



REPUBLIC OF KENYA
IN THE HIGH COURT OF KENYA
AT NAIROBI (MILIMANI COMMERCIAL COURTS)
Civil Case 189 of 2007

STEEL STRUCTURES LIMITEDPLAINTIFF

VERSUS

DAVID ENGINEERING LIMITEDDEFENDANT

RULING

The application for my determination is the Notice of Motion dated 4th June 2007, made under Section 103 and 106 of the Industrial property Act 2001, Rule 16 of the Industrial property Tribunal Rule 2002. The applicant seeks;

- (1) That this Honourable court be pleased to order a stay of proceedings herein pending the hearing and determination of the Industrial property Tribunal case No.55/2007 filed at the Industrial Property Tribunal.**
- (2) That in the alternative, this Honourable court be pleased to refer this proceedings to the Industrial Property Tribunal for adjudication and disposal thereof.**

The case of the applicant is that it has been manufacturing the wind powered roof ventilators of mushroom of dome shape since the year 2004. And it was not aware that the said design has illegally been registered in this country as **Industrial Design No.00321** at the **Industrial Property Tribunal**. The registration of the said Design is contrary to Section 84(2) of the Industrial property Act 2001 as the design is meant to achieve technical results. It is also alleged that the respondent misled, the registering authority by stating that it was creator of the design while the said design is/was widely in use.

And it is in the spirit of respect to judicial hierarchy that the applicant seeks that the matter before the **Industrial Property Tribunal** be heard and adjudicated first to avoid confusion and conflicts of results, since the outcome of the **Industrial Property Tribunal** will have a significant influence in the proceedings herein.

It was the submission of **Mr. Rimuri** Advocate that by virtue of the powers donated by Section 106 of the Industrial Property Act 2001, the tribunal has the powers to hear and determine such disputes and grant remedies it deems just and fit. And that it is only fair that the Tribunal being the specialized body dealing and governing such matters hears and determines the dispute between the parties.

There is no dispute that there is a case concerning an alleged infringement of an Industrial design, which design is registered as **No.00321**. The said case was filed when the applicant became aware that the respondent was the registered design holder. The applicant thus moved to the tribunal for revocation of the design. It is clear that an aggrieved party can move for nullification and invalidation of the Industrial design.

It is the contention of the applicant that it lodged a request under Section 103(1) of the Industrial Property Act 2001 at an Industrial Property Tribunal by saying;

- (1) That the respondent is not the inventor of the said Industrial design.**
- (2) At the time of registration, the said design was not new and the same is a common art available in many countries all over the world.**
- (3) The Industrial design only serves the purposes of obtaining a technical result for Turbine Roof Ventilators.**
- (4) That the respondent is not a bona fide proprietor of the Industrial design for Turbine Roof Ventilators and the registration of the design for sale purpose was fraudulent and/or consisted of material non-disclosure.**

The response of the respondent/plaintiff is that the application and reference filed before the tribunal is an attempt to find material to respond to the application for injunction which is pending for determination. And the plaintiff/respondent chose this court for purposes of injunction and damages. It is also contended by the respondent that the certificate of registration of the Industrial design was issued in the year 2004 after gazettelement. And the defendant/applicant did not apply for revocation within the period envisaged within the Industrial Property Act and Rules made thereunder, hence the Industrial design is validly registered and its validity is in force.

It is also contended by the respondent that the Industrial Property Institute having issued the Registration Certificate must have satisfied itself that the design of the plaintiff was capable of registration and indeed had it registered.

Mr. Mogeni Advocate for the respondent submitted that the Act provides for a period of 90 days after gazettelement for an application for revocation to be made. No such application was made, which meant the certificate of registration gives the registered owner the rights to restrain any other party by way of an injunction by infringing or attempting to infringe on the rights of the owner.

Mr. Mogeni further contended that it is not that the certificate had been issued illegally. And since issues of registration are handled by the Industrial property tribunal and having examined the design of the plaintiff it found that it was registrable. And since the revocation was not applied for within the statutory period allowed and since the respondent is the registered proprietor of the Industrial design **No.00321**, then the tribunal has nothing to hear and determine. **Mr. Mogeni** Advocate referred me to **Milimani HCCC No.58/99 Sanitam Services (EA) Ltd vs Rentokil (K) Ltd, Kentainters (K) Ltd and Civil Appeal No.228/2004** involving the same parties before the Court of Appeal. The Court of Appeal held;

“We may add that the remedies available for breach of a patent have now been conveniently spelt out in the new Act or are awardable by an Industrial property tribunal or the High Court on appeal”.

Lastly **Mr. Mogeni** Advocate submitted that as long as there is a registered patent, the plaintiff is entitled to an order of injunction. And this court does not lack jurisdiction because there is a tribunal set up which deals with the issue before court.

I have considered the rival positions taken by the parties. As a matter of good practice and prudence all matters ought to be filed at the lowest competent adjudicating body, which can deal with the issue in dispute. And in such circumstances any party aggrieved is entitled to pursue an appeal against the decision of the court or tribunal. It is the contention of the applicant and rightly so that the **Industrial Property Tribunal** is specialized and has the technical knowledge of all matters concerning the dispute between the parties herein.

The law is very clear in that the owner of a patent has the right to preclude any party from exploiting the

protected invention in respect of making, importing, offering for sale, selling and using the product, stocking such product for the purposes of offering it for sale, selling or using the product. Section 55 states that;

“The owner of a patent shall have the right

- (a) To obtain an injunction to restrain the performance or the likely performance by any person without his authorization of any of the acts referred to in Section 54,**
- (b) To claim damages from any person who having knowledge of the patent performed any of the acts referred to in Section 54 without the owner’s authorization.**
- (c) To claim compensation from any person who, without his authorization performed any of the inventions, claimed in the published application, as if a patent had been granted for that invention.**

According to Section 56, the provisions of Section 54 and 55 cannot apply to a prior user in good faith, who is using the design or patent for his enterprise or business before registration or where priority is claimed. That provision is further enforced by the provision of Section 58 which states;

“1) The rights under the patent shall extend only to acts done for Industrial or Commercial purposes and in particular not to acts done for scientific research.

2) The rights under the patent shall not extend to acts in respect of articles which have been put on the market in Kenya or in any other country or imported into Kenya”.

It is the contention of the applicant the registered design is meant to achieve technical results and that the person registered is not the creator of the design since the design is widely used. In essence what the applicant is saying is that, the respondent is not the real inventor of the Industrial design subject of this dispute. And in any case the design is not new, as the same is a common art available in many countries all over the world.

The Industrial property Act 2001 prohibits the registration of an Industrial design which serves the purposes of obtaining a technical result for a particular product. It means if the design of the respondent is found to be used for purposes of obtaining a technical result, then the intention and purpose of the registration would be contrary or in contravention of the Act. In my view the law cannot be used to obtain a right which is not known under the law. The import and purpose of the Industrial property Act would be defeated if parties are allowed to register a design or patent meant to achieve technical results with a view to shut out other competitors or manufacturers of the same products. That is why under Section 58(1), it is stated that the rights under the patent shall extend only to acts done for Industrial or Commercial purposes, hence the Act specifically and categorically outlaws the registration of designs meant to achieve technical results. It is also clear in my mind that a design or a patent cannot be registered for the sale of products already in the country or products manufactured in any other country or products imported into the country. In my humble opinion, a registration of a design which is in contravention of Section 58 is void *abinitio*.

Apart from complying with the Industrial Property Act, a particular design or patent concerning a product must be in conformity with the **African Regional Industrial Property Organization Convention** and **World Intellectual Property Organization Convention**, so as to say the registration of the patent is a prima facie evidence of proper ownership. In my opinion a certificate of registration obtained in a manner contrary to the Industrial Property Act and International Conventions cannot confer proper legal rights capable of being infringed. One can only be accused of infringing on a patent properly acquired and registered. I am not in any way saying that the design or patent registered by the plaintiff/respondent is illegal but prima facie the allegations of the applicant needs some investigation and determination.

According to Section 86, an Industrial design is registrable if it is new and it is deemed to be new if it has

not been disclosed to the public anywhere in the world. However it is the contention of the applicant that the respondent is not the creator/inventor of the disputed design. It is widely used and it is common art available in many countries i.e. India, South Africa, China and many other countries. It is the position of the applicant that the Turbine roof Ventilators of Dome or Mushroom shape design is widely used for roof ventilation in domestic, commercial and industrial application since 18th century. And it could not have been a creation or invention of the respondent by the year 2004. I think that is a significant issue, which can be determined by the tribunal due to its composition, experience and expertise. I am not in any way saying that this court is not competent to hear and determine the dispute. But I think the tribunal is the most suitable to deal with the dispute at the first instance.

There is good reason why Parliament expressly and directly conferred the tribunal with wide and exhaustive powers to hear and determine disputes or issues concerning Industrial Property Act. The reason, in my view is that the tribunal can determine the dispute within the shortest time possible in an environment commensurate to the dispute between the parties. The tribunal has powers to revoke or invalidate any patent, utility model or Industrial design registration upon getting sufficient reasons for doing so. I appreciate that an interested party may within a period of 9 months from the date of publication of the grant of a patent request the tribunal to revoke or invalidate the patent. However the date of publication of the disputed design is not clear to me. The respondent says that the certificate of registration of the Industrial design was issued in the year 2004 after gazettelement. Perhaps the tribunal would be in a position to enlarge time if the period for filing a reference has expired. Section 103(2), the word used is “may”, which means it is not mandatory and the tribunal has a residual powers to extend time.

The tribunal is comprised of a chairman who shall be a person who has been a judge or who qualified to be appointed a judge of the High Court of Kenya. The Chairman is assisted by four other members two of whom should be Advocates of the High Court of Kenya. The other two members must be persons with experience and/or expertise in Industrial, scientific and technological fields. In view of the statutory requirement as to the composition of the tribunal, I am satisfied that it would be in a position to address all the grievances of the parties. The tribunal is empowered to issue an order of injunction if it is satisfied that would meet the ends of justice.

Mr. Mogeni Advocate submitted that the period for raising any challenges to the registration, nullification and revocation has expired but I am sure the tribunal would be in a position to address its mind to the provisions of the Act before it sets down to hear the dispute. That can be raised as a preliminary point of law, which the minds present at the tribunal would be able and competent to deal with.

Mr. Mogeni Advocate also submitted that the purpose (central) to filing of the present suit was to restrain or stop further infringement of the patent right of the plaintiff/respondent. My answer is that if the owner of the design is entitled to an order of injunction, then he can address the same to the tribunal at the earliest opportunity. And taking into consideration that three (3) of the tribunal members are persons with legal background and experience, I am sure the tribunal would be in a position to remedy any grievance s or concerns that might be suffered by the patent holder. The plaintiff can also ultimately claim damages or profits which he might have sustained from any wrongful acts of the defendant/applicant.

Further the respondent is also entitled to an appeal from the decision of the tribunal if he thinks his rights were infringed by the decision of the tribunal. I therefore think that it is in the best interest of the parties to refer the whole dispute for hearing and determination before the tribunal. My view is that the tribunal is empowered to address all the issues in dispute between the parties. **I therefore grant prayer No.4 of the application dated 4th June, 2007. Each party to bear own costs.**

Dated and delivered at Nairobi this 6th day of July, 2007.

M. A. WARSAME

JUDGE