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INDUSTRIALS, MANUFACTURING & TRADE SECTOR ALERT

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Kenya sets implementing regulations for an anti-counterfeit recordation system

Prior to 2018, Kenya's Anti-Counterfeit Act (ACA) did not provide for the recordation of trade marks with the Anti-Counterfeit Authority (Authority) for purposes of facilitating the fight against the importation of counterfeit goods into Kenya. However, through an amendment that came into effect in January 2019, a new provision (section 34B) was introduced into the ACA to provide for the necessary legal framework for this purpose.

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Kenya sets implementing regulations for an anti-counterfeit recordation system

This alert provides a quick summary of the key aspects of the Implementing Regulations.

Prior to 2018, Kenya's Anti-Counterfeit Act (ACA) did not provide for the recordation of trade marks with the Anti-Counterfeit Authority (Authority) for purposes of facilitating the fight against the importation of counterfeit goods into Kenya. However, through an amendment that came into effect in January 2019, a new provision (section 34B) was introduced into the ACA to provide for the necessary legal framework for this purpose.

Section 34B of the ACA requires trade marks that relate to goods which are to be imported into Kenya to be recorded with the Authority. This recordation requirement, however, only applies:

- to trade marks that are registered (regardless of the place of their registration); and
- where such registrations are current.

Despite the introduction of the legal framework for an anti-counterfeit recordation system, this system was never operationalised due to a lack of implementing regulations. However, the Cabinet Secretary for Industrialisation Trade and Enterprise Development has now set the stage for the operationalisation of the recordation system by publishing the Anti-Counterfeit (Recordation) Regulations, 2021 (Implementing Regulations). The Implementing Regulations, however, still have to be passed through parliamentary approval procedures under the Statutory Instruments Act before they come

into effect, a process that could take a few weeks. This alert provides a quick summary of the key aspects of the Implementing Regulations.

Salient features of the Implementing Regulations

1. Prescribed forms and fees: The Implementing Regulations provide for the statutory form and fees for the recordation of registered trade marks with the Authority. They also require the application for recordation to be accompanied by a copy of the certificate evidencing the ownership of the trade mark duly certified by the registering authority that issued it.
2. Timeline for recordation: The Authority is required to give notice of approval or denial of the recordation application within 30 days of receiving it.
3. Person responsible for recordation: The responsibility for ensuring that the recordation of relevant trade marks is done is placed on the person seeking to commercially import into Kenya any goods on which such trade marks have been applied. The recordation is, however, required to be effected in the name of the trade mark owner (where this is a different entity). Where any importer (besides the party that recorded the trade mark) seeks to import into Kenya any goods that are branded with the recorded trade mark, they must give notice of this fact to the Authority in the prescribed manner and make payment of the prescribed fees.

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We understand from the Authority that plans for the setting up of an electronic recordation system are already underway and that a public announcement will be made as soon as this system is up and running.

4. Maintenance of the recordation: The Implementing Regulations also provide for the procedures and fees for renewal of a trade mark recordation upon expiry each year as well as the procedures for notification to the Authority of any changes in ownership of the recorded trade marks or in the names of trade mark owners.

Conclusion

The failure to record trade marks that are applied on goods that are imported into Kenya is an offence that attracts a maximum jail term of five years and/ or a fine (in respect of each article or item involved in the particular act of counterfeiting to which the offence relates) of not less than three times the value of the prevailing retail price of the goods. The maximum jail term is enhanced to 15 years and the fine to five times the value of the prevailing retail price of the goods in the case of repeat offenders. Further, default in recordation could result in the seizure and destruction of such goods where they are found in Kenya.

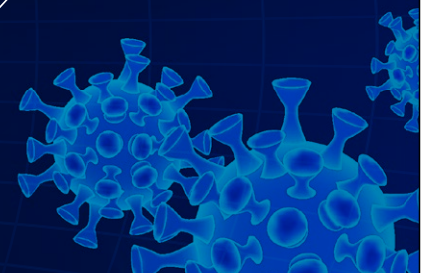
In view of this, it will be particularly important for parties to contracts for the importation of goods into Kenya (and particularly the importer) to closely monitor the imminent conclusion of the legislative process relating to the Implementing Regulations and also the establishment of the recordation system by the Authority. We understand from the Authority that plans for the setting up of an electronic recordation system are already underway and that a public announcement will be made as soon as this system is up and running. We shall send a further alert as soon as this notice is issued.

Shem Otanga

The above alert is meant for general information and does not constitute legal advice. In case of any inquiries or if you require any further information or advice on how the Implementing Regulations could affect your business, please feel free to contact Shem Otanga.

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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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