

**The Importance of  
Registering a Trademark and  
How To Protect Your Mark  
Part II**

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**Executive Summary**

In this two part series our IP team discusses the do's and don'ts of trademarks in Kenya. In this first part the team discusses the importance of registering a trademark; how to defend a registered or unregistered trademark; matters to be aware of when using a registered mark with variations. The link to the first article can be found [here](#).

In this second part we will look at the consequences of not using your registered trademark; possible options to permit others to use your mark either through licensing or sale; and guarding against dilution of your mark

**Failing to Use Your Registered Mark?**

The owner of the registered mark must use his mark on his goods or services to avoid a situation where a third party can file non use cancellation proceedings against the registered mark under Section 29 of the Trademarks Act either before the Registrar of Trademarks or in the High Court. Such proceedings are usually based on non-use of the registered mark by the owner for a continuous period of 5 years from the date of registration of the mark, up to a date one month prior to the date on which the action is filed. They are usually taken by a third party who has tried to register a similar mark for similar goods or services but has been prevented from registering the mark by the Trademarks Registry (the "Registry") citing the existing registered mark.

Such non use cancellation proceedings may also be taken by a defendant in a trademark infringement action in order to eliminate the basis of the registered trademark owner's infringement action.

**Using your mark with minor variations**

If the owner of the mark has used the mark with minor variations it can still be defended depending on the facts. Section 33 of the Trademark Act states that where use of a registered mark is required to be proved for any purpose the Registrar or the court may accept use of the trademark with additions or alterations not substantially affecting its identity as an equivalent for the use required to be proved. However, in expungement proceedings based on non use, these provisions cannot be relied on where the mark which is used is a substantially amended form of the registered mark.

**Licensing your trademark to third parties**

Where a Trademark owner has registered his mark in Kenya but for various economic or logistical reasons does not find it feasible to manufacture the goods or provide the services for which the mark is registered in Kenya, the owner of the registered mark can license a Kenya entity to manufacture and sell the goods or sell the services under the registered mark.

In such situations, whilst it is not mandatory for the licensee to be registered as a licensee of the registered mark at the Registry, it is prudent for such registration to be effected because the Trademarks Act states that use of a registered mark by a registered licensee is deemed to be use of the mark by the registered proprietor. This is particularly important in contesting any actual or threatened non use proceedings taken or threatened by third parties under section 29 of the Act.

No Central Bank or other government approvals are required for payment of license fees by the licensee to the licensor. However, withholding tax has to be deducted by the licensee from any remittances of the license fees to the licensor.

It is important to note that such a license agreement only confers rights on the licensee to use the registered marks subject to quality verification by the licensor as provided for in the license agreement. Such a license agreement does not transfer ownership of the licensed marks to the licensee.

### **Change of ownership in the trademark**

The registered owner of a trademark can transfer ownership rights in a registered mark to a third party under a deed of assignment or assignment agreement. Stamp duty at 2% of the monetary consideration for the transfer of the mark which is reflected in the assignment document has to be paid before the deed of assignment is accepted for registration at the Registry. In trademark infringement

proceedings an assignment of a registered mark which has not yet been registered is not admissible as evidence in the Kenya Courts as proof of title of the registered mark. It is therefore essential for such an assignment to be registered at the Registry against the assigned registered mark or marks to enable the assignee of the mark or marks to successfully sue any third party who infringes the mark or marks.

### **Dilution of registered mark by third parties**

Finally, with protecting your proprietary right over your trademark it is important for the owner of a registered mark to enforce its rights in its mark by regularly monitoring the market for competing goods or services and taking trademark infringement actions against third parties who copy its mark to prevent dilution of its mark and to ensure that the High Court will grant essential interim injunctions against such third parties in such trademark infringement actions.

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