



Intellectual Property

Monthly Newsletter

Dear clients

Welcome to another thrilling issue of IP Monthly. This month we highlight notable developments in the intellectual property space and also remind you of important historical events that are commemorated in October. We hope that you will find the features in this newsletter entertaining.

Enjoy!

Important dates in October

- **1 October:** World Habitat Day
- **2 October:** International Day of Non-Violence
- **3 October (first Monday in October):** World Habitat Day
- **5 October:** World Teachers' Day
- **9 October:** World Post Day
- **10 October:** World Mental Health Day
- **11 October:** International Day of the Girl Child
- **13 October:** International Day for Disaster Reduction
- **16 October:** World Food Day
- **17 October:** International Day for the Eradication of Poverty
- **20 October:** World Statistics Day
- **24 October:** United Nations Day
- **24 October:** World Development Information Day
- **27 October:** World Day for Audiovisual Heritage
- **31 October:** World Cities Day

Interesting facts about October

- October was one of the original Roman calendar months and is literally translated to “the eighth month” as the original Roman calendar began with March.
- More US presidents have been born in October than in any other month.

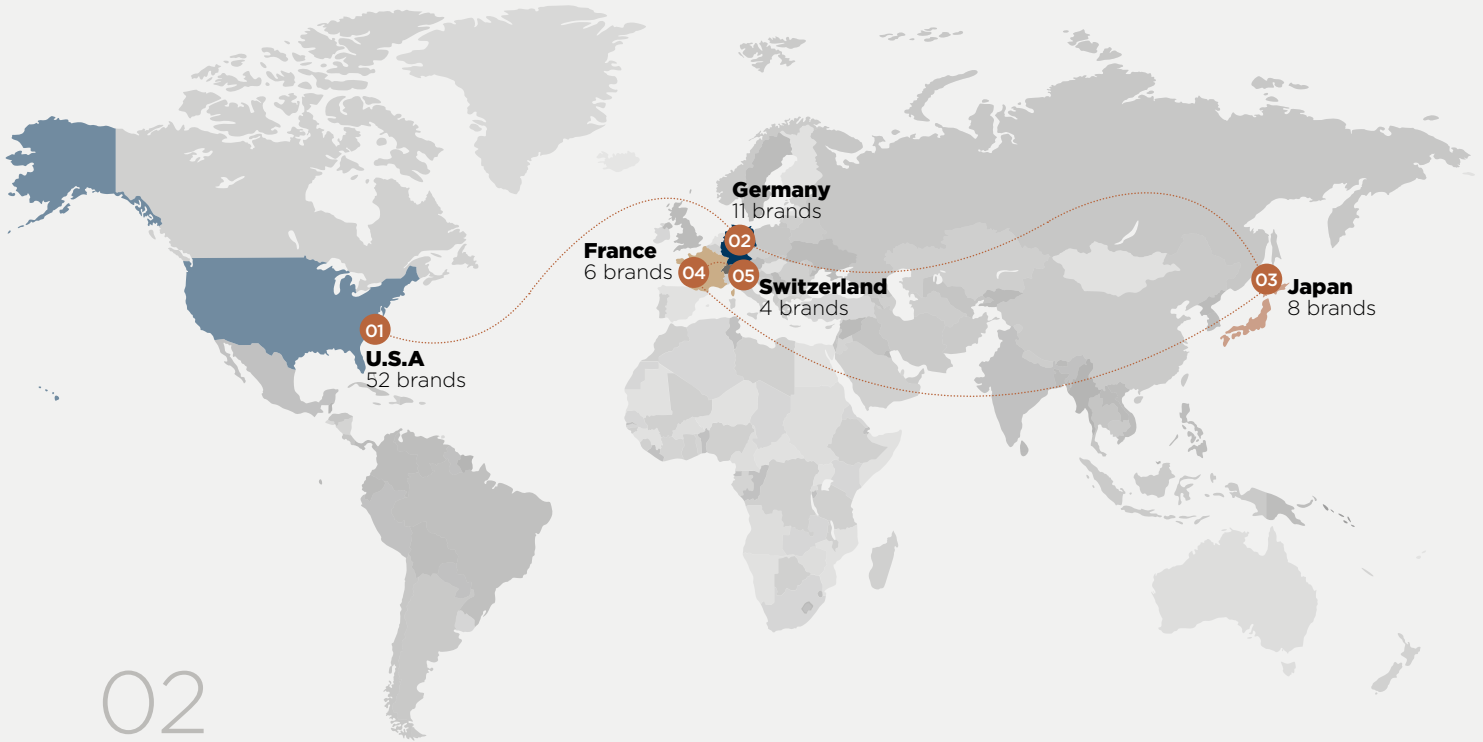
Historical Dates

- October 1, 1908:** Henry Ford's Model T, a "universal car" designed for the masses, went on sale for the first time.
- October 1, 1949:** Communist revolutionary Mao Zedong officially proclaimed the existence of the People's Republic of China, the proclamation being the climax of years of battle between Mao's communist forces and the regime of Nationalist Chinese leader Chiang Kai-Shek, who had been supported with money and arms from the American government. This marked the beginning of communism in China that dealt a severe blow to the United States, which was still reeling from the Soviet Union's detonation of a nuclear device one month earlier.
- October 3, 1990:** After 45 years of Cold War division, East and West Germany were reunited to become the Federal Republic of Germany.
- October 8, 1993:** The UN General Assembly lifted economic sanctions against South Africa following the end of racial apartheid. The sanctions had been imposed since the 1960s.
- October 8, 1996:** Palestinian President Yasser Arafat made his first public visit to Israel for talks with Israeli President Ezer Weizman at his private residence.
- October 9, 1962:** Uganda achieved independence after nearly 70 years of British rule.
- October 11, 1899:** The Boer War began in South African between the British Empire and Boers of the Transvaal and Orange Free State. The war ended in 1902 with the Treaty of Pretoria in which the Transvaal and Orange Free State became British colonies.
- October 13, 1884:** Greenwich was established as the universal time from which standard times are calculated throughout the world.
- October 14, 1912:** Former President Theodore Roosevelt was shot by a fanatic while campaigning in Milwaukee. Roosevelt was saved by his thick overcoat, a glasses case and a folded speech in his breast pocket, all of which slowed the bullet. Although wounded, he insisted on making the speech with the bullet lodged in his chest and did not go to the hospital until the meeting ended.
- October 14, 1964:** Civil Rights leader Martin Luther King, Jr., became the youngest recipient of the Nobel Peace Prize. He donated the \$54,000 in prize money to the Civil Rights movement.
- October 16, 1701:** Yale University was founded in Killingworth, Connecticut (as the Collegiate School of Connecticut). The school moved to New Haven in 1716. Two years later, the name was changed to Yale College to honour Elihu Yale, a philanthropist. In 1886, it became Yale University.
- October 16, 1793:** Queen Marie Antoinette was beheaded during the Reign of terror following the French Revolution. She was the wife of King Louis XVI and had become the symbol of the people's hatred for the old regime due to her extravagance and frivolity.
- October 18, 1945:** The Nuremberg War Crimes Trial began with indictments against 24 former Nazi leaders including Hermann Göring and Albert Speer. The trial lasted 10 months, with delivery of the judgment completed on October 1, 1946. Twelve Nazis were sentenced to death by hanging, three to life imprisonment, four to lesser prison terms, and three were acquitted.
- October 20, 1952:** Kenya celebrates Mashujaa day. Mashujaa is Swahili for Heroes and as such Mashujaa Day is also known as Heroes' Day. It is a public holiday to honour all Kenyans who contributed towards the struggle for Kenya's independence.
- October 21, 1805:** The Battle of Trafalgar took place between the British Royal Navy and the combined French and Spanish fleets. The victorious British ended the threat of Napoleon's invasion of England.
- October 24, 1945:** The United Nations was founded after 29 nations ratified the Charter.
- October 24, 1931:** Chicago gangster "Scarface" Al Capone was sentenced to 11 years in jail for Federal income tax evasion. In 1934, he was transferred to Alcatraz prison near San Francisco. He was paroled in 1939, suffering from syphilis. He retired to his mansion in Miami Beach where he died in 1947.
- October 28, 1971:** The British House of Commons voted 356-244 in favour of joining the European Economic Community.
- October 31, 1984:** Indian Prime Minister Indira Gandhi was assassinated by three Sikh members of her bodyguard while walking in the garden of her New Delhi home.

Forbes World's Most Valuable Brands

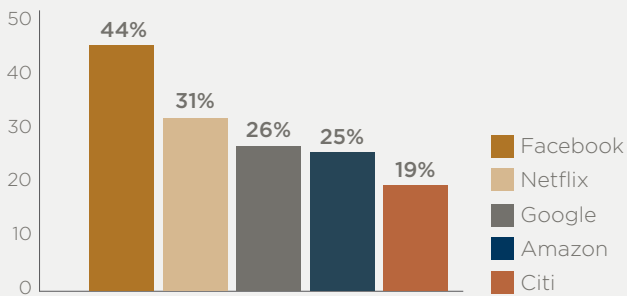
Top ranking countries and industries, biggest gainers and losers

01 Top ranking countries

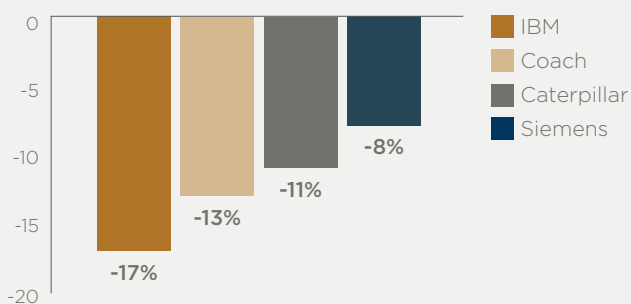


02 Biggest gainers

Biggest gainers



Biggest losers



03 Top ranking industries

Top ranking industries



Developments In The Intellectual Property Arena

Kenyan News

Jubilee party sued for use of 'TUKO PAMOJA' slogan in trademark infringement suit

Businessman Jonathan Katiku has sued the Jubilee Party for the use of the 'TUKO PAMOJA' slogan which he claims he has trademark rights over. He alleges that he had been in correspondence with the party's officials until 6 July 2016 when they intimated that they would not stop using the slogan. Mr Katiku applied to the commercial and admiralty division of the High Court seeking interim orders restraining Jubilee from using the slogan. His application was premised on the ground that the party had prepared huge banners and billboards bearing his slogan and placed them in strategic locations within Nairobi in readiness for the party's launch which equated to trademark infringement.

Mr Katiku claims that he registered the mark on 14 December 2011 and has a certificate of registration to that effect and according to the certificate, it expires on December 14, 2021.

High Court of Kenya nullifies appointment of Anti-Counterfeit Agency Board Chairman

The appointment of Polycarp Igathe as Chairman of the ACA was challenged in the recent case of *Republic v Attorney General and 2 others Ex parte Tom Odoyo Oloo* [2016] eKLR where in addition to constitutional and legal arguments raised against his appointment, he was also accused of having a serious, inexcusable and incurable conflict of interest issues that makes his appointment contrary to public interest and the legitimate expectations of the public. According to the applicant in the present case, the re-appointment of Mr Igathe was both illegal and unconstitutional. Section 6(1) of the Anti-Counterfeit

Act, 2008 as amended by the Statute Law Miscellaneous Amendment Act, 2014, provides that the Chairman of ACA is to be appointed by the Cabinet Secretary from amongst the members appointed under paragraph (h) thereof which provides for two members appointed by the Cabinet Secretary not being public officers, and who hold a degree from a university recognised in Kenya and have at least ten years' experience in matters relating to intellectual property (IP) rights, consumer protection, or trade.

On these grounds, the court nullified the appointment of Igathe citing a previous High Court decision where his appointment had previously been revoked and stating that the appointing authority ought to have resolved the issues which led to the earlier decision purporting to appoint Mr Igathe.

David Maraga sworn in as the next Chief Justice of Kenya

David Maraga 64, has been sworn in as the new Chief Justice of Kenya. Following the approval by President Uhuru Kenyatta and the National Assembly, he was sworn in on Wednesday 19 October. He appeared before the National Assembly Justice and Legal Affairs Committee for vetting on October 13, 2016 which approved his nomination. Members of Parliament subsequently endorsed the report by the Justice and Legal Affairs committee on the vetting of his appointment at a special session, rejecting three petitions objecting his appointment on the basis of lack of merit.

He succeeds Retired Chief Justice Willy Mutunga, who retired in June 2016 who is widely credited with defending the independence of the Judiciary. In his first speech as the new Chief Justice, Justice Maraga said he was committed to the fight against

graft. He also promised to reduce the backlog of cases and ensure a higher level of accountability in the judiciary.

International News

US Court affirms S.D.N.Y. decision in Barnes & Noble copyright case, cloud-based services questions

In early October, the U.S. Court of Appeals for the Second Circuit (2d Cir.) handed down a decision, which almost answered important questions about how cloud-based access to content can affect copyright holders. At issue in the case, *Cheryl Smith v. Barnesandnoble.com, LLC*, was Barnes & Noble's activities in providing samples of a text through the cloud to consumers after a licensing agreement on that piece of text was terminated. Cheryl Smith's late husband Louis K. Smith authored and copyrighted a book and published through an online e-book distributor in 2009. The distributor, Smashwords, Inc., offered a licensing agreement to Smith which retained Smashwords' right to distribute samples of the work to promote the author or the distribution platform. End-users acquiring the free sample could further duplicate, share and reproduce the sample for non-commercial purposes and only while the price of the sample is set at zero. The plaintiff in the case argued that Barnes & Noble had committed direct and contributory copyright infringement by providing consumer access to samples of *The Hardscrabble Zone* after the Smashwords licensing agreement was terminated. In particular, one customer was given access to the sample on multiple occasions through a "digital locker" system employed by Barnes & Noble's cloud services. The court held that cloud-based service constituted fair use which barred any charges of copyright infringement.

AT&T - Time Warner announce proposed mega-merger sparking mixed reactions

Telecommunications giant, AT&T on 22 October announced its plans to acquire entertainment Time Warner. The proposed merger will see the creation of a conglomerate.

AT&T is a multinational telecommunications corporation. It is the second largest provider of mobile telephone and the largest provider of fixed telephone in the United States, and also provides broadband subscription television services. Time Warner Inc. is a global leader in media and entertainment with businesses in television networks and film and TV entertainment, which uses its industry-leading operating scale and brands to create, package and deliver high-quality content worldwide on a multi-platform basis. Time Warner

is the content factory responsible for Warner Bros., CNN, TBS, TNT and consumer popular choice-HBO. The deal that combines both capital and debt aspects would make AT&T-Time Warner the largest media company. The infographic below demonstrates the magnitude of the deal. What started out as Bell Telephone Company in 1887 turned into the great phone monopoly of AT&T, that later found itself broken up by the government in 1984, and has since slowly reconstituted itself as the massive duopoly of the modern AT&T and Verizon.

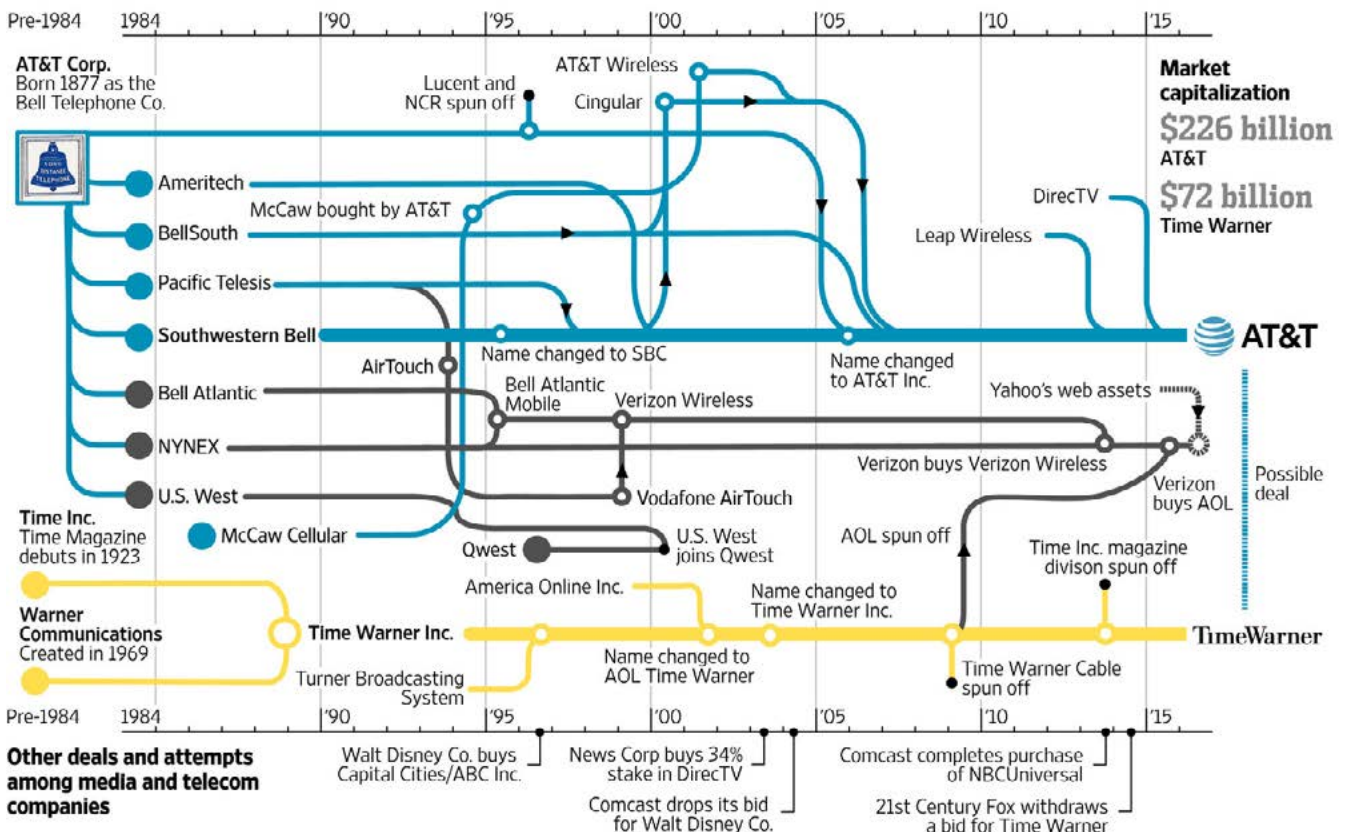
AT&T's stunning USD 85 billion deal could reshape the media landscape and trigger an M&A frenzy but uncertainty looms from regulatory issues to leadership roles. Critics of the latest merger plan are warning of escalating monthly rates for consumers and a reduction in options in content,

a terrifying loss of personal privacy, a threat to competition, and even, despite assurances to the contrary, the possibility of bad outcomes for Time Warner's premiere journalism division. On the part of regulation, the companies are considered different enough and several experts have expressed the opinion that the merger will be approved by US regulators on the basis that it is a purely vertical integration and not a horizontal one. In addition, the companies are considered different enough.

The mega-deal has also garnered strong political opinions ahead of the US Presidential elections. Both presidential candidates have announced that they would not be supporting the merger as such a consolidation would result in concentration of power in the hands of a few. What is clear is that it will be among the biggest and most important regulatory cases to await the next administration.

Converging Destinies

AT&T and Time Warner are in advanced talks to combine after decades of consolidation and deals in the telecommunication and media industries.



The deal is not expected to close until the end of 2017 and therefore few changes are expected before then. The arguments and criticisms raised on this deal are reminiscent of the Comcast - NBC merger that faced wide scepticism in 2009. It will be interesting to see the unfolding of events.

Apple - Samsung battle heads to US Supreme Court

What has been referred to as the biggest patent case to hit the tech world is back in court. Apple and Samsung appeared before the US Supreme Court on Tuesday 11 October. It was the first time that a design patent case was to be examined by a Supreme Court. The case proceeded to the Supreme Court after the Federal Circuit in a full bench sitting, reversed a three judge panel verdict and reinstated a 2014 judgment and a jury award of \$120 million to Apple again. In that case, Samsung was found to have infringed three Apple utility patents on how smartphones function. The first related to a smartphone's ability to create links automatically to webpages and phone numbers, so the user need only press the link to jump to the webpage or call someone. Another covered the "slide to unlock" screen function. The third related to the phone providing autocorrect recommendations when the user was typing. Samsung's smartphones all incorporated these features, without Apple's permission.

A key contrast between the case in the Supreme Court and the Federal Circuit is that the case in the Supreme Court focuses on design patent and not utility patents. Samsung appealed the Federal Circuit's ruling that it should pay in profits from its Galaxy phones to Apple. The case proceeded for oral

arguments to the Supreme Court on Tuesday where the question to be determined by the court is how a jury should determine monetary damages for a design patent. Samsung had to pay Apple nearly \$400 million for infringing several iPhone patents. Samsung's argument was that the amounts should be limited to damages specifically related to the infringed patent on an identified article. Currently, the damages take into account profits from the entire phone.

In this case, the judgment on infringement seems not to be in question. In addition, each party, including the Office of the Solicitor General, proposed their respective approaches to two questions about design patents: what test or standard should be used to identify the "article of manufacture" in question, and, second, how should the value of that article be determined. Samsung and Apple stopped arguing over whether or not the whole product is the "article of manufacture" but when the article of manufacture is less than the whole product.

Walmart Seeks Patent for Robo-Shopping Cart

Walmart has made a patent for a robo-shopping cart which will be guided by sensors and video cameras. Shoppers will be able to use their smartphones or some other device to summon carts to their location in the store. Once customers are done with their shopping and have loaded their purchases into their vehicles, the carts will return to a docking station on their own.

In its patent application, Walmart described the robo-carts as a means to improve the customer experience and reduce its dependence on human associates. The carts would have the added capability of roaming Walmart stores to check on inventory levels. Humans, freed from the task of rounding up carts, could concentrate on other activities such as filling gaps in inventory on shelves, identified by the new carts.

Uber sued over location-sharing locations

Mobile communication company X One has filed a complaint against Uber Technologies for allegedly infringing its patents centring on location-sharing technology. This is allegedly by using products that include servers configured to operate with Uber's mobile apps on the iOS, Android, and Microsoft operating systems. Other features which allegedly infringe the patents are the Uber ride-sharing, car-pooling, and delivery services. These features all allow a person using the app to track the location of the driver or customer. Since 2005, X One has received more than ten US patents "relating to the use of position information in mobile phones". According to X One, Uber has been aware of X One's portfolio. The company claimed that in December 2014, X One emailed Uber's CEO, Travis Kalanick, offering to engage in licensing discussions. X One has requested that the court award it all damages to compensate for the infringement.

Summary

A notable recent ruling made at the Kenya Industrial Property Institute (KIPI) follows below:

Case

Expungement Proceedings
in relation to TM 70205
"SABCRYNNSK"

Commentary

His case involved two rival groups that were once part of the same organization that split due to internal wrangles. Both parties, the proprietors of the mark and the applicants for the expungement seek to use 'SABCRYNNSK' as the name of their organisations. Both parties have used 'SABCRYNNSK' as the name of their organization for a number of years. The Registrar seems to sit on the fence in this matter by stating that it would be unjust for either party to discontinue use of the mark. The decision poses a danger in the market place as it purports to show that organisations' brands could be used by more than one body/ individual.

TRADE MARKS

Decision

Prophetic Church Ministry of East Africa (the Proprietors) filed an application to register their trademark "SABCRYNNSK". The Registrar after examining the mark approved and published it in the Intellectual Property Journal of 31 March 2011. The mark was successfully entered into the Register of Trademarks with effect from 19 January 2011 and a Certificate of Registration issued. The African Kenya Sabcrynnsk of Soi (the Applicants) filed an application for expungement of the mark citing that they are the Applicants are the true and genuine owners of the mark "SABCRYNNSK" that has been entered in the register in the name of proprietors. They state that the two trademarks have been used with respect to the services of a similar description, nature and character which is likely to cause confusion in the Kenyan matter and in the minds of the followers of the applicants and proprietors who are likely to mistakenly believe that there is a connection between the two. The Applicants note that have used their trademarks since 2003, which is many years prior to the registration of the of the Proprietor's mark and that the length and intense use of the Applicant's trademark has caused the mark to be associated with the Applicant's exclusively and therefore deserves protection under Section 15A of the Trade Marks Act (the Act). The Applicants therefore allege that the application by the Proprietors to register their trade mark was made in bad faith, constituted unfair competition and does not deserve protection in a court of justice. On these grounds the Applicants state that the registration of the proprietor's mark ought not to be effected and should be expunged from the Register of trade marks in accordance with section 35 of the Act.

The proprietors who filed a counter statement stating the grounds they were relying on in support of their registration to be that the proprietors of the mark carried out a search under the provisions of the Act and the mark was subsequently approved, published and entered into the Register of Trademarks. The proprietors alleged that the applicants were not the registered owners of the trademark and have not disclosed any particulars relating to successful registration of their mark. The proprietors sought that the expungement proceedings brought by the applicant should on the basis of these grounds be dismissed.

The applicants responded stating that theirs was also a registered body under the Societies Act that had faced numerous internal disputes that ended up in court several times. The disputes were however resolved and a Certificate of Registration issued. The applicants alleged that the proprietors registered their mark "SABCRYNNSK", a mark similar to the Applicant's name in order to block the applicants from using their registered name in respect of which the Applicant was registered under the Societies Act. The word "SABCRYNNSK" had never been associated with the proprietors but represents the applicant's since registration on 22 April 2003. According to the applicant, the proprietor's intention in registering the trademark was to gain competitive advantage over the applicants in order to prevent them from proceeding to successful registration which they were unable to do through court processes. The registration of the proprietor's mark was therefore erroneous as there was no disclosure of the fact that the mark was similar to the name of the Applicants. The Applicants in their statutory declaration also show efforts to stop proprietors from using their registered name in a

Summary

A notable recent ruling made at the Kenya Industrial Property Institute (KIPI) continued:

notice they sent to the latter on 28th September 2011. It is on these grounds that the applicants allege that the proprietors have no legitimate claim to the word or letters.

The proprietors, in response to the Applicants stated that they were also a registered society under the Societies Act and that they were the legal owners of the trademark "SABCRYNNSK" which they applied to use through the due process and successfully acquired and use in respect of their services in the Kenyan market. Applicants had not shown any evidence of ownership of the trade mark "SABCRYNNSK". They mention that the proprietors are

strangers to the suits alluded to by the applicants. Expungement of the proprietor's mark would be detrimental to them who have printed and issued baptism and membership cards to their members bearing their registered mark. In addition, the duration that the proprietors and applicants have used the mark is similar and therefore the applicants cannot be said to have a better claim to the trademark.

Ruling

The Applicants and the Proprietors have an equivalent claim to the trademark "SABCRYNNSK". The evidence brought forward that both

parties belonged to one organization which split due to internal wrangles. The two have used the name for a number of years uninterruptedly and it would be unjust for either of them to discontinue this use. There has therefore been honest concurrent use of the two marks and there is no valid reason why any of the two would be barred from continuing with such use.

While the Applicants would be considered an aggrieved person in this case according to section 35(1) of the Act, their interest is outweighed by the valid and legal claim of the proprietors to their registered mark. The mark shall therefore remain validly registered.

Our Work

We have been quite busy this month and have:

- Filed approximately 26 trademark applications across East Africa;
- Renewed approximately 25 trademarks already existing on the register of trademarks;
- Assisted with approximately 36 recordals of mergers, changes of names and assignments of trademarks; and
- Filed 5 patent applications and renewals of patent annuities.

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