

Criminal procedures and penalties for infringement of intellectual property rights in Kenya

Joseph Agutu Omolo*

Introduction

Article 61 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement obliges members to put in place criminal procedures and penalties for cases involving willful trade mark counterfeiting and copyright piracy on a commercial scale through remedies which include imprisonment and/or monetary fines in ways sufficient to act as deterrent consistent with the members' categorization of crimes on the basis of gravity. Further, the article obliges members, in appropriate cases, to expand the remedies available to include seizure, forfeiture and destruction of infringing goods and materials used in the commission of the offence. For intellectual property rights (IPRs) other than trade marks and copyright, article 61 of the TRIPS Agreement urges, but does not oblige members, to make available criminal procedures and penalties. Indeed, in its preamble, the TRIPS Agreement makes it clear that IPRs are private rights, while in article 41(5), the Agreement clarifies that it does not in any way call upon members to make special consideration for enforcement of laws relating to IPRs as compared to general enforcement of law in a member's territory.

In essence, in the language of its article 61, the TRIPS Agreement incorporated a compromise that recognised the potential utility of criminal procedures and penalties for safeguarding the interests of owners of IPRs while remaining cognisant of the potential costs that could be imposed upon members, especially developing countries, in setting up enforcement mechanisms financed by public resources for the protection of private rights which are predominantly owned by enterprises based in developed countries. Under article 1(1), the TRIPS Agreement accords a member the freedom to choose the method best suited to implement the Agreement's provisions within its own legal system and practice.

Article 61 provides room for members to draft laws and policies that meet their local contingencies. This article seeks to evaluate the manner in which Kenya has

The author

- Joseph Agutu Omolo, Lecturer, Moi University, School of Law, PhD Candidate (University of the Witwatersrand), LL.M (New York University), LL.M (National University of Singapore), PGD (Kenya School of Law), LL.B (Moi University).

This article

- Article 61 of the TRIPS Agreement obliges members to put in place criminal procedures and penalties for cases involving wilful trademark counterfeiting and copyright piracy on a commercial scale. For other IPRS other than trademarks and copyright, article 61 only empowers, but does not oblige members to make available criminal sanctions. Indeed, in its preamble, the Agreement makes it clear that IPRS are private rights. Further, in article 41(5), the Agreement clarifies that the Agreement does not in any way call for special consideration for enforcement of laws relating to IPRS as compared to general law enforcement in the member's territory.
- In essence, the TRIPS Agreement incorporated a compromise that recognised the potential utility of criminal sanctions for safeguarding the interests of owners of IPRS while remaining cognisant of the potential costs that could be imposed upon members, especially, developing countries in setting up enforcement mechanisms financed by public resources for the enforcement of private rights which are predominantly owned by enterprises in developed countries. Under article 1(1), the TRIPS Agreement accords members the freedom to choose the method best-suited to implement its provisions within their own legal system and practice. As such, article 61, provides room to members to draft laws that meet their local contingencies. This paper seeks to evaluate the manner in which Kenya implemented its obligations under article 61 of the Agreement and the extent to which it took advantage of the flexibilities incorporated therein.

* E-mail: agutulaw@yahoo.com.

complied with its obligations under article 61 of the Agreement and the extent to which it has taken advantage of the flexibilities incorporated therein. In particular, we review the laws relevant to the protection and exploitation of IPRs in Kenya, also in light of the feedback provided by key stakeholders in the prosecution of offences relating to IPRs in Kenya (officers from the Kenya Copyright Board, the Anti-Counterfeit Agency and the Office of the Director of Public Prosecutions).

Criminal sanctions under the TRIPS Agreement

The TRIPS Agreement is celebrated for providing a comprehensive set of mechanisms for the enforcement of IPRs which include civil action, administrative procedures, border measures and criminal procedures, in addition to subjecting disputes between members on its provisions to the World Trade Organization (WTO) dispute resolution mechanism.¹

Prior to the enactment of the TRIPS Agreement, the international framework, which mainly consisted of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (Paris Convention) and the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886 (Berne Convention), did not have comprehensive and explicit provisions on criminal sanctions for infringement of IPRs.² Indeed, there existed some provisions which could be interpreted to include the need for criminal sanctions not as a mandatory requirement but as one of the options for the implementation of obligations under the international legal framework. For instance, article 6ter of the Paris Convention required the prohibition 'by appropriate measures... [of] the use... of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them'. The appropriate measures could, of course, include criminal sanctions. Provisions with similar effects may be found in article 1 of the Nairobi Treaty on the Protection of the Olympic Symbol (Nairobi Treaty) and article 3 of the Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms (Geneva Phonograms Convention). Article 1 of the Nairobi

Treaty requires state parties to protect the Olympic symbol 'by appropriate measures', while article 3 of the Geneva Phonograms Convention requires contracting states to protect producers of phonograms by a number of mechanisms including 'protection by means of the grant of a copyright or other specific right; protection by means of the law relating to unfair competition; protection by means of penal sanctions'.

Thus, prior to the TRIPS Agreement, criminal sanctions for infringement of IPRs only existed as an option available when designing remedies at the national level. Consequently, there were great disparities in the laws of members of the international community.³

Article 61 of the TRIPS Agreement as finally adopted reflects a compromise in the members' negotiating positions and is admittedly limited compared to earlier drafts.⁴ Built into article 61 of the TRIPS Agreement are a number of flexibilities which provide room for legal drafters at the regional and national level to calibrate the TRIPS Agreement obligations to meet their countries' or regions' local exigencies.

Firstly, members are only obligated to provide criminal procedures and penalties for willful counterfeiting of trade mark and piracy of copyright. The definitions of trade mark counterfeiting and piracy of copyright can be derived from footnote 14 to article 51 of the TRIPS Agreement, which defines 'counterfeit trademark goods' and 'pirated copyright goods' as:

- (a) 'counterfeit trademark goods' shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation;
- (b) 'pirated copyright goods' shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

1 Peter K. Yu, 'Why Are the TRIPS Enforcement Mechanisms Ineffective?', in Paul Torrenmans (ed), *Research Handbook on Cross-Border Enforcement of Intellectual Property* (Edward Elgar, Cheltenham, 2014).

2 Henning Grosse Ruse-Khan, 'Criminal Enforcement and International IP Law', in Christophe Geiger (ed), *Criminal Enforcement of IP: A Handbook of Contemporary Research* (Edward Elgar, Cheltenham, 2012), p. 171.

3 David Fitzpatrick, 'Negotiating for Hong Kong', in Jayashree Watal and Antony Taubman (eds), *The Making of the TRIPS Agreement: Personal*

Insights from the Uruguay Round Negotiations (WTO, Geneva, 2015), p. 286.

4 Ruse-Khan, 'Criminal Enforcement and International IP Law', pp. 174–5; Negotiating Group on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods: Status of Work in the Negotiating Group, Chairman's Report to the GNG, MTN.GNG/NG11/W/76, 23 July 1990.

Thus, the obligation under article 61 is limited to acts of counterfeiting of trade marks and piracy of copyright as compared to general cases of infringement of trade marks and copyright.

Secondly, the obligation in article 61 applies to cases of intentional behaviour: ‘willful counterfeiting of trademark and piracy of copyright’. The adjective ‘willful’ introduces a qualification that would require an element of intention which is a common requirement for criminal offences.

Thirdly, beyond proof of wilful behaviour, there is an additional threshold of ‘on a commercial scale’. The TRIPS Agreement does not define what constitutes ‘commercial scale’: thus, it is incumbent upon members to provide such definition. In *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*,⁵ the WTO’s Dispute Settlement Panel elaborated that the phrase ‘commercial scale’ refers to ‘the magnitude or extent of typical or usual commercial activity . . . with respect to a given product in a given market’.⁶

Fourthly, the prescribed remedies under article 61 can include imprisonment or monetary fines or both; the terms of imprisonment or monetary fine should be sufficient to provide deterrence comparable with the level of penalties for crimes of corresponding gravity in the member’s legal system. The choice between imprisonment and monetary fine, or a combination of both, lies with the members. Further, members are free to determine in what category to place criminal offences created in relation to infringement of IPRs based on their assessment of gravity.

Fifthly, members are at liberty to determine what constitutes ‘appropriate cases’ to warrant application of remedies like seizure, forfeiture and destruction of infringing copies and any materials or implements used in the commission of the subject offence. The fourth sentence of article 61 requires members to provide additional remedies in appropriate cases. The TRIPS Agreement does not prescribe what constitutes these appropriate cases and members are free to determine such cases.

Sixthly, the obligation to provide criminal procedures and penalties only applies in relation to trade marks and copyright. For other categories of IPRs, article 61 encourages members, but does not oblige them, to consider making available criminal procedures and penalties in cases of willful infringement on a commercial scale.

Finally, three other provisions of the TRIPS Agreement broaden the scope and the practical utility of the flexibilities built into article 61. The preamble to the Agreement makes it clear that IPRs are private rights: this provision was reportedly inserted into the text of the agreement at the insistence of the Hong Kong delegation at the TRIPS Agreement negotiations to clarify the limited role bestowed upon public authorities in enforcing private rights through the criminal justice system.⁷ Article 1 grants members the freedom to determine the best method for implementing the agreement’s provisions within their legal systems. Article 41(5) clarifies that the obligations on enforcement of IPRs do not create an obligation on a member to create a special judicial system for the enforcement of IPRs or to accord enforcement of laws relating to IPRs priority as compared to enforcement of other laws.

The Dispute Settlement Body of the WTO had the occasion to deal with a dispute relating to article 61 of the TRIPS Agreement in *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*.⁸ In this dispute, the US complained about certain measures relating to the protection and enforcement of intellectual property rights in China. Inter alia, the US alleged that China had violated its obligations under article 61 of the TRIPS Agreement by enacting provisions that excluded criminal procedures and penalties for willful counterfeiting of trade marks and piracy of copyright on a commercial scale when such conduct fell below a prescribed threshold.

Of particular relevance is the discussion on Chapter III of the Criminal Law, which deals with criminal offences based on infringement of IPRs, in particular Articles 213–15 and 217–18 of the Criminal Law.⁹ These provisions were considered in the context of the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate Concerning Some Issues on the Specific Application of Law for Handling Criminal Cases of Infringement of Intellectual Property Rights (Judicial Interpretations).¹⁰

On the claim under the first sentence of article 61 of the TRIPS Agreement, with which the US had argued that the prescribed thresholds under China’s Criminal Law were too high and limited for not considering factors other than numerical tests, the panel made a finding that the US had failed to establish its case that the

5 Panel Report, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, WT/DS362/R (26 January 2009).

6 Ibid, para 7.577.

7 Peter K. Yu, ‘TRIPS Enforcement and Developing Countries’ (2011) 26:3, *American University International Law Review*, 747.

8 Panel Report, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*.

9 This paper fully relies on the translations of the relevant legal provisions as rendered in the panel’s report.

10 The panel held that the judicial interpretations were binding and had the force of law.

criminal thresholds were inconsistent with China's obligations¹¹ for the following reasons.

First, the panel found that the standard applicable under the first sentence of article 61 of the TRIPS Agreement for determining 'willful trademark counterfeiting or copyright piracy on a commercial scale' is a relative one, which would vary when applied to different fact situations and that '[a]s long as a Member in fact provides for criminal procedures and penalties to be applied in cases of willful trademark counterfeiting or copyright piracy on a commercial scale, it [would have complied with its obligation under the first sentence of article 61 of the TRIPS Agreement].'¹²

Second, the US had failed to provide credible evidence to demonstrate that the criminal thresholds were too high and effectively created a safe zone for certain trade mark counterfeiting and copyright piracy on a commercial scale based on the Chinese market conditions including prices and volumes.¹³

Third, in carrying out their obligation under the first paragraph of article 61 of the TRIPS Agreement, members are not obliged to choose between providing for substantive crimes only or accessory liability in other cases. In any case, China, in addition to the substantive crimes under section 7 of Chapter III of the Criminal Law, had provisions dealing with inchoate crimes.¹⁴

On the claim under the second sentence of article 61 of the TRIPS Agreement, with which the US had argued that having not honoured its obligations under the first sentence of article 61 of the TRIPS Agreement, China necessarily could not make available the necessary remedies available at all or in a way sufficient to deter piracy and counterfeiting, the panel declined to make any finding, noting that the US had conditioned this claim on the claim under the first sentence of article 61.¹⁵

A similar conclusion was reached for the claim under article 41.1 of the TRIPS Agreement.¹⁶

Criminal sanctions under Kenya's legal framework

In this section, we discuss several pieces of legislation in Kenya that primarily deal with IPRs, as well as other provisions that have an effect on the protection and exploitation of IPRs in Kenya.

The Copyright Act, Act No. 12 of 2001

The Copyright Act was enacted in 2001. It provides 'for copyright in literary, musical and artistic works, audio-visual works, sound recordings . . . [and] broadcasts . . .'. Three sections of the Act are relevant to Kenya's obligations under article 61 of the TRIPS Agreement. Firstly, section 28(6) makes it an offence for any person, for commercial purposes, to make available any audio recording equipment for the purposes of making single copies of any sound recording by third parties for personal or private use, unless the manufacturer or importer of such equipment or media has paid fair compensation to the owner of such recording at the time of first sale in Kenya. Secondly, section 38(1) makes it an offence for a person to do the following during the subsistence of a copyright or right of a performer, unless it acted in good faith without knowledge that its conduct amounted to infringement:¹⁷

- making for sale or hire an infringing copy;
- selling, letting for hire, advertising, exhibiting or offering for sale an infringing copy;
- distributing infringing copies;
- possessing an infringing copy other than for private and domestic use;
- importing into Kenya an infringing copy other than for private and domestic use;
- making or having possession of a contrivance used or intended to be used for the purpose of making infringing copies

Thirdly, section 38(2) makes it an offence to perform in public any literary, musical, audio-visual works or sound recording during subsistence of copyright without authorization of the proprietor, unless the person can prove having acted in good faith without knowledge that such performance amounted to infringement.

The Act establishes the Kenya Copyright Board,¹⁸ which is the body empowered to enforce the copyright laws. The Board has powers to appoint inspectors to enforce provisions of the Act.¹⁹ The powers of the inspectors include authority to arrest, which power is shared with the police.²⁰ Under the Act, there are

11 Panel Report, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, para 7.669.

12 *Ibid.*, paras 7.600 and 7.602.

13 *Ibid.*, para 7.630.

14 *Ibid.*, paras 7.637 and 7.638.

15 *Ibid.*, para 7.675.

16 *Ibid.*, para 7.680.

17 Section 38(3): For the purposes of paragraphs (a) to (f) of subsection (1), any person who has in his possession, custody or control two or more infringing copies of a work in the same form, shall, unless the contrary is proved, be presumed to be in possession of or to have imported such copies otherwise than for private and domestic use.

18 Section 3, Kenya Copyright Act.

19 *Ibid.*, Section 39(1).

20 *Ibid.*, Section 42.

specially appointed public prosecutors to handle criminal cases arising under it.²¹

An interview with officers of the Kenya Copyright Board conducted in March 2017 revealed the following:²²

- The Board prosecutes approximately 50 cases of criminal infringement of copyright annually.
- On average, only 54.2% of the cases prosecuted annually were initiated upon complaint by owners of the subject IPRS. The rest were instituted at the instance of the Board.
- Of the cases prosecuted annually, only 49% were successfully prosecuted to conviction.
- The Board employs its own officers and prosecutors to enforce the Copyright Act.
- The key hindrances to criminal prosecution under the Copyright Act are lack of cooperation from complainants to the Board when conducting prosecution of cases and lack of awareness on copyright laws among judicial officers.

The offence created under section 28(6) does not require the existence of wilful piracy of copyright on the part of the person who makes available the audio recording equipment. In fact, it deals with cases of persons making copies of sound recordings for private use, which in itself is not prohibited. In this way, the offence under this section goes beyond the mandatory requirement of article 61 of the TRIPS Agreement and criminalizes conducts that are not wilful and that do not amount to piracy of copyright.

In terms of section 38(1), the Copyright Act appears to have substantially remained faithful to the language of article 61 of the TRIPS Agreement in so far as it prohibits wilful infringement (proof of having acted in good faith with no knowledge of infringement is a defence) on a commercial scale (making for sale, hire, selling, hiring, exposing by way of trade, possessing or importing for commercial purposes). However, the use of the term ‘infringement’ instead of ‘piracy’ effectively expands application of the section to conduct that may amount to infringement of copyright but not necessarily piracy of copyright. The Panel in *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights* highlighted this point by noting that ‘[t]he terms “trademark counterfeiting” and “copyright piracy” are . . . distinct from the concepts of “trademark infringement” and “copyright infringement”’.²³ Further,

there appears to exist some ambiguity in relation to the prohibition against the distribution of infringing copies under paragraph (c), as it does not make a distinction between commercial scale distribution and non-commercial scale distribution. The Act does not define what constitutes distribution. This ambiguity could be used to extend the prohibition to activities that amount to distribution but not on a commercial scale.

Section 38(2) makes it an offence to perform in public any literary, musical, audio-visual works or sound recording during the subsistence of copyright without authorization of the proprietor, unless the person can prove having acted in good faith without knowledge that such performance amounts to infringement. Here, there is no requirement for ascertaining whether the performance is for commercial or private purposes. There is no definition of public performance in the Act and, as such, the prohibition may extend to non-commercial scale infringement thereby expanding the obligations under article 61 of the TRIPS Agreement. Additionally, this offence does not relate to piracy of copyright in the subject works.

Trade Marks Act, chapter 506

This is the Act that regulates the registration of trade marks in Kenya. In the context of trade marks, the Act establishes offences as follows.

Firstly, under section 58D, it is an offence to forge, falsely apply, make or dispose of or possess any instrument for forging a registered trade mark or to, without the consent of the proprietor, make or import or possess any device for applying a registered mark or a semblance, or to reproduce or import any reproduction of a registered trade mark.

Secondly, under section 58E of the Act, it is an offence to sell or import goods or perform any service to which a forged registered trade mark is falsely applied; or a registered trade mark is falsely applied.

Thirdly, it is an offence to procure, counsel, aid, abet or be an accessory to the commission of the other two offences outside Kenya under section 58F.

In respect of the offence of forgery of a registered trade mark under section 58D, the Trade Marks Act does not require actions to be carried out on a commercial scale. It however incorporates the requirement of wilful conduct by making lack of intent to defraud a defence.²⁴ Additionally, section 58C defines forgery to mean making a trade mark or mark so nearly resembling a trade mark as to be likely to deceive or cause

21 Ibid, Section 43.

22 On file with the author.

23 Panel Report, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, para 7.520.

24 Section 58D(2), The Trade Marks Act.

confusion or to falsify a registered mark by way of alteration, addition or effacement. By not expressly limiting the offence of forgery of a registered trade mark to instances of commercial use, the Act appears to leave room for prohibition of conduct not done in the context of commercial exploitation. This goes beyond the mandatory requirement of the TRIPS Agreement.

On the offence of sale or importation of goods or performance of services with forged registered trade mark, section 58E appears not to require importation to be on a commercial scale in order for it to be prohibited. This goes beyond the mandatory requirement of article 61 of the TRIPS Agreement and could be used to prohibit importation and performance of services not done on a commercial scale.

Finally, in creating the offence of aiding and abetting offences under section 58D and 58E, section 58F does not require ascertainment of whether the allegedly unlawful action was done on a commercial scale or if it was done wilfully. This goes beyond the mandatory requirement of the TRIPS Agreement.

Industrial Property Act, Act No. 3 of 2001

Under the Industrial Property Act, it is an offence to intentionally infringe a patent or a registered model or industrial design.²⁵ Infringement is defined to include: for patents, the unauthorized making, importation, selling, use or stocking for sale the subject good; for process patents or use²⁶ and for industrial designs, reproducing the industrial design in the manufacture process of a product, importing, selling, stocking a product reproducing the protected industrial design, stocking a product.²⁷

Under article 61 of the TRIPS Agreement, members are not under an obligation to provide for criminal sanctions for infringement of patents, utility models or industrial designs. However, the language of the article appears to encourage members to consider extending criminal sanctions to acts of infringement of these rights, when committed wilfully and on a commercial scale.

The Industrial Property Act makes criminal sanctions available for intentional infringement of patents, utility models and industrial designs. It does not require the ascertainment of whether or not the conduct has been committed on a commercial scale. There is no requirement for extending criminal sanctions to infringement of patents, utility models and industrial designs under article 61 of the TRIPS Agreement and as

such section 109 of the Industrial Property Act goes too far to limit the policy space made available for countries under article 61 of the TRIPS Agreement by first extending such remedies to patents, utility models and industrial designs and secondly by not requiring a determination of whether the subject conduct was on a commercial scale.

Anti-Counterfeit Act, Act No. 13 of 2008

This Act prohibits trade in counterfeit goods. It defines counterfeiting as the manufacture, production, packaging, repackaging, labelling or making imitation of any goods in such a way as to cause confusion with the protected goods; the manufacture, production or making the subject matter of intellectual property so as to cause confusion; the manufacture, production or making of copies in violation of an author's rights; and in relation to medicine, the deliberate and fraudulent mislabelling of medicine with respect to identity or source where such action is done without the consent of the owner of the subject intellectual property right.²⁸ Counterfeit goods refer to goods that are the result of counterfeiting.²⁹

The Act makes it an offence for one to: have in his possession or control, in the course of trade, any counterfeit goods; manufacture, produce or make, in the course of trade, any counterfeit goods; sell, hire out, barter or exchange, or offer or expose for sale, hiring out, barter or exchange any counterfeit goods; expose or exhibit for the purposes of trade any counterfeit goods; distribute counterfeit goods for purposes of trade or any other purpose; import into, transit through, tranship within or export from Kenya, except for private and domestic use of the importer or exporter, any counterfeit goods; or in any other manner, dispose of any counterfeit goods in the course of trade.

The Act covers the following IPRs: copyright, plant breeders' rights, trade marks, patents, industrial designs and technovations.³⁰

An interview with officers of the Anti-Counterfeit Agency in March 2017 revealed the following (On file with the author):

- The agency prosecutes approximately 42 cases of criminal infringement annually.
- All the cases prosecuted were initiated by proprietors of IPRs.
- Of the approximately 42 cases prosecuted annually, only 1 case would be successful where success is defined as conviction. It was not clear from the

25 Section 109, the Industrial Property Act.

26 *Ibid.*, Section 54.

27 *Ibid.*, Section 92.

28 Section 2, Anti-Counterfeit Act.

29 *Ibid.*

30 *Ibid.*

responses to the interview on how many cases get resolved without being prosecuted to the end (eg settlements).

- The agency dedicates 10% of its annual budget, approximately, KES 22,500,000, to criminal prosecutions.
- The agency employs its own enforcement officers.
- The Office of the Director of Public Prosecutions has powers to appoint prosecutors for the agency.
- The key challenges faced by the agency in conducting criminal prosecutions of IPRs infringement include: lack of adequate resources; lack of support from proprietors of IPRs; and backlog of cases facing the courts in Kenya.

In essence, the Anti-Counterfeit Act makes available criminal sanctions for the infringement of all types of IPRs in Kenya. The definition of ‘counterfeiting’ is too broad and is effectively the equivalent of any kind of infringement of IPRs. The Act does not require the conduct of the accused person to be willful to qualify for prosecution. Thus, the Act goes beyond the mandatory obligations under article 61 of the TRIPS Agreement by (i) providing criminal sanctions for infringement of other intellectual property rights beyond copyright and trade marks, and (ii) failing to provide for willful conduct to be a requirement in such crimes.

Trade Descriptions Act, chapter 505

This Act, among other things, prohibits the misdescription of goods, services, accommodation and facilities provided in the course of trade. The Act creates a number of offences that relate to the discussions in this article.

First, it is an offence for one to apply a false trade description to any goods or to supply goods to which a false trade description has been applied.³¹ The Act defines ‘trade description’, in relation to goods, as any indication of identity, quantity, size; method of manufacture, production, processing or reconditioning; composition; fitness for purpose, strength, performance, behaviour or accuracy; any physical characteristic; testing and endorsement by any person; place or date of manufacture; identity of the manufacturer; existence of a patent, trademark or copyright licence; and history including previous ownership and use.³² Section 9 of the Act defines ‘false trade description’ to include:

- (a) any trade description which is false or misleading in relation to the goods to which it is applied;
- (b) any trade description which is misleading even if not false;
- (c) any mark made to so nearly resemble a registered trade mark or monogram as to be likely to deceive.

Second, Section 5 of the Act makes it an offence for one, in the course of trade, to give a false indication as to the kind of goods or services supplied.

Section 19 of the Act provides for the following defences for criminal prosecution: defence of error; reliance on information supplied; third party’s fault; accident; factors beyond the accused person’s control; and due diligence.

This Act provides a basis for proprietors of intellectual property rights to utilize criminal sanctions against people who infringe their protected subject matter. It could be used to cover infringement of patents, trade marks and copyright.

In an explicit way, the offences under the Trade Descriptions Act relate to conduct in the course of trade. Further, on account of the defences afforded under section 19, it requires knowledge or a degree of willingness in the commission of the crime. However, in so far as the Act criminalizes conduct relating to the infringement of patents, it broadens the obligation under article 61 of the TRIPS Agreement. Further, the Act does not limit its application to cases of counterfeiting of trade mark or piracy of copyright. The language suggests application to conduct that might amount to infringement but not counterfeiting of trade mark or piracy of copyright.

Conclusion

Kenya has significantly failed to take advantage of the flexibilities provided under article 61 of the TRIPS Agreement and any country, especially the least developed countries seeking to enact laws to implement article 61 of the TRIPS, should avoid this path. Its legal framework provides for a stronger protection than what article 61 of the TRIPS Agreement requires thereby effectively limiting the capacity of the government to use IPR policy as a tool for encouraging innovations, especially by start-ups who rely on copying and imitation to a certain extent. Perhaps Kenya’s legislature was motivated more by the need to have harsher provisions for infringement, counterfeiting and piracy rather than the need to provide a fertile ground for the emergence

31 Section 3, Trade Descriptions Act.

32 Ibid, Section 8.

of start-ups? The following conclusions stem from the discussion provided in this article.

By implementing its obligations under article 61 of the TRIPS Agreement in a way that gives prominence to criminal prosecutions for infringement of IPRs, Kenya has taken a bold step that arguably diverts a

significant amount of public resources from key areas of need like health and security. The resources are instead directed towards criminal prosecutions through employment of judicial officers, inspectors and prosecutors to protect the private interests of owners of IPRs at the taxpayer's expense.