

IN THE COURT OF APPEAL

AT MOMBASA

(CORAM: MURGOR, NYAMWEYA & LESIIT, JJA)

CIVIL APPEAL NO. 114 OF 2019

BETWEEN

EXECUTIVE DIRECTOR,

ANTI-COUNTERFEIT AUTHORITY.....1ST APPELLANT

AND

UWIN INVESTMENTS AFRICA COMPANY

LIMITED1ST RESPONDENT

REGISTRAR OF TRADE MARKS.....2ND RESPONDENT

BRIGHT SKY SOLAR SOLUTIONS LIMITED.....3RD RESPONDENT

Consolidated with

MOMBASA CIVIL APPEAL NO 136 OF 2019.

REGISTRAR OF TRADE MARKS.....2ND APPELLANT

AND

UWIN INVESTMENTS AFRICA COMPANY

LIMITED1ST RESPONDENT

EXECUTIVE DIRECTOR,

ANTI-COUNTERFEIT AUTHORITY.....2ND RESPONDENT

BRIGHT SKY SOLAR SOLUTIONS LIMITED.....3RD RESPONDENT

***(An Appeal from the Judgment and decree of the High Court at Mombasa
(Ogola, J) dated 10th June 2019***

in

Miscellaneous Application No. No. 60 of 2018)

JUDGMENT OF THE COURT

This judgment is concerned with two appeals, that is *Mombasa Civil Appeal No.114 of 2019* (the first appeal) and *Mombasa Civil Appeal 136 of 2019* (the second appeal) that were consolidated by this Court as they arose out of the same judgment of 10th June, 2019. The appellant in the first appeal is *the Anti- Counterfeit Authority* and *the Registrar of Trade Marks* is the appellant in the second appeal. For the purposes of the appeal, we will refer to them as the 1st and 2nd appellants respectively.

In the appeals, the appellants were aggrieved by the decision of the High Court which ordered the writs of certiorari, prohibition and mandamus against them arising from flawed and unlawful decisions concerning *the 1st respondent, Uwin Investments Africa Company Limited's* trade mark, that is, TMA No. 88989 "GDLITE."

The genesis of the consolidated appeals is a Judicial review application dated 17th September, 2018 filed by the 1st respondent, seeking;

1. AN ORDER OF CERTIORARI to bring into this honourable Court and quash the decision of the Registrar of Trade Marks of the 3rd September 2018 which rectified the Register of Trade Marks by expunging the Applicant's Trade Mark TMA No. 88989 "GDLITE" from the Register of Trade Marks.

2. An ORDER OF MANDAMUS upon the Registrar of Trade Marks either by themselves, their servants, employees, and/or agents compelling them to remit the matter for reconsideration and hearing before the Tribunal established under the Trade Marks Act.

3. AN ORDER OF PROHIBITION against the Registrar of Trade Marks restraining it either by themselves their servants, employees and/or agents from publishing in the Kenya Gazette or the Kenya

Industrial Property Institute industrial property Journal the impugned expungement of Trade Mark TMA No. 88989 “GDLITE”

4. AN ORDER OF PROHIBITION against the Registrar of Trade Marks restraining it either by themselves, their servants, employees and/or agents from assigning to the 3rd parties the Trade Mark “GDLITE” in Class 9 of the Nice Classification of Goods and Services.

5. AN ORDER OF PROHIBITION against the Registrar of Trade Marks and the Executive Director Anti Counterfeit Agency restraining them jointly and/or severally either by themselves, their servants, agents and/or on behalf of the Government of the Republic of Kenya from commencing and/or instituting criminal proceedings against the Applicant, its servants, employees, and/or agents for being in lawful possession, control, importing into transiting through, trans-shipping within Kenya; goods in Class 9 of the Nice Classification bearing the Applicant’s expunged Trade Mark TMA No. 88989 “GDLITE” pending hearing and determination of this Application and further orders from this honourable Court.

6. A DECLARATION that the Executive Director Anti Counterfeit Agency actions on the 23rd and 28th of August 2018 of seizing and detaining container numbers TINU9962322 and DRYU4535826 respectively containing the Applicants goods bearing the Applicants Trade Mark TMA No. 88989 “GDLITE” is unlawful, unfair and breach of the Applicants right to a fair hearing and fair administrative action.

7. AN ORDER OF MANDAMUS upon the Executive Director Anti-Counterfeit Agency to release the container numbers TINU9962322 and DRYU4535826 seized and detained on the 23rd and 28th August 2018 respectively containing the Applicants goods bearing Trade Mark TMA No. 88989 “GDLITE”

8. In the alternative to prayer 7 above only: AN ORDER OF MANDAMUS upon the Executive Director Anti Counterfeit Agency to remove from the G-Section verification area of Kenya Ports Authority in Kilindini Harbour, Mombasa County containers number TINU9962322 and DRYU4535826 seized and detained on the 23rd and 28th August 2018 to the Executive Director Anti Counterfeit Agency own warehouse.

9. A DECLARATION that the Ex parte Applicant is entitled to Compensation to be assessed by the honourable Court against the Registrar of Trade Marks for the arbitrary deprivation of the Applicant intellectual property being Trade Mark TMA No. 88989 “GDLITE” by expunging the Applicant Trade Mark TMA No. 88989 “GDLITE” from the register of Trade Marks.

10. THAT the Costs of this Application be provided for.

The 1st respondent's case was that it applied for registration of a trade mark No. TMA No. 88989 "GDLITE" in the name of Carton Merchants Limited, (which was not a party to the suit), with respect to electrical accessories and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity in Class 9 of the Classification of goods and services. The trade mark was registered in Carton Merchants Limited's name by the 2nd appellant on 8th February 2016.

The 1st respondent claimed that on 2nd August 2017, a third party, one *Ningbo Zhengzheng Electric Appliance Co. Limited*, filed a complaint seeking rectification of the Trade Mark Register. The complaint was forwarded to Carton Merchants Limited on 13th December 2017, and on 27th March 2018, Carton Merchants Limited sought for and obtained an extension of time for 90 days within which to file its counter statement. It was asserted that on 12th June 2018, Carton Merchants Limited assigned the trade mark, TMA No. 88989 "GDLITE" to the 1st respondent. On 28th June 2018, the assignment was entered into the Register of Trade Marks and a Certificate of Registration of Assignment issued on 10th July 2018. Thereafter, the 1st respondent embarked on shipping 28,260 pieces of unassembled solar charging and lighting system items branded with the mark "GDLITE" from China in containers numbers TINU9962322 and DRYU4535826, destined for commercial trade with Kenya. In the meantime, by a letter of 24th July 2018,

the 2nd appellant notified the 1st respondent by registered post on 7th August 2018 to fix a hearing date before the Registrar of Trade Marks in liaison with the third party's advocate pursuant to *section 44* of the *Trade Marks Act* as read together with *rules 83(b)* and *103* of the *Trade Mark Act*.

On 23rd August 2018, following an application made by the third party's agent, the 1st appellant seized container No. TINU9962322 containing goods bearing the trade mark, TMA No. 88989 "GDLITE" and took two samples of the 1st respondent's goods for verification with the 2nd appellant. On 28th August 2018, the 1st appellant seized container No. DRYU4535826 containing goods bearing trade mark, TMA No. 88989 "GDLITE" and took two samples for verification with the 2nd appellant.

On 6th September 2018, the 1st respondent appointed Messrs. Wafula, Washika & Associates Advocates as its agent and advocate, who were then served with a letter dated 3rd September 2018 from the 2nd appellant notifying them of the decision to rectify the Register of Trade Marks by expunging the 1st respondent's trade mark No. TMA No. 88989 "GDLITE", from the register for reasons that it had failed to fix the matter for hearing in accordance with Trade mark law, and as directed by the Registrar pursuant to a letter dated 24th July 2018 and received on 7th August 2018.

The 1st respondent averred that the decision made by the Assistant Registrar of Trade Marks of the 2nd appellant should have been made after the 7th September 2018, upon the lapse of 30 days from the date of receipt of

the letter dated 24th July 2018. Thereafter, Mr. Edgar Washika was summoned by one Chief Inspector Eric Wekesa attached to Kilindini Port Police Station to appear on the 10th September 2018 and subsequently charged with importing counterfeit goods, together with other officials of the 1st respondent.

The application was opposed by the 2nd appellant who in a replying affidavit sworn by Eunice Wairimu Njuguna, its Manager, Legal Services, on 3rd October 2018 deponed that on 6th July 2018, the 2nd appellant received a letter from one, Ningbo Zhengzheng Electric Appliances Company Limited indicating that the 1st respondent had not filed their counter statement to their complaint by the 24th July 2018, the date the 2nd appellant had directed the 1st respondent to fix a hearing date for the dispute within 30 days.

The 2nd appellant asserted that since the 1st respondent had not complied with the directions in the letter of 24th July 2018, by the letter of 3rd September 2018, it made a decision to rectify the register by expunging the 1st respondent's trade mark No. TMA No. 88989 "GDLITE" from the Register of Trade Marks due to its indolence and negligence.

It was further deponed that in accordance with *section 3(5)* of the *Interpretation and General Provisions Act* and *rule 3(1)(a) (i)* of the *Kenya Information and Communication (Postal and Courier Services) Regulations, 2010*, once a letter is sent by registered post, it is deemed to have been delivered to the addressee, and therefore, the 1st respondent was deemed to

have received the letter dated 24th July 2018 on the 1st August 2018, when the letter was dispatched by registered mail.

The 2nd appellant stated that in accordance with the provisions of *rule 52 A* of the *Trade Mark rules*, the Register of Trade Marks can be rectified by expunging a trade mark and on 3rd September 2018, the 1st respondent's trade mark was expunged when the period had expired; that thereafter the 1st respondent was given a further 30 days within which to fix the matter for hearing, but failed to do so. The 2nd appellant further asserted that issuance of an order of certiorari to quash its decision would amount to condoning indolence and negligence on the 1st respondent's part, and that an order for damages would be contrary to the provisions of the Trade Marks Act and the rules, since *section 48* prohibited an award of costs against the 2nd appellant in all proceedings under the Act.

In a replying affidavit sworn on 12th November 2018 by Yusuf Osman Ahmed, acting Chief Anti-Counterfeit Inspector on behalf of the 1st appellant, it was deponed that the Agency's mandate was executed through inspectors appointed or designated under *section 22* of the *Anti-Counterfeit Act*; that on 1st August 2018, *the 3rd respondent, Bright Sky Solar Solutions Limited* lodged a complaint with the Agency in accordance with *section 33(1)* of the *Anti-Counterfeit Act* and *regulation 13* of the *Anti-Counterfeit Regulations, 2010* to the effect that suspected counterfeit goods had been imported into Kenya from China through the Port of Mombasa in two containers, that is,

TINU9962322 and DRYU4535826, which had violated its intellectual property rights; that pursuant to the complaint, Inspectors Tobias Korir and Derrick Mutugi Kaburu were instructed to open and inspect the two containers to determine whether they contained counterfeit goods.

According to the 1st appellant on 22nd August 2018, 23rd August 2018 and 28th August 2018, the containers were inspected and a total of 28,260 pieces of unassembled solar lighting systems bearing the trademark “GDLITE” suspected to be counterfeit were seized and stored in a gazetted counterfeit goods depot No. 2; that the inspection was carried out fairly, legitimately and procedurally and that the 1st respondent was represented by one, Edgar Washika Ochima, an agent and advocate of the 1st respondent; that after investigations were completed, a decision was made to prefer criminal charges against the 1st respondent on 14th September 2018, based on the formal complaint and the existence of a dispute with regard to the use of Trade Mark “GDLITE” and the industrial design, which dispute required to be “decided in a fair and public hearing” before a court.

The 1st appellant averred that the 1st respondent’s application was fatally defective and incurably incompetent for failure to comply with the express provisions of *order 53 rule 3* of the *Civil Procedure Rules*, and since the orders sought were contrary to express provisions of law, they were incapable of being granted by this Court; that the prayer seeking orders of prohibition was not available to the 1st respondent as the office of the Director of Public

Prosecutions responsible for prosecutions was not joined in the proceedings, and therefore the order of prohibition could not issue against the 1st appellant; that further, it was a criminal offence to import counterfeit goods into the country, and therefore, the seizure was not unlawful or unfair since the 1st respondent's agent had an the opportunity to be heard when he recorded a statement with the Agency; that the suspected counterfeit goods could only be released if they were found to be genuine; that in the absence of such finding, the orders of mandamus cannot issue.

Further, that *section 25(1) (c)* and *section 27(4)* of the *Anti-Counterfeit Act* vested powers in an inspector to seize suspected goods, and since the inspectors, and not the 1st appellant had seized the goods, it was the inspectors who ought to have been sued; that the 1st appellant relied on the 2nd appellant's letter of 4th September 2018 informing it that the 1st respondent's trade mark had been expunged on 3rd September 2018.

The 1st appellant further averred that the 1st respondent had not sought to quash the aforesaid seizures and inventories on account of illegality or otherwise, and on this basis no court order could be issued. The absence of any irrationality, illegality or procedural impropriety on the part of the Agency meant that the motion ought to be dismissed with costs.

On its part, the 3rd respondent opposed the application in a replying affidavit sworn by Mr. Mohammed Ali Issack, its manager on 10th November, 2018. The 3rd respondent averred that it is the owner of trademark

“GDLITE” in Kenya having registered it on 15th April 2015 under the Trademarks Act and having been appointed as the true and lawful agents of the original owner, Ningbo Zhengzheng Electric Appliance Company Ltd by way of a Power of Attorney; that on or about 23rd August 2018, it received information that the 1st respondent had imported goods similar and/or identical to their registered Trade Mark “GDLITE” into the country through the port of Mombasa; that the 1st respondent’s lethargy in fulfilling its obligations led to the expunging of the 1st respondent’s trade mark and that *rule 52* of the Trade Mark rules provides that if an applicant fails to submit a Counter-Statement to the Registrar within the prescribed period, the application shall be deemed abandoned and the Registrar may proceed to make an award on cost; that the 2nd appellant acted reasonably, impartially and in good faith.

After considering the pleadings and the parties’ submission, the High Court determined the following issues; whether the letter dated 24th July 2018 was delivered to the 1st respondent; whether there was indolence on the 1st respondent’s part; whether the 2nd appellant followed the due process to arrive at the decision dated 3rd September 2018; whether the 1st appellant’s decision on the 23rd and 28th August 2018 to seize the 1st respondent’s goods and to institute criminal proceedings against the 1st respondent were made after the appellant had taken into consideration irrelevant consideration and whether costs were awardable in the circumstances.

On the first issue, the court observed that the 1st respondent proved that it received the letter from the 2nd appellant on 7th August 2018; that *section 44* of the *Trade Marks Act* as read together with *rules 103* and *83(b)* of the *Trade Mark rules* provided for thirty (30) days from the date of receipt of the letter or notice, that being 7th August 2018 in this case; that any action by the 2nd respondent should have taken place after the 7th September 2018; that as a result, the 2nd appellant acted unfairly when it computed time from 1st August 2018 when it posted the letter dated 24th July 2018 to the 1st respondent. The court also found that the 2nd respondent made the decision to expunge the trade mark from the register before the 1st respondent was afforded the right to be heard, thereby committing a procedural impropriety and illegality, which rendered the decision of 3rd September 2018 unsustainable.

It was also observed that both the charge against the 1st respondent and seizure of its goods were based on faulty premises and could not stand; that the 1st respondent's detained goods were not counterfeit as they were wrongfully declared counterfeit on 3rd September 2018, and on the basis of the 2nd appellant's letter dated 4th September 2018, the 1st appellant seized the 1st respondent's goods and instituted criminal proceedings against the 1st respondent's officials; that the presence of the solar panels and solar batteries were deliberately omitted from inclusion in Class 9 in which the 1st respondent's trade mark was registered thereby influencing the decision of the 1st appellant; that the 1st appellant took into consideration irrelevant matters

in arriving at its decision to seize and prefer criminal charges against the 1st respondent's officials which rendered the appellants' actions unlawful and illegal. In so finding, the trial judge, allowed the application and issued the following orders;

a) An order of certiorari is hereby issued removing into this Court for purposes of quashing the 2nd Respondent's decision made on the 3rd September 2018 which rectified the Register of Trade Marks by expunging the Applicant's Trade Mark TMA No. 88989 "GDLITE" from the Register of Trade Marks.

b) An order of mandamus is hereby issued removing into this Court for purposes of compelling the 2nd Respondent either by themselves, or their servants, employees and/or agents compelling them to remit the matter for reconsideration and hearing before the Tribunal established under the Trade Mark Act.

c) A declaration that the 3rd Respondent's actions on the 23rd and 28th of August 2018 of seizing and detaining container numbers TINU9962322 and DRYU4535826 respectively containing the Applicants goods bearing the Applicants Trade Mark TMA No. 88989 "GDLITE" is unlawful, unfair and in breach of the Applicant's right to a fair hearing and fair administrative action.

d) An order of prohibition against the 2nd Respondent restraining the 1st Respondent either by themselves, their servants, employees and/or agents from assigning to the 3rd parties the Trade Mark "GDLITE" in Class 9 of the Nine Classification of Goods and Services until the matter is reconsidered under Order No. (b) above.

e) An order of mandamus upon the 3rd Respondent to release the container numbers TINU9962322 and DRYU4535826 seized and detained on the 23rd and 28th August 2018 respectively containing the Applicant's goods bearing Trade Mark TMA No. 88989 "GDLITE"

f) A declaration that any criminal proceedings initiated by the 3rd Respondent relating to the matters raised herein are premature, illegal and unfounded and for that reason the said Criminal Case No. 1585 of 2018 ACA is hereby forthwith terminated.

The appellants were aggrieved and filed the appeals against the decision. The grounds in the first appeal were that, the learned judge erred in

law and in fact in failing to appreciate, that pursuant to the provisions of *sections 27 and 28* of the *Anti-Counterfeit Act*, the 1st appellant was incorrectly sued, since it did not seize or detain containers TTNU9962322 and DRYU 4535826 under *sections 23 and 25* of the Act and that consequently no declaratory remedies could issue against him; in failing to appreciate that the 1st appellant did not make the decision to charge as the responsibility lies with the Director of Public Prosecution; in addressing the merits of the case and usurping the powers and jurisdiction of the trial court; in failing to appreciate that the decision made by the 2nd appellant related to Class 11 goods under the International Classification of Goods and Services {the NICE Agreement} and not Class 9, and consequently, the court was wrong to order release of the seized goods based on a Class 9 trade mark; in failing to appreciate that the well settled principles for award of judicial review orders of illegality, irrationality and procedural impropriety were never proved against the 1st appellant to warrant the grant of any prerogative orders; in failing to appreciate, that the decision to seize and detain the infringing goods was based on the provisions of *section 23(1)(a)* of the Act and further, the decision to charge was not based on any opinion or otherwise from the 2nd appellant; in failing to appreciate that the decision pertained to goods that were counterfeit as described under *section 25 (3)* of the Act; in failing to appreciate that it could not grant orders that were neither sought nor prayed for; in applying wrong principles to terminate the criminal proceedings; in

failing to consider the submissions, both oral and written of the 1st appellant, and infringing on its right to be heard; in misdirecting itself by taking into account irrelevant considerations without evidence; and in misconstruing substantive issues regulated by different laws and undertaken by different persons.

The grounds of the second appeal were that, the learned judge was wrong in finding that the 1st respondent's indolence was justifiable and further misinterpreted *section 3 (5)* of the *Interpretation and General Provisions Act*; in determining that the 2nd appellant did not act fairly when it computed the time within which the 1st respondent was to take a hearing date for the expungement proceedings; in failing to consider that the Trade Marks Act and rules envisaged that once expungement proceedings are initiated, they should be concluded; in finding that the 2nd appellant committed procedural impropriety and illegality through its decision of 3rd September 2018, yet the 1st respondent was accorded a chance to be heard before the decision was made; in declaring the 2nd appellant's decision to be null and void ab initio; in finding that the 2nd appellant deliberately omitted the inclusion of solar panels and batteries being provided for in Class 9 in which the 1st respondent's trademark was registered; in concluding that the 1st appellant's decision to charge the 1st respondent was solely based on the 2nd appellant's decision communicated through the letter dated 4th September 2018, and failing to consider that the 1st respondent did not adduce any evidence or

reason why it did not file the grounds in support of registration of trademark TMA No. 88989 “GDLITE; in applying the wrong facts and arriving at its decision that the 3rd respondent in an effort to protect its perceived market share, made a report to the 1st appellant that the goods were counterfeit.

When the appeals came up for hearing on a virtual platform, learned counsel for the 1st appellant, *Mr. Adera* submitted that Parliament did not vest the 1st appellant with power to undertake the functions and powers vested in inspectors and the depot manager under *section 27* of the Anti-Counterfeit Act; that no evidence demonstrated that the 1st appellant was an inspector in charge of the case or a depot manager having custody of the seized goods, and that since the order to release the seized containers was not directed at the depot manager as required by *section 27* of the Act, the orders of the High Court were illegal and should be reversed; that there was no evidence showing that the 1st appellant seized or detained goods, or that demonstrated that the 1st appellant had the power to institute criminal proceedings; that the goods alleged to be counterfeit belong to Class 11 of the NICE Agreement and not Class 9, and consequently the High Court was wrong to order their release without a finding whether the seized goods belonged to Class 9, and whether they were counterfeit.

It was contended that the court granted the 1st respondent an order of declaration that was neither sought nor prayed for and that it misconstrued the judicial review application, yet there were different decisions, made at

different times, by different persons and institutions all regulated by different laws and principles. In support of the submissions, counsel relied on the cases of amongst other, *Kenya National Examination Council vs Republic Ex Parte Geoffrey Gathenji Njoroge & 9 others [1997] eKLR*; *Municipal Council of Mombasa vs Republic & another [2002] eKLR* and *Funzi Island Development Limited & 2 others vs County Council of Kwale & 2 others [2014] eKLR* for the proposition that judicial review is based on the decision making process and not on the merits of the decision.

Learned counsel for the 2nd appellant, *Ms. Were* submitted that the specifications of the goods under the “GDLITE” trademark did not include solar panels and batteries; that the court misdirected itself in finding that they were deliberately left out; that in all cases, it is the applicant that makes the application for registration and not the registrar.

Learned counsel for the 3rd respondent, *Ms. Asli* filed written submissions and supported the appeals. It was submitted that, the 2nd appellant had been wrongly sued having regard to *section 27* of the *Anti-Counterfeit Act* which created an office of inspectors who had the statutory power to direct the release of seized goods; that as a consequence, the order of mandamus issued ought to have been against the inspectors and not the 1st appellant, and that having been issued against the latter, the order was of no effect. It was also submitted that since the inspectors pursuant to *sections 23* and *25* had seized the 1st respondent’s containers, the seizure ought not to

have been attributed to the 1st appellant. Finally, it was submitted that the learned judge wrongly determined the merits of the suit in the petition for judicial review when the courts decision should have been restricted to the decision making process. For this proposition, counsel relied on the cases of *Chief Constable vs Evans [1982] 3 All ER 141* and *Kenya Pipeline Company Limited vs Hyosung Ebara Company Limited & 2 others [2012] eKLR* where it was held that judicial review is concerned not with the decision, but with the decision-making process. It is not an appeal from a decision, but have a review of the manner in which the decision was made.

On his part learned counsel, *Mr. Munyithya* appeared for the 1st respondent, and sought to rely on its written submissions, where it was submitted that the Executive Director of the Anti-Counterfeit Authority was the rightful party to the proceedings by virtue of having ordered the seizure of the 1st respondent's two containers on 23rd August 2018 and 28th August 2018; that the seized goods were classified under both Class 9 and Class 11 of the International Classification of Goods and Services (The NICE Agreement) contrary to the appellants' assertions; that the seized goods were declared counterfeit on the basis of the 3rd respondent's complaint to the 1st appellant, and accepting the complaint, the 1st appellant made the decision to seize the 1st respondent's goods and charge its officials with possession of counterfeit goods.

Regarding the 1st appellant's contestation that no goods were seized, it was submitted that an inventory of the seized goods was in evidence, which confirmed the seizure by the 1st appellant. And concerning the assertion that the 1st appellant did not make the decision to charge the 1st respondent, it was stated that the charge sheet showed that it was the 1st appellant that preferred the charges of importing counterfeit goods contrary to *sections 32 and 35 (1) (a)* of the Act against the 1st respondent's officials.

Submitting in respect of the 2nd appellant's appeal, counsel stated that, in accordance with *section 35* of the *Interpretation and General Provisions Act*, the decision made by the 2nd appellant on 3rd September 2018 expunging the trademark from the Register of Trade Marks could only be made after the 7th September 2018 upon the lapse of 30 days from the date of receipt of the 2nd appellant's letter; that the court was therefore justified in finding that by having expunged the 1st respondent's trade mark before the expiry of the period, the 2nd appellant's actions were unprocedural and unlawful.

Regarding the trial court's findings that the 2nd appellant deliberately omitted to include solar panels and batteries in Class 9, it was submitted that in accordance with the NICE classification of goods and services, the goods classified under Class 9 also comprised solar panels and batteries; that the 1st respondent's trademark "GDLITE" only included electrical accessories and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity and therefore the 2nd appellant's attempt

to exclude the solar panel and other batteries from the 1st respondent's trademark was without any basis.

It was further submitted that the criminal proceedings were as a result of the 1st respondent's trade mark being expunged from the Register; that additionally, the charge sheet dated 14th September 2018, was drawn up a few days after the decision to expunge was made; that if the trade mark had not been expunged, there would have been no basis for criminal proceedings. It was pointed out that, the 1st respondent's goods were registered under the "GDLITE" trade mark by a certificate of registration of assignment number 88989 in Class 9, while the 3rd respondent's trademark was registered under trademark number 870600 in Class 11; that *section 15 (1)* of the Trade Marks Act allows for the registration of identical or similar marks, provided that the description of goods or services is not similar or identical. The 3rd respondent therefore sought to protect its market share by lodging a complaint with the Agency which led to the seizure of the 1st respondent's goods.

This is a first appeal, and the duty of a first appellate court is to reassess and re-evaluate the evidence and draw its own independent findings and conclusions. It is not open to the court to arrive at a different conclusion when reviewing the trial court's decision simply because it would have reached a different result as if it were hearing the matter for the first time. (See *Abok James Odera T/A A. J Odera & Associates vs John Patrick Machira t/a Machira*)

& Co. Advocates [2013] eKLR and Kenya Ports Authority vs Kuston (Kenya) Limited (2009) 2 EA 212).

What is for consideration in this appeal is whether upon reviewing the decisions of the 1st and 2nd appellant that is; i) the 2nd appellant's decision of 3rd September 2018 to expunge the 1st respondent's trade mark and ii) the 1st appellant's decisions to seize the 1st respondent's goods and charge its officials with counterfeit, the learned judge rightfully granted the prerogative orders sought. In determining whether the decisions were lawful, we find that the issues for consideration are;

1. *Whether the 2nd appellant was entitled to expunge the 1st respondent's Trade mark registrations from the Register of Trademarks;*
2. *Whether the 1st appellant rightfully seized the 1st respondent's goods and charged the 1st respondent's officials;*
3. *Whether the learned judge considered the judicial review petition on its merits; and*
4. *Whether the learned judge rightly issued the orders of certiorari, prohibition and mandamus sought.*

Under judicial review, the court is called upon to consider the propriety of decision making by the authority or entity donated to with powers to undertake certain decisions.

In the case of *Municipal Council of Mombasa vs Republic & Umoja Consultants Ltd, Civil Appeal No. 185 of 2001*, this Court stated that;

“Judicial review is concerned with the decision making process, not with the merits of the decision itself: the Court would concern itself with such issues as to whether the decision makers had the jurisdiction, whether the persons affected by the decision were heard before it was made and whether in making the decision the decision maker took into account relevant matters or did take into account irrelevant matters...The court should not act as a Court of Appeal over the decider which would involve going into the merits of the decision itself-such as whether there was or there was not sufficient evidence to support the decision...It is the duty of the decision maker to comply with the law in coming to its decision, and common sense and fairness demands that once the decision is made, it is his duty to bring it to the attention of those affected by it ...”

Recently however, in the case of *Suchan Investment Limited vs Ministry of National Heritage & Culture & 3 others [2016] eKLR*, this Court determined that *Article 47 of the Constitution* as read together with the provisions of the Fair Administrative Actions Act had given rise to an “...*implicit shift of judicial review to include aspects of merit review of administrative action.*”. Merit review includes a review of the fairness, reasonableness, rationality, and relevance of the considerations taken into account in the making of an impugned decision or action.

Procedural propriety is an essential element in decision making. And with respect to procedural impropriety, the court had this to say in the case of *Pastoli vs Kabale District Local Government Council and Others [2008] 2 EA 300*;

“Procedural impropriety is when there is a failure to act fairly on the part of the decision-making authority in the process of taking a decision. The unfairness may be in non-observance of the Rules of Natural Justice or to act with procedural fairness towards one to be

affected by the decision. It may also involve failure to adhere and observe procedural rules expressly laid down in a statute or legislative Instrument by which such authority exercises jurisdiction to make a decision.”

Bearing the foregoing in mind, we begin with whether the 2nd respondent was entitled to expunge the 1st respondent’s trade mark registrations from the Register of Trade Marks. The 1st respondent’s grievance is that it was not heard, because the 2nd appellant expunged its trade mark without first adhering to a 30 days’ notice from the time of issuance of the letter of 24th July 2018, which letter required it to fix a hearing against the 3rd respondent’s complaint that it had infringed on its trademark “GDLITE”. It was further claimed that it was condemned unheard.

In this regard, *section 3(5) of the Interpretation and General Provisions Act*, provides that;

“where any written law authorizes or requires a document to be served by post, whether the expression “serve” or “give” or “send” or any other expression is used, then, unless a contrary intention appears, the service shall be deemed to be effected by properly addressing to the last known postal address of the person to be served, prepaying and posting, by registered post, a letter containing the document, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of the post.”

In addition to *section 3 (5)* above, *section 44 of the Trade Marks Act* provides;

“Where any discretionary or other power is given to the Registrar by this Act or the rules, he shall not exercise that power adversely to the applicant for registration or the registered proprietor of the trade mark in question without (if duly required so to do within the prescribed time) giving to the applicant or registered proprietor an opportunity of being heard”.

Further, *rule 103* of the *Trade Mark rules* specifies that;

Before exercising adversely to any person any discretionary power given to the Registrar by the Act or these Rules, the Registrar shall, if so required, hear that person thereon” (emphasis ours).

It is therefore evident from *section 44* of the Act and *rule 103* of the rules, that an applicant or registered proprietor is to be allowed an opportunity to be heard, prior to the exercise of any discretionary or other power given to the Registrar by the Act or the rules (such as the power to cancel registration of a registered proprietor’s trade mark), particularly where the intended action will be adverse to the interests of the applicant or registered proprietor, provided that the requirement for a hearing is made within the prescribed time. *Rule 104* of the rules specifies the prescribed timeframe as;

“An application for a hearing shall be made within thirty days from the date of notification by the Registrar of any objection to an application or the date of any other indication that he proposes to exercise a discretionary power.” (emphasis ours)

Once the Registrar notifies a person of the intention to take an adverse action, the applicant must notify the Registrar of his intention to be heard in order to initiate the process of a hearing. See ***Republic vs Registrar of Trade Marks Ex-Parte Kenafric Industries Limited & another [2017] eKLR.***

In the instant case, the 1st respondent averred in his affidavit in support that it received the 2nd respondent’s letter 24th July 2018 on 7th August 2018. In the annexure marked YL-7, the stamp on the call notice 6-1851543-18-3711 from the Postal Corporation of Kenya is dated 7th August 2018. The 1st respondent’s evidence was that it collected the letter on the same day. Going

by the computation of time specified by *section 3 (5)* of the *Interpretation and General Provisions Act*, and the 30 days' notice period prescribed by *rule 104*, it would mean that notice period would have begun to run from 7th August 2018 after it was received, and not from the date the notice was posted. In the circumstances, the trial judge rightly concluded that the 2nd respondent acted unfairly and unprocedurally when the notification to the 1st respondent was computed from 1st August 2018, the date the impugned letter was posted, instead of from the date that the 1st respondent was considered to have received the letter. So that, in so far as the period within which the 1st respondent was to have responded to the request for fixing of a hearing date had yet to expire, the 2nd appellant did not comply with the provisions of the Act, when it decided to expunge the 1st respondent's trade mark from the Register by a letter of 3rd September 2018 prior to expiry of the statutory 30 days, and without providing it an opportunity to be heard.

On the requirement for a fair hearing, *Article 47* of *the Constitution* is unequivocal. It states that;

(1) Every person has the right to administrative action that is expeditious, efficient, lawful, reasonable and procedurally fair.

(2) If a right or fundamental freedom of a person has been or is likely to be adversely affected by the administrative action, the person has a right to be given written reasons for the action."

Pursuant to *Article 47(3)* of the *Constitution*, Parliament enacted the Fair Administrative Action Act, 2015 (FAA), and under *section 4 (3)* it is

provided that where an administrative action is likely to adversely affect the rights or fundamental freedoms of any person, the administrator is required to give the person affected, amongst other things, a prior and adequate notice of the nature and reasons for the proposed administrative action, an opportunity to be heard and to make representations and, to give a statement of reasons for which the action was taken. See also *Judicial Service Commission vs Mbalu Mutava & another [2015] eKLR.*

The record discloses that the 2nd appellant's decision to rectify and expunge the 1st respondent's trademark TMA No. 88989 "GDLITE" was communicated to the 1st respondent in a letter dated 3rd September 2018. The final paragraph of the impugned letter read;

"Records at the Registry of Trade Marks that you neither fixed the matter for hearing, in accordance the law of trademarks in Kenya, and as directed by the Registrar in the letter dated 24th July 2018, and nor did you seek extension of time. For this reason, the Register of Trade Marks is hereby rectified by expunging your trade mark TMA No. 88989 "GDLITE" from the Register."

Before doing so, the 2nd appellant did not allow the 1st respondent a chance to explain why it had yet to fix the matter for hearing, or why its trade mark ought not to be expunged from the Register. Such lapse was in contravention of the Constitution, the provisions of the Fair Administrative Actions Act, the Trademarks Act and the ensuing rules. In having made the decision to expunge, the 1st respondent's trade mark from the Register in this way, as was the learned judge, we too are satisfied that the decision was unfair, procedurally improper and unlawful.

The 1st respondent's trade mark having been expunged, laid ground for the 3rd respondent's claim to the effect that the 1st respondent's goods were counterfeit, since the trade mark "GDLITE" was solely registered in its name. This would lead us into the next issue pertaining to the second decision and the seizure by 1st appellant of the 1st respondent's containers.

Before addressing this issue, there is a preliminary point that requires to be determined. The 1st appellant complained that it was wrongly sued because *sections 23* and *25* of the *Anti-Counterfeit Act* specifies that only the inspectors under the Act are empowered to seize counterfeit goods, and only they have the power under *sections 27* and *28* to store, keep in their custody and order release of any seized counterfeit goods; that in failing to appreciate that the Executive Director did not seize or detain containers nos. TTNU9962322 and DRYU4535826, no declaratory remedies could issue against him to release the goods. Though raised, the issue was not addressed by the trial court. It is therefore important that we address it at this juncture.

No doubt, the provisions of the Act identify the 1st appellant's inspectors as persons mandated to undertake seizure, storage and custody as well as the release of the seized goods. But having said that, the Act also provides for the office of Executive Director, which is a body corporate established under *section 3(1)* of Act. Its functions are to be found in *section 10* of the Act and include;

- a) *be an ex officio member of the Board but shall have no right to vote at any meeting of the Board;*
- b) *be the secretary to the Board;*
- c) *subject to the directions of the Board, be responsible for the day to day management of the affairs of the Agency;*
- d) *be responsible to the Board generally for supervision of inspectors;*
and
- e) *be responsible to the Board generally for the implementation of this Act.”*

Section 33 provides for the manner in which a complaint may be laid by a holder of an intellectual property right to the Executive Director. Of relevance to the circumstances of this case is **section 33 (5)** that specifies that;

“Nothing in this section shall preclude the Executive Director from causing appropriate steps to be taken in accordance with section 23(1) in the event of an infringement of an intellectual property right for which no complaint has been lodged by the holder thereof in accordance with subsection (1) of this section”.

Section 25 (3) and **(4)** also provides that;

“(3) 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.

(4) The court may grant or refuse the relief applied for under subsection (3) and make such order as it deems fit in the circumstances, including an order as to the payment of damages and costs.”

The above provisions are clear that among its duties, the Executive Director shall supervise its inspectors. And as prescribed by **section 33**, upon being satisfied that there is an infringement of an intellectual right, it can direct that appropriate steps be taken in accordance with **section 23 (1)**. An interpretation of these provisions makes it patently clear that the Executive Director acting through its inspectors is responsible for seizure of counterfeit

goods and other contraband. Conversely, it can take appropriate steps to redress wrongfully seized goods, with or without a court order. Essentially, being the corporate office of the Agency, we are satisfied and find that it was properly sued, and therefore the mandamus orders were rightly directed against it.

Having so found, were the 1st respondent's goods seized, and was the decision proper and lawful? The 1st appellant has argued that it did not seize or detain the 1st respondent's goods, and no evidence of such seizure or detention was presented in court. It was further submitted that without evidence, the trial court found that the seizure and detention of the goods was based on the opinion of the 2nd appellant, and further, it wrongfully concluded that the 2nd appellant's opinion was binding on it, and was the basis on which the seizure was carried out.

To begin with, a review of the record discloses that the goods were seized on 23rd and 28th August 2018 after a complaint was lodged by the 3rd respondent to the 1st appellant that counterfeit goods were being imported into the country by the 1st respondent. An inventory is evidence that goods were seized, and it also stated that the containers were detained. Further, Derrick K. Mutugi, the 1st appellant's inspector deponed that after he seized the containers, two samples of the goods were removed from each container; that after the 1st respondent informed him that it had a registered trademark, he sought an opinion from the 2nd appellant who by a letter dated 4th

September 2018 confirmed that the trade mark was expunged on 3rd September 2018. It was upon receiving this confirmation that the 1st appellant “...went ahead to level charges against three accused persons.”

For its part, the 3rd respondent attested that the goods were seized after the 1st respondent’s trade mark “GDLITE” was expunged from the Register, leaving it as the sole owner of the trade mark, and which rendered the 1st respondent’s goods to be counterfeit, and liable to be seized.

The evidence is uncontroverted that, the 1st appellant, acting through the inspectors made the decision to seize the 1st respondent’s containers on allegations made by the 3rd respondent, before the 1st respondent’s trade mark was expunged. It was after seizure that they were informed by the 2nd appellant that the trade mark was expunged from the Register. As to whether the decision to seize the goods was procedural and reasonable, the learned judge stated thus;

The Ex parte Applicant’s detained goods were not counterfeit. Instead, they were declared counterfeit by the Interested Party, who, in an effort to protect its perceived market share, made a report to the 1st Respondent at the said goods were counterfeit. Further, the 2nd Respondent avers that it was advised by the 1st Respondent vide a letter dated 4th September 2018 that the said Trade Mark had been expunged. This means that if the 1st respondent was wrong in expunging the said Trade Mark, then the 2nd respondent was also wrong in the action it took in detaining the Ex parte Applicant’s goods and instituting criminal proceedings against the Ex parte Applicant (sic) officials. The 2nd respondent action was therefore unlawful and illegal”.

We agree. It cannot be disproven that the sequence of events commencing with the 3rd respondent's complaint leading to seizure of the goods, followed by the 2nd appellant's unlawful decision of 3rd September 2018 to expunge the 1st respondent's trade mark from the register paved way for the 1st appellant to improperly detain its containers at the behest of the 3rd respondent without the 1st respondent having had an opportunity to be heard.

This was then followed by the unlawful decision made to charge the 1st respondent's officials. A review of the charge sheet reveals that the 1st appellant was central to the charges being preferred. The admission at paragraph 14 of the affidavit of Inspector Derrick K. Mutugi is confirmation of this. Once again, the 2nd appellant's letter of 3rd September 2018 was the basis on which the charges were preferred. Similarly, as was the decision to seize the 1st respondent's goods, we find that the 1st appellant's decision to charge the 1st respondent's officials on the basis of the unlawful letter of 3rd September 2018 was likewise, unlawful.

Addressing instances such as this that arise out of unlawful circumstances, the case of Macfoy vs United Africa Company [1961] 3 All ER 1169 is of pertinence thus;

“If an act is void, then it is in law a nullity. It is not only bad but incurably bad. There is no need for an order of the court to setting aside. It is automatically null and void without more ado, though it is sometimes convenient to have the court declare it to be so.”

In sum, the 2nd appellant's decision to expunge the trade mark from the register, and the 1st appellant's subsequent decisions to seize the goods and charge the 1st respondent's officials having been founded on wrongful premises, amounted to a nullity, and we find that they were unfair, unprocedural and unlawful.

Accordingly, we are satisfied that, the orders of certiorari, mandamus and declaration regarding the trademark No TMA No. 88989 "GDLIT" as issued against the 2nd appellant, and the orders mandamus and the declaration on the seizure and charging of the 1st respondent's officials issued against the 1st appellant by the trial court were rightfully issued, and we so find.

Finally, as to whether the judge determined the dispute on the merits when he made reference to the omission of the solar panels and batteries from the 1st respondent's trade mark, we consider the judge's pronouncements to have been mere observations, and nothing really turned on them. In any event, if the judge did consider the merits of the dispute as they related to the decisions that were rendered, he was not precluded from doing so by virtue of this Court's decision in the case of *Suchan Investment Limited vs Ministry of National Heritage & Culture & 3 others (supra)*, in considering the rationality, reasonableness and motive of the appellants' decisions. We are therefore satisfied that the learned judge did not take into account irrelevant considerations, or misconstrued the issues under contention, and we find that we have no reason to interfere with that decision.

In effect, the dispute on the registration of the 1st respondent's trademark "GDLITE" with certificate of registration of assignment number 88989 in Class 9, and the 3rd respondent's trademark was registered under the name GDLITE trademark number 870600 under Class 11 remains material, and as ordered by the High Court, the matter should be remitted to the Trademark tribunal for reconsideration and hearing.

In sum, we have said enough to demonstrate that the appeals are lacking in merit and are for dismissal with costs to the 1st respondent, particularly bearing in mind that costs follow the event.

It is so ordered.

Dated and delivered at Mombasa this 2nd day of December, 2022.

A.K. MURGOR

.....
JUDGE OF APPEAL

P. NYAMWEYA

.....
JUDGE OF APPEAL

J. LESIIT

.....
JUDGE OF APPEAL

I certify that this is a true copy of the original

DEPUTY REGISTRAR