



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA

AT KAJIADO

CIVIL CASE NUMBER 18 OF 2017

DONALD MUHONDA ANDOLO.....PLAINTIFF

VERSUS

PINNACLE DEVELOPERS LIMITED.....1ST DEFENDANT

DOUGLAS OKEYO OLUOCH.....2ND DEFENDANT

BON-ARCH ASSOCIATES LIMITED.....3RD DEFENDANT

PETER OLUOCH OJWANG'.....4TH DEFENDANT

JUDGMENT

1. The Plaintiff, an architect, produced architectural drawings and plans which were approved and registered by the County Government of Kajiado under application Number **P/761/2015**. The plans were for a project that Nature Green Holdings, (**The Company**), was undertaking on **parcel No. Kajiado/Kaputiei North/32248**. The Plaintiff and the 2nd Defendant were the shareholders and directors of the Company with a shareholding of 50% each.

2. In 2016, the Plaintiff and the 2nd Defendant fell out before the project had been completed. In September, 2017, the 2nd Defendant and the 1st Defendant brought in the 3rd an architect and 4th Defendant, a company in which the 3rd Defendant was a director, for purposes of completing the project. The 3rd Defendant reproduced the architectural plans that had been drawn by the Plaintiff because they had expired. The 3rd and 4th Defendants applied for renewal of the architectural plans which was done under **No. P/306/2017** in order to complete the project.

3. The Plaintiff took issue with the Defendants' action of using his architectural drawings without his consent. He filed a plaint dated 6th November, 2017 against the defendants for infringing his copyright on the architectural drawings. He averred that the original drawings belonged to him; that he was not an employee of the Company and that the Defendants could not use his architectural designs without his consent, licence or transfer of the copyright to the Company.

4. The Plaintiff pleaded that there existed architect-client relationship between him and the Company since 2010, and that he had issued invoices to the Company and not the 2nd Defendant and, for that reason, he was entitled to payment for preparation of the designs and supervision of the project.

5. He sought judgment against the Defendants jointly and severally for:

a) A permanent injunction restraining the Defendants jointly and severally by themselves, their servants or agents from continuing to infringe on the Plaintiff's Architectural designs, drawings and/or plans used on property Title Number Kajiado/Kaputiei North/ 32248 on any other property of land.

b) A permanent injunction restraining the Defendants jointly and severally by themselves, their servants or agents from using any and all of the Plaintiff's Architectural designs, write-ups, drawings and /or plans, whether in soft copy and or hard copies, howsoever obtained and all the works executed from them on any other property or land, whether for their benefit or any other party.

c) A permanent injunction restraining the Defendants jointly and severally by themselves, their agents or agents from advertising on any media, any and all of the Plaintiff's architectural designs, write ups, drawings and/or plans whether in soft copy and/ or

hard copies, howsoever obtained and all the works executed from them whether for their benefit or any other party.

d) An order directed at the Defendants jointly and severally to deliver up to the Plaintiff all the architectural designs, drawings and/ or plans in soft copy and or hard copies relating to or similar to the architectural plans used on property Title Number Kajiado/Kaputiei North/32248 and approved by the County Government of Kajiado under application number P/306/2017 previously approved under application number P/761/2015.

e) An order directed at the 3rd and 4th Defendants to deliver accounts in regard to profits accrued from their infringement on the Plaintiff's architectural designs that were previously approved by the County Government of Kajiado under application number P/761/2015 and judgment entered for the said amounts in favor of the Plaintiff.

f) A permanent injunction directed at the County Government of Kajiado, Physical Planning Department prohibiting them from approving any architectural designs similar to the ones approved under Application numbers P/761/2015 and P/306/2017 unless the same is submitted by the Plaintiff or the use of the architectural designs is authorized by the Plaintiff in writing

g) General damages

h) Costs of the suit and interest at the court rates.

1st and 2nd Defendants' defence

6. The 1st and 2nd Defendants filed a statement of defence dated and filed on 19th June, 2018 together with a bundle of documents. They averred that the 2nd Defendant and the Plaintiff incorporated the Company in January 2010 whose primary objectives included purchase and development of real estates, consultancy services, project management and sale of improved real estates.

7. They further averred that the Plaintiff and 2nd Defendant offered professional services of architecture and financial management respectively to the Company and in return earned salary as employees. They stated that they were never engaged as professionals under independent contracts. The 1st and 2nd Defendants contended that the services rendered or works produced by the Plaintiff and the 2nd Defendant, including the architectural drawings, belonged to the Company.

8. They stated that in 2016, the 2nd Defendant and the Plaintiff fell out due to the Plaintiff's mismanagement of the projects the Company was undertaking. Subsequently, the Plaintiff absconded duty abandoning the projects midway, resulting into a crisis at the company. This forced the 2nd Defendant to retain the services of the 3rd and 4th Defendants to deliver on the company's contractual obligations to its clients. They further stated that the 3rd and 4th Defendants were involved in implementing the designs and plans because they had been designed for the Company and the purchasers of the houses, which was done within the law.

9. The 1st and 2nd Defendant contended that after the Plaintiff left the Company, he attempted to create a backdated architect-client relationship with the Company by issuing invoices to the 2nd Defendant on behalf of the Company for projects that had already been concluded, in an attempt to unjustly enrich himself. They prayed that the suit be dismissed with costs.

3rd and 4th Defendants' defence

10. The 3rd and 4th Defendants filed a statement of defence dated and filed on 6th September, 2018 together with bundle of documents. They averred that on 17th August, 2017, the 1st Defendant appointed the 3rd Defendant to offer Architectural services for purposes of completing the Company's project on **Kajiado/Kaputiei-North/32248**.

11. They further averred that the project had been initiated by the Company for sale to perspective buyers and the Plaintiff, as an employee of the Company, offered professional services and willingly transferred ownership of the architectural plans by handing over original copies to the Company. According to the 3rd and 4th Defendants, the 1st Defendant informed them that the Plaintiff absconded duty upon full payment and that the 1st Defendant acquired the project legally from the Company including ownership of the architectural plans.

12. The 3rd and 4th Defendants contended that based on the representations from the 1st and 2nd Defendants, they took up the appointment and agreed to complete the project. It was averred that on the 1st Defendant's instructions, they prepared documents, including the Plaintiff's approved plans for renewal which was granted by County Government of Kajiado.

13. They averred that by virtue of their appointment, they were merely agents of the 1st Defendant. It was their case, that they had been caught up in a personal fight between two erstwhile business partners, since copyright had already been claimed by the Company that was not a party to the suit. They contended that joining them in the suit was driven by malice and other ulterior motives on part of the Plaintiff.

14. They further averred that the 4th Defendant had no contractual relationship with the 1st Defendant and, therefore, it could not have infringed the Plaintiff's copyright since he acted as an agent of the 3rd Defendant. The 3rd and 4th Defendants stated that the designs were used for the intended purposes and according to the representation made to them by the 1st Defendant. If there was any infringement, the 1st Defendant should be held vicariously liable for their actions. They prayed that the suit against them be dismissed with costs.

Plaintiff's evidence

15. The Plaintiff, testified relying on his witness statement dated 3rd November, 2017 filed together with the plaint, that the 1st and 2nd Defendants infringed his copyright in architectural designs by copying and using them without his consent. He made reference to the documents attached to the plaint, including the inventory dated 6th November, 2017, which showed the ground floor plans with sunken lounge. He testified that the design on the ground floor had the same layout with the copy which was taken from his designs. The same thing applied to the first floor. According to the Plaintiff, the layout on the features in the 1st and 2nd Defendants' drawings was the same as his drawings.

16. According to the Plaintiff, the external looks of the house represented by elevations in the Defendants' designs were similar to his original works. He told the court that although the 3rd Defendant's drawings had "rear elevation" written on them, they matched with his written "level 1-3." He also testified that the front elevation matched his elevation 01. He maintained that what the 4th Defendant had reproduced as site elevation matched his elevation 002.

17. The Plaintiff told the court that this was not the first time he drew this design; that his design indicated the year 2015 on plot 248, and that there are other buildings where they used similar designs. He maintained that he was the author of those designs and no one could use them without his permission. He attached several photographs for actual pictures of houses that had been built.

18. The Plaintiff testified that at the time he filed the present suit, the 1st Defendant was closing down; that the two photographs were a reproduction of the first photograph of his design which had been infringed and were used by the 1st and 2nd Defendants without his permission. According to the Plaintiff, the 1st and 2nd Defendants are not architects; that he did not enter into an agreement with the 1st Defendant for using his designs and that according to the Architects and Quality Surveyors Act, architectural designs have to be paid for.

19. He prayed for compensated for the infringement of his intellectual property by the 1st and 2nd Defendant. He denied having any relationship with the 1st Defendant or any contract with the Defendants. He adopted documents in his list of documents as exhibits in the case. According to the Plaintiff, the most important question was who owned the copyright. He maintained that original architectural copyright remains with the architect; that he came up with the design in 2009 to assist the middle level own houses costing between 9 million to 10 million each.

20. Cross examined on behalf of the 1st and 2nd Defendants, the Plaintiff stated that the Company was his client and not the owner of the architectural designs; that they committed one architect to do the designs but ownership of copyright remained with him and could not be used freely.

21. The Plaintiff however admitted that he was a director of the Company and was still with the company. He stated that his role in the Company was to negotiate deals, sales information on finance and concept development on behalf of the Company, which did not include architectural designs. According to the Plaintiff, what they received was directors' drawings and not salary. He also admitted that he had been a director of the Company since 2010, but he had not been compensated by the Company; that there was a letter dated 21st September, 2015 introducing the Company; that he came up with the design before the company came into operation and that he was providing architectural services to the Company.

22. The Plaintiff further told the court that in 2010, he prepared architectural designs for the Company which it liked and adopted. He maintained that the moment he drew the designs, that became architectural services. He stated that he would also be compensated as a director through professional retainer to provide architectural services to the company. He told the court that the Company had paid Kshs, 120,000 through Sound Design Ltd for architectural services he had rendered. He referred to letter written by the 2nd Defendant, also a director of the Company (exhibit No. 4 in the Defendants' list of documents).

23. The Plaintiff maintained that there was a contract between the Company and his company, Sound Design Ltd, but the services rendered were not paid for. He referred to a series of invoices attached on his bundle of documents as evidence of this fact. He maintained that he did a project with the Company, raised invoices for services he offered in 6 years but he had not been paid.

24. Cross-examined on behalf of the 3rd and 4th Defendants, he stated that he had been in practice since 2008; that he produced the architectural drawings for construction; that he was a director in the Company and that the Company was involved in construction of houses for sale. He however maintained that the Company never provided services to his clients, and referred to the 3rd and 4th Defendants' exhibit 4, filed on 20th September, 2018.

25. The Plaintiff told the court that only a registered architect could provide architectural services; that the Company was not registered to offer architectural services and could only offer services through an independent architect. In this case, he testified, the Company appointed him to offer architectural services.

26. He stated that the 2nd Defendant, who was his co-director, signed the letter for his appointment and that it was the responsibility of directors to make decisions the way they wanted the Company to run. The Plaintiff further stated that although he was engaged in the Company, the architectural designs were his copyright. According to the Plaintiff, there were no major differences between his architectural designs and those of the 3rd and 4th Defendants. He told the court that the plans were to expire on 26th October, 2017 and were supposed to be renewed; that the plans were passed on to the 1st Defendant and were reproduced by the 3rd and 4th Defendants without his permission. He denied that he had a personal vendetta with the 2nd Defendant.

27. **PW2, Wandiri Karimi Mugambi**, an advocate of this Court specializing in intellectual property, and a member of the Competition Authority, testified relying on her witness statement dated 21st November, 2019, that copy is a right that belongs to an author who creates a work. She testified that an architectural work is an artistic work under the copyright Act, and to amount to copyright, the work must be original; the person must have expended on it and it must be in a permanent form. That way, she stated, copy affords the author economic

and moral rights. She told the court that the economic right is the right to determine how artistic work is exploited. Once one creates a work, he or she has the right to decide how it will be exploited, through lease, sale, license, and assignment for conservation or otherwise.

28. The witness testified that the other economic right is that the author determines how the artistic work is adopted or derived which is tied with the moral right. That is; to determine how the works are decided and presented. He can decline to have the work associated with something he does not like. According to the witness, the architectural plans/drawings Nos. 2 and 5 in the plaintiff's list of documents dated 22nd September, 2015, No. 2 was the original work by the Plaintiff, while No. 5 dated 4th September, 2017, was drawn by the 3rd Defendant. She told the court that there was similarity between the two drawings and they looked the same.

29. Cross examined on behalf of the 1st and 2nd Defendants, she told the court that she was an expert in copyright matters, including intellectual property and copyright; that intellectual property includes architectural work; that she saw the plans in October, 2018 but she had not made reference to those plans. She further told the court that when an author is commissioned or employed, the work belongs to the government or the person commissioning the work, in the course of employment. She stated that sections 24 to 26 of the Copyright Act provide on how the contract is to be done. She maintained that she did not look at any other evidence on record except the plans.

30. The witness further told the court that where there is employer-employee relationship, the relationship must be clear and evident and that employer-employee relationship may at times allow an employee to exploit his/her right as an employee. Shown letter dated 21st September, 2015, item No. 1 in the Plaintiff's supplementary list of documents dated 13th July, 2018, (letter of appointment from the Company to the plaintiff to offer architectural services), she told the court that rule 8(4) of the Act states that copyrights and architectural designs belong to the architect. She also stated that customs and traditions of an industry are taken into account, but she however did not know whether there were customs and traditions developed in the construction industry.

31. Referred to various documents in the 1st and 2nd Defendants' list of documents dated 19th September, 2018 – document (Exh.3 plan and building agreement dated 9th June, 2015), the witness admitted that the agreement between Tom Mwangangi Mutuku and the Company, referred to **LR No. 12715/9628**, and the scope of works was to deliver one stop architect led design and build service, including architectural services. She admitted that according to the agreement, the Company was providing architectural services. That was the same case with the agreement executed between Douglas Okeyo and the Plaintiff.

32. The witness again admitted that she did not conclude in her report whether or not there was infringement. She further admitted that section 26(2) of the Act allows use of architectural works in reconstruction. She could however not tell whether when architectural drawings are used for the same project could constitute an infringement. She stated that she was not given any other plans, but she was shown letter of appointment of an architect and not a letter of employment. She stated that according to the letter, the plaintiff was appointed as an architect and his architectural plans were being used by the Defendants. She told the court that where one is employed, copyright works belong to the employer.

33. **PW3 – Isaac Parashina**, the County Physical Planner Kajiado County, testified that the notification for approval of development dated 6th October 2015, was from their office. It was on the approval of development plans on the same parcel of land. He told the court that before approval was given, the plans and other developments documents had to be submitted. An applicant would fill in a form and attach the plans and title documents. The plans would be presented by a registered architect and payment made. Once approval was granted, construction would have to commence within 12 months and if no construction began within that period, the approval would expire. One would have to apply afresh and submit previous approval if there were no amendments. Where there were amendments, the plans would have to be resubmitted with the amended plans.

34. The witness testified that the subject notification for approval was submitted by a different applicant but was for the same property. He told the court that the first architectural plans were submitted by the Company on 1st October 2015, while the second were by the 1st Defendant on 4th September 2017. Both plans related to parcel No. **Kajiado/Kaptiei North/32248**. He also told the court that the first plans were drawn the Plaintiff while the second were by the 4th Defendant. There were a few differences in the two plans.

35. According to witness, the second plans were a re-submission due to adjustments. The ownership had changed and there were changes on the ground. He stated that the notifications had different registration on the applications. The first one dated 6th October 2015 had **P/761/2015**. He further told the court that the County Government issued payment receipt for approval of building plans for the parcel of land **Kajiado/Kaputiei North/32248**, for KShs. 65,500 and that assessment was done according to what one was doing. In a renewal, one had to produce the previous receipt and they would also check whether the submitting professional was registered. The project must be implemented in accordance with the approved plans.

36. In cross examination, the witness told the court that there were insignificant alterations in the plans submitted in 2017 from those of 2015. According to the witness, if the documents presented were proper, their duty was to approve them. Where the documents were prepared by a different body they would inquire whether there was a change of ownership.

37. The witness testified that the plans submitted in 2017 were a resubmission because they had earlier been approved. He could not remember how much was charged for the plans submitted in 2015, because they used the Finance Act to charge fees given that there is a Finance Act every financial year.

38. He also told the court that applications are numbered annually, and when one submitted an application for renewal, it would depend on whether he was a new owner. A file would be opened in terms of applications, the parcel number and owner. There could be two files relating to the same parcel of land which is an administrative issue, but they could not check copyright issues in drawings.

Defendants' evidence

39. The 2nd Defendant, a director of the 1st Defendant, (DW1), testified relying on his witness statement and bundle of documents dated 19th September 2018, that the plans approved on 22nd September 2015 were drawn by the Plaintiff but were owned by the Company, which was offering design and build construction. He told the court that the Plaintiff who drew the plans was a salaried employee of the Company; that the drawings were done in 2010 and that the Company offered architectural services and had not employed an independent architect to do that job.

40. According to the 2nd Defendant, the Company was dormant and the Plaintiff had filed insolvency proceedings. He testified that the Plaintiff was being paid a salary and that the Company had several accounts where he and the Plaintiff were the signatories. He told the court that they completed two units and owners took possession while two other units were still under construction.

41. Regarding the invoices he received from the Plaintiff, he told the court that they were for Kshs. 6.62 million and related to the units that had been completed and handed over to owners. He maintained that he had a good working relationship with the Plaintiff and that the Plaintiff never presented a single invoice for payment before he left the Company. The invoices were only received on 20th January, 2016.

42. In cross examination, he stated that he was an accountant registered with ICPAK but could not remember his registration number overhead. Referred to a letter from the University of Nairobi, dated 30th March 2017, stating that he was not in the record of 2002/2004 MBA graduates, and email dated 10th May 2017 stating that he had not completed Part 11 and part 111 CPA, he stated that when he first met the Plaintiff, he told him that he had an MBA and CPA.

43. The witness further told the court that the Company was formed to offer housing units, and that he was a director of both 1st Defendant and the Company where he owned 50% shares; that they never had any meeting to transfer resources of the Company to the 1st Defendant and that the 1st Defendant was not a stranger to the agreement between the Company, the Plaintiff and himself.

44. He maintained that the Plaintiff was an employee of the Company; that the letter dated 21st September 2015 from the Company was an introduction on the Company and that it was through that letter that the Company appointed the Plaintiff to offer architectural and project management service that were being undertaken by the Company. He stated that the Plaintiff was being paid a salary and that the plaintiff raised invoices after phase 1 and 2 of the projects had been completed.

45. The 2nd Defendant testified that he had to bring in the 3rd and 4th Defendants in 2017 for purposes of completing the remaining projects. He maintained that the Company owned copyright over the drawings and that the 3rd Defendant was his agent engaged to meet the Company's obligations to clients who had paid for housing units. He maintained that the Plaintiff was fully paid before he departed, and any money paid from the Company's accounts was with the Plaintiff's consent as a director.

Plaintiff's submissions

46. The Plaintiff submitted through his written submissions dated 4th November, 2019 and filed on 5th November, 2019 on three issues. First, that he was the owner of the copyright of the architectural drawings and, therefore, he acquired automatic copyright. He relied on section 2(1) (a), (b) and (c) of the Copyright Act on the definition of artistic work which includes works of architecture in form of buildings or models. He also relied on section 22(1) and (5) of the Act which grants the author of artistic work automatic copyright; and By- Law 38 condition A4 of the 4th Schedule to the Architects and Quantity Surveyors Act, which also grants automatic copyright to architects.

47. The Plaintiff argued that the Defendants had admitted both in writing and during the hearing, that he was the author of the architectural drawings and designs, and that the 2nd Defendant did not adduce evidence that he was an employee of the Company. He maintained that according to article 93 of the Company's Articles of Association as well as the letter dated 21st September, 2015, he offered professional services as an architect and not as a director of the Company.

48. The plaintiff further submitted that the 3rd Defendant admitted that the drawings were given to him by the 2nd Defendant and that he (3rd Defendant) presented them for renewal and or resubmission on behalf of the 1st Defendant since approval of original drawings had expired.

49. On whether the Defendants infringed on his copyright by reproducing the architectural designs for use on **Kajiado/Kaputiei North/32248** and presented them for approval as their own works, he stated that this was done without his consent. He relied on section 26(1) of the Copyright Act on the nature of copyright and section 26(2) which specifically protects architectural works and grants the architect exclusive rights for the use and control of his work. The Plaintiff also relied on sections 35(a), 33(1) (3) and 3(A) of the Copyright Act to buttress his argument.

50. The Plaintiff submitted that there was no dispute that he was the author of the drawings and, therefore, acquired automatic copyright. He argued that the 2nd Defendant, as director of the 1st Defendant, admitted that he instructed the 3rd and 4th Defendants to reproduce his drawings which the 2nd Defendant had access to by virtue of being a co-director in the Company.

51. He also argued that the 2nd Defendant gave his drawings to the 3rd and 4th Defendants for reproduction and presentation for approval on behalf of the 1st Defendant on the pretext that he was a former employee who had abandoned the project. He maintained that the 1st and 2nd Defendants had not adduced evidence of assignment or sale to prove that he sold and or assigned the project together with his architectural drawings to the Company as required by section 33(1), (3) and (3A) of the Copyright Act.

52. It was the Plaintiff's case that a Company and its members are separate and distinct entities and relied on the case of **Salomon v Salomon** [1897] AC 78. He refuted the 2nd Defendant's argument that being a 50 % shareholder in the Company, that entitled the Company to use his

architectural drawings. He argued that the drawings were used for the benefits of the 1st Defendant, a stranger and a third Party in the transaction between him and his Client, the Company, without privity of contract. He relied on *Securicor Guards (K) Limited v Mohamed Saleem Malik & Another* [2019] eKLR.

53. The Plaintiff maintained that the 3rd and 4th Defendants contravened By-Law 45(3)(q) of the Architects and Quantity Surveyors Act which requires that a new architect to communicate with the architect previously engaged and ensure that the engagement had been terminated before proceeding with the works of another architect. He relied on *Mount Kenya Sundires Limited v Macmillan Kenya (Publishers) Limited* (CA NO 318 OF 2010) [2016]eKLR and *Alternative Media Limited v Safaricom Limited* [2005] eKLR, for the proposition that the renewal or resubmission of his drawings was a blatant infringement of his copyright by the Defendants.

54. On whether he was entitled to the reliefs he sought, he argued that he had proved that he was the sole author and owner of the copyright; had the right to control the exploitation of his work and had not authorized anyone to exploit it. He relied on Articles 11(2) (c) and 40(5) of the Constitution and section 35 of the Copyright Act, to argue that his copyright had been infringed and, therefore, he was entitled to the reliefs sought with costs.

1st and 2nd Defendants' submissions

55. The 1st and 2nd Defendants written submissions and list of authorities were dated 25th February, 2020 and filed on 26th February, 2020. On whether the Plaintiff was employed by the Company, under a contract of service or as an independent contractor, they submitted that the Plaintiff and the Company entered into an employment contract as a director on terms that were spelt out in the articles of association. They argued that without directorship, the Plaintiff had no authority to render architectural services on behalf of the Company.

56. They further submitted that the Plaintiff admitted that the architectural services included but were not limited to architectural drawings, bringing the performance of all his duties within the ambit of his role as director and not an independent contractor. They maintained that the only entitlement the Plaintiff had for the performance of his duties in his employment with the Company, was remuneration in accordance with article 81 of the Company's articles of association.

57. According to the 1st and 2nd Defendants, the Plaintiff admitted that he received remunerated as a director of the Company; that he was given a cheques for Kshs. 120,000/- as compensation and, therefore, he could not claim that payment for the six years he made the architectural drawings. It was contended that the invoices the Plaintiff submitted through Sound Designs Ltd claiming compensation, were not viable since Sound Designs Ltd had no contract with the Company to render architectural services. Moreover, they argued, the Plaintiff was an employee of the Company and the invoices were presented only after he had withdrawn his services.

58. With regard to the architectural services the Plaintiff rendered to the Company, they argued that the Company's articles of association were clear that the plaintiff was only entitled to remuneration for the services rendered in the course of employment and not for the work done as the drawings belonged to the Company.

59. It was contended that in terms of article 87 of the Company's articles of association, the Plaintiff would cease working if removed from the board of directors of the Company. This, they argued, was evidence of the fact that the Plaintiff was an employee of the Company. Reliance was placed on *Market Investigation Limited v Minister of Social Security* [1969] 2 QB 173.

60. The 1st and 2nd Defendants further contended that whether or not a contract of service existed would depend on the general nature of the contract. They relied on *Stevenson Jordan & Harrison Ltd v MacDonald & Evans* [1952] 1 TLR 101, on the distinction between contract of service and contract for service.

61. They went on to submit that the architectural plans formed an integral part of the core business of the Company and, therefore, the Plaintiff's work was not accessory to, but was the reason why he and the 2nd Defendant agreed to form the Company and he was employed as a director so as to provide architectural services. They relied on *Fredrick Byakaika v Mutiso Menezes International* [2016] eKLR, on the definition of an independent consultant. They submitted that the nature of the relationship between Plaintiff and the Company was not that of an independent architect. It was their case that the work the Plaintiff did in his capacity as an architect, was done using the Company's resources and premises.

62. On whether the Plaintiff was the owner of the copyright of the architectural drawings, they relied on section 31 (1) of the Copyright Act, to argue that the Plaintiff developed the architectural plans under his contract of employment with the Company and, therefore, the copyright was deemed transferred to the Company.

63. On whether they infringed on the copyright, it was submitted that the Plaintiff produced the architectural designs and plans under the directions and instructions of the Company where he was a director and employee. They further submitted that they did not commence any new projects outside the original agreement to construct houses on **Kajiado/Kaptutiei North/32248**, and did not benefit from the drawings and plans commercially other than the payments made to the Company.

3rd and 4th Defendants' submissions

64. The 3rd and 4th Defendants filed written submissions together with a list of authorities dated and filed on 26th February, 2020. They submitted that the Plaintiff contravened the provisions of section 35(7) of the Copyright Act and was not, therefore, entitled to Prayer (a) in the Plaintiff. They relied on *Adventist Limited v Superior Homes(K) Limited & Another* [2010] eKLR, where prayers similar to those in the present suit were declined, The court holding that the provisions of section 35(7) of the Copyright Act reigned supreme.

65. On whether they infringed the copyright, they submitted that the Plaintiff had claimed anticipatory breaches and imagined future occurrence in prayers (b) and (c) of the Plaintiff, but no evidence was led to show that they intended to use architectural designs on any other property. It was their submission that as a professional, the Plaintiff had been disingenuous in founding his claim of breach on the fact that they reproduced the plans yet the reasons for doing so had been clearly stated.

66. Regarding ownership of the copyright, and who was liable for infringement, the 3rd and 4th Defendants submitted that unless the Plaintiff and 2nd Defendant as co-directors were running a scam, the architectural plans must have been produced in conjunction with and for the Company, and were therefore available to the Company's clients.

67. It was their case that through the design and build contract, the Plaintiff and the 2nd Defendant made a representation that the company also offered architectural services. For that reason, they contended, any reasonable member of the public would have assumed that the Company was capable of owning copyright for any architectural works produced in its name.

68. They argued that PW2 had testified that there was no specified form or clause required in a letter of appointment for copyright to be conferred to an employer. They contended that the Plaintiff's appointment amounted to employment, and given that the Company offered architectural services as part of its portfolio, the only way that mandate could have been delivered was through appointment of an architect. The 3rd and 4th Defendants maintained that PW2 had further stated that like any other form of property, copyright is not only transferable but can also be attributable to a person other than the original author. They relied on section 31 of the Copyright Act.

69. According to the 3rd and 4th Defendants, the Company's articles of association the Plaintiff was relying on, was an internal document which was not brought to their attention before taking up the contract with the 2nd Defendant. They therefore contended that the Plaintiff offered his services as an employee of the company, and having presented to the members of the public that the Company offered architectural services, he was estopped from claiming that it had no capacity to own copyright for works produced in its name.

70. In the 3rd and 4th Defendants' view, since Sound Designs Ltd was not registered with the Board, any services purported to have been offered and invoiced were illegal. The Plaintiff, they argued, could not use these proceedings to enforce an illegality. They maintained that in the absence of a contract confirming the Plaintiff's status as an independent contractor, or waiver under section 3(1) of the Copyright Act, and given that he was only entitled to remuneration as a director, he was an employee of the Company. Any copyright that may have been generated in the cause of employment providing architectural services accrued to his employer.

71. On whether they were properly joined in the suit, they submitted that having been appointed by the 1st Defendant, 2017, they became agents and or servants of the 1st Defendant, thereby bringing in the principal-agent relationship. They argued that the 1st Defendant had neither disputed the fact that the 3rd Defendant was his agent nor that the 3rd Defendant's actions were informed by virtue of its delegated authority. They contended that the Plaintiff was challenging the right and or power of the 1st defendant to delegate authority to the 3rd defendant, a matter that had not been raised by the 1st Defendant. They relied on *M & E Consulting Engineers Limited v Lake Basin Development Authority & Another* [2015] eKLR.

72. They again argued that as agents of the 1st Defendant, the 1st Defendant was vicariously liable in the event the court found the 3rd defendant liable for any infringement. They relied on *Awili v Attorney General* [1981] eKLR. They maintained that they were improperly joined in the suit and urged that the suit against them be dismissed with costs.

Determination

73. I have considered the pleadings, evidence adduced, submissions by parties and the decisions relied on. The issues that arise for determination are; whether the Plaintiff owned copyright over the architectural designs and, depending on the answer to that issue, whether there was infringement of that copyright.

74. The facts of this suit are largely undisputed. The Plaintiff a registered architect, joined hands with the 2nd Defendant and established the Company in 2010. They were the only directors and shareholders in the Company with 50% shareholding each. The Company was engaged in design and build project whereby it constructed housing units for sale.

75. The Plaintiff and 2nd Defendant did fairly well and were able to complete some units which the Company sold. Members of the public would enter into agreements with the Company for design and built houses and expected to get ready houses constructed by the Company. The Plaintiff produced architectural designs for purposes of the projects the Company was undertaking.

76. Sometime late in 2016, the Plaintiff and 2nd Defendant later fell out. The Plaintiff went to his own company, Sound Design Ltd, while the 2nd Defendant started the 1st Defendant. The 2nd Defendant brought in the 3rd and 4th Defendants for purposes of carrying on with the project.

77. The Plaintiff instituted the present suit against the Defendants. He pleaded and testified that in the year 2017, he filed insolvency proceeding seeking the winding up of the Company due to fraudulent activities by the 2nd Defendant. He further pleaded that in September the same year, without his knowledge or consent, the 2nd Defendant instructed the 3rd and 4th Defendants to reproduce his architectural drawings for the project the Company had been undertaking. He stated that the Defendants' action was fraudulent and an infringement on his copyright over the architectural drawings.

78. The 1st and 2nd Defendants denied the Plaintiff's claim and contended that the Plaintiff was a director and employee of the Company and that the architectural drawings were done on behalf of the Company which owned the copyright. It was also their case that the Plaintiff used

Company resources and was remunerated as a director and could not therefore own the copyright.

79. The 3rd and 4th Defendants on their part argued that they never infringed any copyright since they only acted as agents of the 1st Defendant. It was their case that if there was any infringement, then the 1st Defendant, as the principle, was vicariously liable for their actions. All the Defendants argued that there was no infringement of copyright because the copyright belonged to the Company.

Whether the Plaintiff owned the copyright

80. The Copyright Act, (No 12) of 2001, protects artistic and impression works. Section 2, states that Copyright includes drawings, maps and plans. Under section 22 (1), artistic work is eligible for copyright protection, while subsection (3) states that literary, musical or artistic work will not be eligible for copyright unless sufficient effort had been expended on making the work to give it an original character; and the work had been written down, recorded or otherwise reduced to material form.

81. There is no doubt that the disputed architectural drawings met the definition of copyright, given that they were reduced into material form to be eligible for copyright protection. Section 22(5) further states that rights protected by copyright accrue to the author automatically on affixation of the work subject to copyright in a material form. The law is also clear that non-registration of any copyright work or absence of formalities, is not a bar to any claim from the author.

82. Section 31 of the Act provides that copyright conferred by sections 23 and 24 initially vests in the author. However, where work is commissioned by a person who is not the author's employer under a contract of service; or 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 such transfer.

83. The Plaintiff argued based on the provisions of the Act as highlighted above, that he was the author of the architectural drawings the Company used in implementing the projects it was undertaking and, therefore, the copyright belonged to him. His argument was that the Copyright Act protects artistic works and intellectual property, and further that the Architects and Quantity Surveyors Act provides that architectural drawings and designs belong to the Architect. He argued, therefore, that his architectural drawings conferred copyright to him.

84. The Defendants on their part contended that since the Plaintiff was a director of the Company, he was an employee; was remunerated by the Company and, therefore, copyright over the architectural drawings belonged to the Company. They also argued that the Plaintiff used Company's resources making the architectural drawings and copyright Company property.

85. This court has considered the evidence on record and argument by parties. In a correspondence dated 6th February 2015, addressed to **Enock Simiyu Mambili** relating to a proposed residence, signed by the Plaintiff on behalf of the Company and copied to the 2nd defendant, the Plaintiff informed **Mr. Mambili** about construction of a residential house and the cost thereof stated to be about Kshs. 7,500,000. The Plaintiff signed off as director of the Company. The correspondence attached an adopted site plan drawn by the Plaintiff and also bore the Company's name. There was further correspondence from the Plaintiff again on behalf of the Company to Mr. Mambili requesting for confirmation of second last payment that had been made on 15th October 2015.

86. Similarly, there was an email from Mr. Mambili dated 10th November 2015 to the Plaintiff (on behalf of the Company), and copied to the 2nd Defendant, suggesting that the three meet on the ground on a Monday at 9.30. These documents were contained in the 1st and 2nd Defendants' exhibit 2. The common denominator in all the correspondences was that the communication was either from the Plaintiff or to him, on behalf of the Company.

87. The 1st and 2nd Defendants produced an agreement between the Company and **Tom Mwangangi Mutuku** dated 9th July 2015, in which the Company was to provide a **one stop Architect-led Design and Build Service** which encompassed architectural services, mechanical engineering, electrical engineering, structural engineering, quantity surveying and construction services. The Company was to develop a 4 bed room maisonette for Mr. Mutuku, whose concept was developed with the client as part of the service. The agreement was signed by both the Plaintiff and the 2nd Defendant on behalf of the Company.

88. A search from the Registrar of Companies dated 23rd June 2016 attached to the 1st and 2nd Defendants' exhibit 5-Pleadings filed in petition 1 of 2017 (Winding up Petition), showed that the Plaintiff and the 2nd Defendant were the only directors of the Company, owning 500 shares each. Article 81 of the Company's articles of association stated with regard to directors' remuneration, that except where remuneration was determined by agreement between them and the Company, directors would be entitled to such remuneration for their services as the Company would from time to time determine in general meetings, to be divided among directors and shared in proportions to be determined. Article 82 stated that a director who was requested to perform special or extraordinary services on behalf of the Company, would be paid extra remuneration in lump sum, salary, commission, percentage or profits as the Company would determine.

89. There is undisputed evidence that the Plaintiff was a director of the company; that he was actively involved in the management of the Company and was a signatory to the agreements entered into on behalf of the Company and clients interested in purchasing houses developed by the Company. The Company was involved in Design and Build projects and, therefore, the purpose of the architectural drawings and plans was an integral part of the services the Company agreed to provide when it entered into agreements with the clients to facilitate construction of houses for them as a way of doing business. The agreements were clear on the services the Company was to provide as a one-stop shop, including architectural services.

90. What is clear from the documents highlighted above, is that the Plaintiff was aware of the services the Company undertook to provide to its clients. How the Company was to ensure that happened, was an internal matter that only the Company was to decide through its directors. The Company's articles of association allowed remuneration of directors for the work they did on behalf of the Company. Article 82 was even more specific that where a director was requested to offer special or extra ordinary services, he could be paid extra remuneration in a

manner the Company decided.

91. The 1st and 2nd Defendants maintained that the Plaintiff was remunerated as was provided for in the Company's articles of association. The Plaintiff did not adduce evidence that there was any agreement between him and the Company on provision of architectural services as an independent service outside that of his directorship, given that architectural services was one of the services the Company was to offer its clients.

92. The Plaintiff was as a matter of fact, a director and shareholder of the Company with 50% shareholding. The Company was engaged in design and build housing projects and the Plaintiff was part of the team that worked to ensure the Company delivered on its obligations to its clients. There was uncontroverted evidence from the 2nd Defendant, that during the period the Plaintiff rendered architectural services, he used the Company facilities and resources. The Plaintiff neither denied nor explained where he was working from and or whose resources he used when he designed and produced the disputed architectural drawing.

93. Both the Plaintiff and the 2nd Defendant referred to letter dated 21st September 2015 to argue, either that he was independently appointed to offer services, or that this was part of the services the plaintiff was to offer as a director. The letter which was signed by the 2nd Defendant stated:

Nature Green Holdings LTD is a real estate development company.

One of its products is to be a one-stop-shop for consultancy and construction. This is achieved by bringing together, coordinating and managing activities of various professionals. Nature Green Holdings Ltd hereby appoints Arch. Donald M. Andolo c/o Sound Designs Ltd to offer architectural and project management services for the current projects being undertaken by the company.

94. The letter did not give any other details such as remuneration for professional services the Plaintiff was to render. The Company was bringing together, coordinating and managing activities of various professionals at its core business. The Plaintiff was not only to provide architectural services but also manage the project. As already alluded to, the Plaintiff, as a director of the Company, was one of those who executed agreements on behalf of the Company with clients. He was part and parcel of the Company.

95. In ***Stevenson Jordan and Harrison Ltd v MacDonald and Evans*** (supra), Lord Denning stated the distinction between a contract of service and a contract of service at page 111, thus:

It is often easy to recognise a contract of service when you see it, but difficult to say where the difference lies. A ship's master, a chauffeur, and a reporter on the staff of a newspaper are all employed under a contract of service; but a ship's pilot, a taxi-man, and a newspaper contributor are employed under a contract for services. One feature which seems to me to run through the instances is that, under a contract of service, a man is employed as part of the business and his work is done as an integral part of the business; whereas under a contract for services his work, although done for the business, is not integrated into it but is only accessory to it. (Emphasis)

96. In ***Stevens v Brodribb Sawmilling Co. Pty Ltd*** [1986] HCA 1: 160 CLR 16, the High court of Australia (***Mason. J***) held that:

A prominent factor in determining the nature of the relationship between a person who engages another to perform work and the person so engaged is the degree of control which the former can exercise over the latter... the importance of control lies not so much in its actual exercise, although clearly that is relevant, as in the right of the employer to exercise it...

97. He went on to state:

But the existence of control, whilst significant, is not the sole criterion by which to gauge whether a relationship is one of employment. The approach of this Court has been to regard it merely as one of a number of indicia which must be considered in the determination of that question... Other relevant matters include, but are not limited to, the mode of remuneration, the provision and maintenance of equipment, the obligation to work, the hours of work and provision for holidays, the deduction of income tax and the delegation of work by the putative employee.

98. From the evidence and materials placed before this court, including the agreements and correspondences between the Company (signed by the Plaintiff) and the clients, the Plaintiff was first, the owner of the Company and second, working for the Company. The Company's obligation to its clients was to design and build houses. It was responsible for coming up with architectural drawings as one of the services it offered which fell on to the Plaintiff to design. The Plaintiff did not adduce evidence that there existed a separate agreement between him and the Company, regarding remuneration for the professional service he was offering and how much fees he was to be paid for that service, other than what he was getting as a director as was provided for in the articles of association of the Company. The equipment and resources he used, according to the 2nd Defendant, belonged to the Company.

99. In that regard, the only conclusion one can come to, is that the Plaintiff was commissioned by the Company under a contract of service to produce architectural drawings and manage the project for the Company, thus conferred copyright on it. In that regard, section 31 of the Copyright Act, states that copyright conferred by virtue of sections 23 and 24 initially belongs to the author, but where the work is commissioned by a person who is not the author's employer under a contract of service; or is made in the course of the author's employment under a contract of service, the copyright is deemed to have been transferred to the person who commissioned the work or the author's employer. This would, however, be subject to any agreement between the author and the person commissioning the work or employer, excluding or limiting the transfer.

100. The Plaintiff was owner of the Company and was commissioned by the Company as an architect and project manager. He was a signatory to all the agreements entered into between the Company and its clients in which it undertook to provide among other services, architectural services. For those reasons, the conclusion I come to is that copyright over the architectural drawings belonged to the Company that commissioned the work.

Whether there was infringement of copyright

101. Having come to the conclusion that the architectural drawings belonged to the Company, the issue of whether there was copyright infringement becomes moot. However, for completeness of the matter, it is important to address that issue.

102. The Plaintiff argued that the Defendants infringed on his copyright. Section 35(1) of the Act provides what amounts to infringement of copyright. It states:

(1) Copyright shall be infringed by a person who, without the licence of the owner of the copyright—

(a) does, or causes to be done, an act the doing of which is controlled by the copyright; or

(b) imports, or causes to be imported, otherwise than for his private and domestic use, an article which he knows to be an infringing copy. (Emphasis)

103. Infringement prohibited by law, is doing or causing to be done something that only the owner of the copyright should do or authorize. According to the Plaintiff, the 1st and 2nd Defendants passed on the architectural drawings to the 3rd and 4th Defendant who reproduced them without his consent; applied for renewal and went on to use them for construction of houses. The Plaintiff took the view that the Defendants' action infringed his copyright.

104. In ***Alternative Media Limited v Safaricom Limited*** [2005] (supra), the court stated:

The owner of the copyright works is... the only person who may reproduce the material either in its original form or its translation or adaptation. If anybody else does any of those acts, he is deemed to have infringed the copyright.

105. Where any form of an authorized production, reproduction, registration, renewal or use of copyright material is proved, it amounts to copyright infringement. In other words, to prove infringement, one must prove access and substantial similarity. The Plaintiff's case was that the Defendants had access and reproduced his architectural drawings, applied for renewal and used them without his consent which amounted to infringement.

106. The Plaintiff faulted the 3rd and 4th Defendants for taking over the work and used his materials in violation of the law. According to him, the law required them, as new architects, to communicate with him as the architect previously engaged in the project, and ascertain that his engagement had indeed been terminated before proceeding on with the works of another architect. He relied on ***Mount Kenya Sundires Limited v Macmillan Kenya (Publishers) Limited*** (CA NO 318 OF 2010) [2016]eKLR and ***Alternative Media Limited v Safaricom Limited*** [2005] eKLR.

107. The Defendants argued that they did not begin new projects and that the architectural drawings were never used outside the original agreement to construct houses on **Kajiado/Kaptutiei North/32248**. They also stated that they did not benefit from the architectural drawings commercially other than the payments made to the Company.

108. There was no argument that the Plaintiff left the Company at a time when it had entered into agreements to construct housing units for clients on design and build basis. The Plaintiff was one of the directors who executed those agreements on behalf of the Company. When he left, the Company still had obligations to discharge to those clients.

109. In the ***Alternative Media Limited*** case, the dispute related to ownership of artistic work on scratch cards whose copyright the plaintiff claimed. The defendant argued that the scratch cards were designed by its own designers. The court found that the defendant's design appeared to have been derived the copyright work and therefore, the defendant in that case had infringed the plaintiff's copyright work.

110. On the other hand, the dispute in the ***Mount Kenya Sundires*** case, was over maps of Nairobi and Mombasa Island which the respondent had produced and were copied and reproduced by the appellant. The Court of Appeal upheld the High court finding that there had been copyright infringement.

111. From the facts of the two cases the Plaintiff relied on, those cases are distinguishable from the facts of the present case which related to a director of a company drawing architectural plans for use by the Company to construct houses for its clients and one of the services the Company was said to offer was architectural services.

112. There was admission by both the Plaintiff and the 2nd Defendant that approval of the construction plans prepared by the Plaintiff expired toward the end of 2016. They were also in agreement that no further construction could be undertaken until the approvals had been renewed. The 2nd Defendant stated, therefore, that he had to bring the 3rd and 4th Defendants on board (as architects) in order to assist in completing the remaining houses. It was in that capacity that the 3rd and 4th Defendants reproduced the architectural drawing, presented them for renewal and they were used them to complete the project.

113. It was undisputed that the project could not proceed to completion without renewal of the architectural plans, and that could only be

done by an architect. The Plaintiff having moved on, there still remained obligations on the part of the Company towards its clients. The 3rd and 4th Defendants were, therefore, brought into the picture in order to assist in completing the project.

114. I have considered the evidence from both sides. It is not denied that the original architectural drawings were produced by the Plaintiff as director of the Company and using the Company's resources. The application for renewal showed that the architectural drawings were to be used for the same project on the same property, namely; **Kajiado/Kaptutiei North/32248**. There was no evidence that the Defendants were using or intended to use the architectural plans on a different project other than that for which they had been prepared and were intended.

115. The Plaintiff argued that there were minor changes done to the architectural drawings which amounted to infringement. According to both the Plaintiff and PW3, the changes were in small areas. I have seen the architectural drawings by the Plaintiff and those by the 3rd and 4th Defendants. There is no marked difference between the two.

116. In my view, changes, if any, to functional elements in architectural drawings whose design or placement is dictated by utilitarian concerns and which are not meant to disguise copyright in standard house are permitted. This is so because there are changes that are effected on the ground due to a number of factors.

117. In *Zelewski v Cicero Builders* Dev Inc. 111 PLLC, The Us Court of Appeals, Second Circuit, stated that to find infringement, there must be wrongful copying and that not every aspect of copyright work is given copyright law protection.

118. Flowing from what I have stated above, I am unable to hold that there was copyright infringement. This is because the architectural drawings were used for the project they were intended and were produced and renewed only for that purpose.

119. In coming to this conclusion, I am persuaded by the decision of the High Court of India in *Bruno Diaz Souza v Gustavo Renato & others* (FA Nos. 221, 222, & 223 of 2007). An architect was engaged to offer architectural services on agreed terms. He completed several stages and was paid. There was an agreed term that his architectural drawings could not be used without his consent. His services were terminated and another architect appointed. His designs reproduced and presented for approval. That action was challenged as copyright infringement. The respondents, who included the new architect, resisted the claim arguing that the drawings could be used for the same project and that what was prohibited was use on any other project. The court agreed with them and dismissed the claim.

120. On appeal, the Appellate Court agreed with the first court that the drawings, the specification and documents as "instruments of service", although the property of the architect, could be used for the project for which they had been prepared. The court held that there was no infringement because the drawings had not been used for the purpose of any other project, and that even on any amendments, it had not been shown that plans were copied.

121. What emerges from that decision is that, although the architectural drawings belong to the architect where proved, the prohibition is on use for any other project without the consent of the architect. Applying the above standard to the present case, the Plaintiff did not succeed in proving that the disputed architectural drawings were used for a project other than that intended. I therefore find no infringement.

122. Having returned a no verdict on the twin issues the court framed for determination, this suit is dismissed with costs.

DATED SIGNED AND DELIVERED AT KAJIADO THIS 9TH DAY OF APRIL 2021.

E.C. MWITA

JUDGE