was in respect to the consultations he had with some of his colleagues. Nevertheless he consulted his colleagues in their personal capacities.

26. The Defendant denies the allegation that the utility of the said work was tested on the Plaintiff's pupils. However, he states that when a friend of his, a news reporter with the Standard Newspapers, learnt of the said software he offered to give it a news coverage in their Paper's Education Column. The friend accordingly requested him to arrange a demonstration of the same for the purposes of that coverage.

27. The Defendant admits that it is only in that one occasion when he used one pupil to do the demonstration of how the software works solely for the purposes of the said newspaper coverage. He avers that he had obtained the consent of the parents of the said pupil to do so since the coverage was going to be published in a public newspaper.

28. It is the Defendant's assertion that after the said newspaper coverage he received several inquiries about his said work from parents at the Plaintiff's School as well as the general public. Some of the said parents came to the Defendant to find out how the said programme worked. The Defendant avers that it is during those instances that testing of the product was done within the Plaintiff's School which was solely to ascertain its acceptability by the pupils and their parents. He further avers that the testing was done after working hours between 3.30pm and 6.00pm during the times when most parents came to pick their children from school. According to the Defendant, testing is a normal sequence in any discovery and by testing his said work at the Plaintiff's School he did not lose the authorship and proprietary rights therein to the Plaintiff.

29. As a consequence of the numerous enquiries the Defendant received and after some consultations with his family he decided to seek an early retirement. The Defendant avers that this was to enable him get enough time to develop other works in other subjects. The Defendant tendered a letter dated **23rd February 2012** to the management of the Plaintiff notifying the Plaintiff of his early retirement.

30. The Head of Human Resources wrote back to the Defendant vide a letter dated **27th April 2012** by which the Plaintiff advised him that it had converted the said early retirement into a resignation.

31. The Defendant confirms that in the meantime he registered his work as a copyright in the literary

category with the said name of **"DIGITAL GENIUS"**. The same was duly registered on 28th February 2012 and the Defendant was issued with a Certificate of Registration of a Copyright Work to evidence the same.

32. The Defendant avers that while still serving under his contract with the Plaintiff under the notice of early retirement, the Plaintiff's Director **DANIEL GACHUKIA**, called him to his offices and sought to know from him why he had decided to retire from the Plaintiff's service. The Defendant candidly disclosed to the said Director that he wanted to pursue publication of digital literary works.

33. The Defendant further avers that in the course of the said discussion the issue of the newspaper coverage arose and the said Director showed interest in understanding how the said software worked. It is the Defendant's assertion that the said Director proposed to him that he should reconsider his retirement. Instead he advised the Defendant to enter into an arrangement with the school and see how he could partner with the school in exploring the invention further. The meeting ended with an understanding that the Defendant would think over the School's offer to partner with him and he would then give them feedback.

34. Consequently, the Director proposed to the Defendant an appointment with the Plaintiff's Advocates whom they could see jointly for guidance on the proposed partnership. On 13th March 2012 the Director and the Defendant visited the Plaintiff's Advocates namely **M/s Kantai & Company Advocates**. The parties held a meeting with **Mr. Sankale Ole Kantai**. The Defendant avers that in the course of the meeting the said Advocate inquired from him on how he developed the said software. It is the Defendant's position that he felt that he was being grilled. He felt vulnerable and proposed that they stop the meeting to enable him instruct his Advocates so that he could also be represented.

35. A new meeting was convened on 2nd April 2012 at 4.00pm at the offices of the Plaintiff's said Advocates. The same was attended by **Mr. Sankale Ole Kantai**, Advocate for the Plaintiff, the Defendant's Advocate **Mr. Odhiambo Wakla** and the Defendant. It was resolved upon Mr. Kantai's request that the Defendant's Advocate was to prepare a draft Agreement incorporating the terms that the Plaintiff's Director and the Defendant had agreed upon. This was done and copies of the draft agreement circulated via email to all the parties.

36. A follow up meeting was convened on 15th May 2012 at the Plaintiff's Advocates Offices and was attended by the Advocates, the Plaintiff's Director and the Defendant during which the draft Agreement was discussed. The Director was opposed to the description of the Plaintiff as **"Investor"** and the Defendant as **"Inventor"**. The Plaintiff also raised an allegation that since the Defendant developed the said software while under its employment he could not lay total and exclusive claim of ownership on the same. *Annexed hereto in a bundle and marked **"LK5"** are true copies of correspondence exchanged by the parties over the said meetings and negotiations and the said draft Joint Venture Agreement.*

37. The Defendant avers that after the said meeting of 15th May 2012 no further engagements were made between the Plaintiff and himself or between their Advocates over the said partnership. Shortly thereafter, on 23rd May 2012 the Plaintiff gave the Defendant leave of absence pending expiry of the earlier Notice of early retirement. This was on grounds that the Plaintiff was unhappy with the sale of the software to parents in its School compound. The Defendant notes that in the said letter the Plaintiff did not claim ownership to the software.

38. It is the Defendant's assertion that it is intriguing and indeed surprising that the Plaintiff completely concealed the foregoing negotiations which are well documented from this Honourable Court. For that reason it is the Defendant's case that the Plaintiff and in particular the Plaintiff's Director, Mr. Gachukia, has not acted in good faith at all as he has failed to make full and honest disclosure of material facts which were at all times within his knowledge and possession.

39. Subsequent to the failed negotiations of a partnership, it is the Defendant's assertion that sometimes in late July 2012 he received a letter from the Kenya Copyright Board (the "Board"). The Board informed him that they had received a letter from the Plaintiff's Advocates, alleging that he illegally registered the software while in essence the same belonged to the Plaintiff among other allegations.

40. The Defendant avers that he proceeded to the Board where he met the author of the said letter one **Catherine Bunyassi Kahuria** and explained to her all matters pertaining to the development of the said software. In the meantime, by a letter dated 24th July 2012 the said officer wrote to the Plaintiff's Advocates with a copy to the Defendant summoning the parties to her offices for a meeting on 29th August 2012 for the purposes of resolving the issue of the ownership of the subject copyright. The said meeting which was scheduled by the said officer did not take place on 29th August 2012.

41. Eventually, on 25th September 2012, the Defendant was informed by his Advocates that they had received a letter from the Board advising the parties that the Board no longer offered arbitral services where matters of entitlement were at issue. Hence, such matters could only be redressed in a civil suit.

42. It is the Defendant's case that the Plaintiff has no right of entitlement to the copyright either as the author or by operation of the law as they allege. It is further the Defendant's case that there has never been any agreement between the Plaintiff and himself over the said copyright. It is the Defendant's position that the said software and the intellectual property therein exclusively belong to him and as such he has all the legal and constitutional rights to use the same in any manner permitted by law.

43. In view of the Defendant's assertion that the Plaintiff is not the owner of the subject work, it is his position that the Plaintiff cannot suffer any injustice, prejudice, loss and/or damage arising from loss of royalty or otherwise. It is therefore the Defendant's case that the Plaintiff does not deserve any of the Orders it has sought herein.

44. In reply, the Plaintiff filed a supplementary affidavit sworn by the director, Daniel Gachukia on **31st January 2013**. The deponent reiterated that the computer program was developed using the Plaintiff's resources. It is also the deponent's assertion that the Defendant developed answers to the questions in the program through discussions and consultations with fellow teachers who were also part of the Plaintiff's human resources.

45. I have considered the pleadings herein as well as submissions filed by both parties. The main issue for determination is whether the Plaintiff is entitled to the orders it seeks in the current application. The orders sought for by the Plaintiff are in the nature of prohibitory and mandatory injunctions.

46. The Plaintiff's claim against the Defendant is that the Defendant has wilfully and knowingly infringed the Plaintiff's copyright in a learning and/or revision computer software or program known as "Digital Genius". Computer software and/or programs which are recognised under the copyright law in Kenya are primarily protected as intellectual property under the Copyright Act as literary works. (*Section 2 of the Copyright Act defines literary works to include computer programs*).

47. The Plaintiff's basis for claiming ownership of the copyright in the computer program is that the Defendant developed the said program while in the course of undertaking his duties as a teacher and as the Head of Department (Computers) in the said School. The Plaintiff relies on section 31(1) of the Copyright Act to support its position. The said section states as follows-

"Copyright conferred by sections 23 and 24 shall vest initially in the author:

Provided that where a work –

(a) is commissioned by a person who is not the author's employer under a contract of service; or

(b) not having been so commissioned, is made in the course of the author's employment under a contract of service,

the copyright shall be deemed to be transferred to the person who commissioned the work or the author's employer, subject to any agreement between the parties excluding or limiting the transfer."

48. From the above provision, the question that arises is whether or not the Defendant developed the computer program under his contract of service with the Plaintiff. The Plaintiff's answer to the question is in the affirmative. However, the Defendant has adamantly disputed the allegations that he developed the program in the course of his duties as a teacher. In his affidavit, the Defendant elaborately explained how he expended his personal time and used his personal resources to come up with the program.

49. At this point really it is the Defendant's word against the Plaintiff's. It is the Defendant who came up with the Computer program and it is only believable that he is the one seized with the information of how he came up with the said program. In addition the copyright to the computer program is registered in the name of the Defendant. It is upon the Plaintiff to prove otherwise and give evidence to the effect that the development of the computer program was part of the Defendant's work under his contract of service and that indeed he developed the same in the course of his employment.

50. It has been disclosed by the Defendant that the Plaintiff's director advised him to enter into an arrangement with the school and see how he could partner with the school in exploring the invention further. These averments by the Defendant as regards the intended partnership have not been controverted by the Plaintiff. It only means that at some point the Plaintiff acknowledged the Defendant as the owner and author of the computer program. The correspondences on record clearly show that the Plaintiff was interested in entering into a partnership with the Defendant over the computer program. (*See annexture LK5 attached to the Defendant's Replying affidavit*).

51. The turn of events after the parties failed to agree on the terms of the proposed partnership is not surprising. The Plaintiff gave the Defendant a letter of leave of absence on the grounds that they were unhappy with the sale of the software to parents in its School compound. Even at this point it is clear that the Plaintiff was not claiming ownership of the computer program. It is not clear under what circumstances the Plaintiff changed its mind as to the issue of ownership. However, one thing is clear, at one point in time the Plaintiff acknowledged the Defendant as the author and owner of the computer program.

52. In other words, at this interlocutory stage, the Court cannot determine with finality whether or not the computer program was made in the course of the Defendant's employment. There is need for oral evidence where both parties will have the opportunity of cross-examination to verify the affidavit evidence. Therefore there is need for the matter to go for a full hearing.

10. Having made the above observations, it is plain that this Court cannot grant any mandatory orders at this stage as this is not a clear case to be determined in a summary way. The principles for grant of a mandatory injunction have been restated in the case of **Kenya Breweries Ltd & 2 Others v Washington Okeyo (2002) eKLR** in which the Court of Appeal declared:

"The test whether to grant a mandatory injunction or not is correctly stated in Vol. 24 Halsbury's Laws of England 4th Edition paragraph 948 which reads:

> ***'A mandatory injunction can be granted on an interlocutory application as well as at the hearing, but, in the absence of special circumstances, it will not normally be granted. However, if the case is clear and one which the court thinks it ought to be decided at once, or if the act done is a simple and summary one which can be easily remedied, or if the defendant attempted to steal a march on the plaintiff …. a mandatory injunction will be granted on an interlocutory application'.***

In the current case it is plain that there is need for oral evidence to determine the issue of ownership in the computer program. There is need for oral evidence to establish whether or not the Defendant developed the program under the scope of his employment. This is therefore not a straightforward case that would warrant a mandatory injunction.

53. Furthermore, the current application being an application for injunction, the conditions for the granting of an interlocutory injunction set out in the case of *Giella v Cassman Brown* [1973] EA 358 must be met. These are that, the applicant must show a *prima facie* case with a probability of success or that if the injunction is not granted the applicant will suffer irreparable injury that cannot be compensated by an award of damages. If in doubt the court shall decide the application on the balance of convenience.

54. In determining whether there is a *prima facie* case, the interpretation of Section 31 of the Copyright Act is inevitable. I have already addressed the issue in this ruling albeit shortly. I stated that the Plaintiff did not substantiate the allegations that the Defendant developed the computer program in the course of his employment. There is also no prima facie evidence on the Plaintiff's part to show that the Defendant used the Plaintiff's resources in coming up with the program.

55. On the second condition for granting the orders sought, the Plaintiff has not demonstrated that damages would not be a sufficient compensation for an injury suffered if injunction is not issued. The loss of royalties can be quantified and therefore any loss to the Plaintiff can be compensated by way of damages.

56. With regard to balance of convenience, the same tilts in favour of the Defendant as he is the registered owner of the copyright in "Digital Genius".

57. In the upshot, the Plaintiff's Notice of Motion dated **7th November 2012** and filed in Court on the same day is hereby dismissed. The costs of the application shall be for the Defendant/Respondent.

Orders accordingly.

READ, DELIVERED AND DATED, AT NAIROBI

THIS 19TH DAY OF DECEMBER 2014

E. K. O. OGOLA

JUDGE

PRESENT:

M/s Kamau holding brief for Nyachoti for the Applicant

Wakla for the Defendants

Teresia – Court Clerk