



# THE JUDICIARY



REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT NAIROBI CITY

COURT NAME: MILIMANI LAW COURTS

CASE NUMBER: HCCOMM/E175/2023

CITATION: BEYOND OPINION BUSINESS SOLUTIONS VS ANTI COUNTERFEIT AUTHORITY (ACA)  
AND MANJI FOOD INDUSTRIES AND 1 OTHERS

RULING

**REPUBLIC OF KENYA  
IN THE HIGH COURT OF KENYA AT NAIROBI  
MILIMANI LAW COURTS  
COMMERCIAL AND TAX DIVISION  
CORAM: F. MUGAMBI, J  
CIVIL SUIT NO E 175 OF 2023  
BETWEEN**

**BEYOND OPINION BUSINESS SOLUTIONS  
LIMITED .....1ST PLAINTIFF/APPLICANT  
FRANCIS EINSTEIN .....2ND PLAINTIFF/APPLICANT**

**VERSUS**

**MANJI FOOD INDUSTRIES LIMITED....1STDEFENDANT/RESPONDENT  
CHRISPTOPHER NZIOKA.....2ND DEFENDANT/RESPONDENT  
ANTI-COUNTERFEIT AUTHORITY ....3RD DEFENDANT/RESPONDENT**

**RULING**

**Brief Facts and background**

1. Before the court is a Motion application under Certificate of Urgency dated 26th April 2023. The application is brought under section 1A, 1B and 3A of the Civil Procedure Act, section 25(3) of the Anti-Counterfeit Act, section 7(1) of the Trade Marks Act, Order 50 rule 1 of the Civil Procedure Rules and other enabling provisions of law. It seeks to stay the decision of 12th April 2023 and any subsequent decision by the Anti Counterfeit Authority (hereinafter the Authority) to institute proceedings against the 2nd applicant and one Chailin Einstein pending the hearing and



determination of the inter partes application and the hearing of the suit filed before this Court.

2. The application is premised on grounds on the face of the application as well as on the supporting affidavit of the 2nd applicant dated 26th April 2023. The applicants further substantiated their application by way of written submissions dated 15th May 2023. The 2nd respondent filed a replying affidavit dated 10th May 2023 and written submissions dated 15th May 2023, objecting to the application. The 3rd respondent filed a replying affidavit sworn on 12th May 2023, a Notice of Preliminary Objection dated 8th May 2023 and written submissions dated 15th May 2023.

3. The 1st applicant is described as a startup company that manufactures, sells and produces cookies and biscuits. The 1st respondent is described as a producer and manufacturer of biscuits and cookies under the trade name MANJI.

4. The current dispute emanates from a supposed raid, seizure of goods valued at Kshs 1,875,394.20 and sealing of the applicants' premises by an officer of the 3rd defendant. The seizure was as result of a complaint lodged by the 2nd respondent on behalf of the 1st respondent. It has been stated that the 3rd respondent claims that the applicants are guilty of the offences of possession or control in the course of trade, any counterfeit goods and manufacture, produce or make in the course of trade, any counterfeit goods; under section 32(a) and (b) of the Anti-Counterfeit Act (the Act). The applicants are before this Court to seek recourse under section 25(3) of the Act.

5. The applicants aver that the goods seized were not counterfeit and that they had a valid trademark certificate for them. They aver that the Authority did not hear them out and instead communicated its decision to institute proceedings against the 1st applicant's directors including the 2nd applicant. The applicant avers that these proceedings are an abuse of the court process because the goods of the applicants do not fall under the definition of counterfeit goods. The applicants aver that in fact, the claim by the Authority against them is one of passing off and one where the Authority does not have jurisdiction. The applicants argue that such jurisdiction lies with the High Court and in particular the commercial division.

6. The 3rd respondent in opposition to this application filed a Notice of Preliminary Objection dated 28th February 2023. The same is premised on the lack of jurisdiction of this court to grant the orders prayed for in the application, in the exercise of its ordinary jurisdiction.

7. The 3rd respondents argue that this Court lacks jurisdiction in the exercise of its civil jurisdiction to grant an order of stay of the decision of a public officer or body. It has been submitted that this can only be granted as an order of judicial review which jurisdiction this Court does not have.

8. Secondly, the 3rd respondent argues that there is no decision of the 3rd respondent capable of being stayed by this Court. This is because the 3rd respondent is an investigative agency which relies on the decision of the Director of Public Prosecutions to make the decision to charge and to institute criminal proceedings. This is a Constitutional edict found in Article 157(6) of the Constitution. For this reason, the 3rd Defendant is incapable of instituting proceedings under the Anti-Counterfeit Act and consequently there are no proceedings instituted or to be instituted by the 3rd Defendant capable of being stayed. If anything, the 3rd respondent argues that the orders being sought can only be directed at the Director of Public Prosecutions or the trial Court

9. Still on jurisdiction, the 3rd respondent argues that the inherent jurisdiction of the Court cannot be invoked where there are clear and express provisions to rely on. If anything, this would be the jurisdiction of the Court under Order 53 Rule 1(4) of the Civil Procedure Rules, which again, this

Court lacks jurisdiction to hear and determine. It is further argued that the jurisdiction under section 25(3) of the Anti-Counterfeit Act has not been properly invoked. There is no specific prayer in the plaint urging this Court to find that the seized goods are not counterfeit. The same is not a prayer in the application before this Court and as such this Court has no jurisdiction to proceed to entertain, hear and determine the matter.

10. The applicants on their part argue that the High Court has unlimited civil and criminal jurisdiction under the Constitution and therefore has jurisdiction to entertain the current application under article 165 of the Constitution. It has further been argued that the Act does not designate any specific Court for purposes of the remedy under section 25(3). The applicants argue that they do not wish to seek judicial review remedies as suggested by the 3rd respondent and that what they seek is to stay the decision of the 3rd respondent to institute criminal proceedings. The applicants argue that the present dispute is premised on enjoyment of intellectual property rights and is therefore a commercial dispute which does not fall within the purview of the Judicial Review Division of the High Court.

### **Analysis and determination**

11. Parties filed respective responses and submissions on both the application and the preliminary objection. I shall proceed to determine the two with priority to the preliminary objection raised. It has been said time and again that jurisdiction is everything and if this court were to find that indeed there is merit in the preliminary objection, this court would have to down its tools. See Owners of the Motor Vessel "Lillian S" v Caltex Oil (Kenya) Ltd [1989] eKLR.

12. This position was reiterated by the Supreme Court in Application No. 2 of 2011, Samuel Kamau Macharia & Another v. Kenya Commercial Bank Limited & 2 Others where it held as follows-

A Court's jurisdiction flows from either the Constitution or legislation or both. Thus, a Court of law can only exercise jurisdiction as conferred by the constitution or other written law. It cannot arrogate to itself jurisdiction exceeding that which is conferred upon it by law.

13. The alleged seizure and confiscation of the applicants' goods and sealing of the premises are sanctioned by the Anti Counterfeit Act. The short title to the Act is very clear that it was intended as an Act of Parliament to prohibit trade in counterfeit goods, and for this reason to establish the Anti-Counterfeit Authority.

14. The Authority is clothed with powers and functions under section 5 of the Act. These are reaffirmed in section 2 of the Office of the Director of Public Prosecutions Act which defines an investigative agency in section 2 as follows:-

In relation to public prosecutions means the National Police Service, Ethics and Anti-Corruption Commission, Kenya National Commission on Human Rights, Commission on Administration of Justice, Kenya Revenue Authority, Anti-Counterfeit Agency or any other Government entity mandated with criminal investigation role under any written law;

15. Section 56 of the Act lays out offences for which a person may be charged with. What is therefore clear is that the framework under the Act is one founded in criminal law sanctions. I must say in the same breath that for purposes of section 25(3) of the Act, the Court of competent jurisdiction referred to in my view would be a court competent to consider the merits of the decision taken by the Authority. That cannot possibly be this Court. The section states as follows-

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Any person aggrieved by a seizure of goods under section 23 may, at any time, apply to a court of competent jurisdiction for a determination that the seized goods are not counterfeit goods and for an order that they be returned to him.

16. This Court concurs with the finding in the case of Match Masters Limited v Kenafric Matches Limited & another [2021] eKLR. The Court correctly observed that

Counterfeiting as contemplated by statute is a criminal offence and while counterfeiting is by its very character trade mark infringement, all trade mark infringement is not counterfeiting. Counterfeiting is something more than trade mark infringement. ...The threshold to be reached in proving criminal counterfeiting is more involved than in proving non-criminal trade mark infringement.

17. The prayer for stay of proceedings is sought under sections 1A, 1B and 3A of the Civil Procedure Act and Order 50 rule 1 of the Civil Procedure Rules. The short title to the Civil Procedure Act is clear that it is an Act of Parliament to make provision for procedure in civil courts. While the Commercial and Tax Division of the High Court is a civil court, the proceedings that the applicants seek to stay are of a criminal nature. On this ground I am totally in agreement with the 3rd respondent that this court lacks the requisite jurisdiction to stay the proceedings as prayed.

18. It is not clear whether this is the reason as to why the DPP is not a party to these proceedings and whether the decision not to enjoin the office was a deliberate one as the application is directed to the Constitutional mandate of that office.

### **Determination**

19. In conclusion, and for the reasons that I have stated, I find the preliminary objection to be meritorious. The same is upheld and the application dated 26th April 2023 is dismissed with costs to the defendants.

**DATED, SIGNED AND DELIVERED IN NAIROBI**

**THIS 18TH DAY OF MAY 2023.**

**F. MUGAMBI  
JUDGE**

Court Assistant: Ms. Lucy Wandiri.

SIGNED BY: HON. LADY JUSTICE DR. GITHIRU FREDA MUGAMBI



