



**REPUBLIC OF KENYA**

**IN THE MATTER OF INDUSTRIAL PROPERTY ACT, 2001**

**LAWS OF KENYA**

**IN THE MATTER OF INDUSTRIAL DESIGN NO'S 15, 16, 17,18 and 19 OF 2014**

**INDUSTRIAL PROPERTY APPEAL NUMBER'S15, 16, 17, 18 &19 OF 2014**

**NETSOL KENYA LTD..... REQUESTER**

**-VERSUS-**

**MANAGING DIRECTOR KIPI .....RESPONDENT**

**JUDGMENT**

1. Before us are five appeals in respect of Industrial Design Numbers 1125 to 1129 in which the applicant has appealed from the decision of the Managing Director delivered on 23<sup>rd</sup> June, 2014, upholding the examiner's decision made on 29<sup>th</sup> July,2013.
2. When the matter came up for hearing on 21<sup>st</sup> April, 2016 the learned Counsel for the appellant indicated to the Tribunal that since the grounds of appeal are similar in each appeal he would argue together the grounds of Appeal. The learned Counsel for the appellant applied to consolidate the appeals. The Tribunal granted the orders for consolidation.
3. It may be necessary to set out in full the grounds of appeal upon which the appeal was brought:-
  - 1) The Managing Director erred and misdirected himself by finding that the examiner's decision that the refused application is not an Industrial Design is correct which finding is contrary to and is not supported by the examiner's own explanations and decisions reflecting the refused application under section 84(2) of Industrial Property Act and not under section 84(1) of Industrial Property Act.

- 2) The Managing Director erred and misdirected himself by upholding the examiner's reasons of the configuration and sizes of the various elements of the apparatus were derived from technical consideration for rejecting the refused application without first independently analyzing these grounds and contrary to the provisions of Industrial Property Act which do not provide for such or similar grounds to reject an application.
- 3) The Managing Director erred and misdirected himself by finding that the examiner was correct in rejecting the refused application under section 84(2) of Industrial Property Act when there is nothing in this section prohibiting registration of Industrial Designs whose configuration and sizes of various elements of the apparatus are derived from technical considerations.
- 4) The Managing Director erred and misdirected himself by failing to appreciate the fact that for functional and aesthetic considerations, all industrial design articles are derived from technical considerations and consequently that cannot be a proper basis of rejecting an application to register an industrial design.
- 5) The Managing Director erred and misdirected himself by failing to address his mind to and make a determination on whether the article which is the subject of the Refused Application is 3 – dimensional as required under Section 84(1) of IPA for it to qualify as an “Industrial design” and consequently arrived at a wrong decision.
- 6) The Managing Director erred and misdirected himself by upholding the examiner's rejection of the Refused Application under Section 84(2) of IPA despite the fact that the examiner's reasons did not state whether or not the shape and features claimed as novel by the Refused Application “serve solely to obtain technical results” as required under Section 84(2) IPA and therefore arrived at a wrong decision.
- 7) The Managing Director erred and misdirected himself by upholding the examiner's reasons of “... the configuration and sizes of the various elements of the apparatus were delivered from technical considerations” as a basis of rejecting the Refused Application when no such member sizes and technical considerations have been disclosed in the statement of novelty which defined the shape and features the Appellant was seeking to register.
- 8) The Managing director erred and misdirected himself in law by stating that there is an implied requirement in Section 86 of IPA “...that the application be in regard to an industrial design” contrary to the plain meaning and/or interpretation of that Section which solely defines the registration requirement that an industrial design must be “new” for it to be registrable and does not extend to defining what is an “industrial design”

- 9) The Managing director erred and misdirected himself by incorrectly drawing the inference or attributing the examiner's reasons of "...the configuration and sizes of various elements of the apparatus were derived from technical considerations" from the drawings and the explanations of the Refused Application when the statement of novelty, which the examiner should have considered in his examination, did not contain or specify any member sizes and technical considerations.
- 10) The managing director erred and misdirected himself by making a generalized finding that "... all the shapes ... for which applicant seeks protection are created with functional considerations" and in failing to give specific factual reasons to justify his assertion.
- 11) The managing director erred and misdirected himself by failing to carry out an objective analysis and examination of the shape and features specified as novel in the statement of novelty by the Refused Application before reaching the decision that they were created with functional considerations and consequently reaching the wrong decision which he reached without giving his reasons, as required under IPA.
- 12) The managing director erred and misdirected himself by finding that the Refused Application does not have a "special appearance" yet this issue is outside the issues under Section 84(2) of IPA before him for determination which was the basis of the examiner's decision to reject the Refused Application.
- 13) The managing director erred and misdirected himself by incorrectly finding that the application is "...substantially similar" to its "...fundamental form" without giving reason to support this finding and without stating what was the "fundamental form" of the Refused Application which he was referring to.
- 14) The managing director erred and misdirected himself by failing to state the alleged similarities which he referred to between the "fundamental form" of the Refused Application and the shape and features specified in the statement of novelty of the Refused Application which the Appellant was seeking to register.
- 15) In finding that the shape and features claimed as novel are "substantially similar" to the "fundamental form" of the Refused Application, the managing director failed (i) appreciate the fact the claimed novel shape and features of "...a straight and triangular shaped tower with cross members placed diagonally and at equal distances to produce a zig-zag repeating pattern as shown in the representations of the article" do not have the sole purpose of obtaining a technical result but have the effect of imparting "special appearance" to the design article of the Refused Application and that (ii) the designer had the freedom to choose any other shape and features other than those specified in the statement of novelty in the Refused

Application which will have achieved the same functional purpose as the shape and features claimed as novel and embodied in the Appellant's Refused Application.

- 16) The managing director erred and misdirected himself by failing to appreciate and apply the correct principle in industrial design law which states that whether some mechanical or other advantage is derived from a particular shape is immaterial for purposes of determining the registrability of an industrial design.
- 17) In choosing the causative approach over and above the mandatory approach to determine whether the Refused Application "serves solely to obtain technical result", the managing director erred and misdirected himself by failing to appreciate and take full account of the commentary L. Bently and B. Sherman at page 619 which was relied upon by the Appellant during the hearing on 3<sup>rd</sup> December, 2013 which confirmed that legislative history favours the mandatory approach for the reasons stated in that commentary and therefore arrived at the wrong decision.
- 18) The appellant sought for orders that:-
  - (i) The appeal be allowed by setting aside the Managing Director's decision.
  - (ii) The appellant's Industrial Design application No. KE/ID/2011/0025 be allowed to proceed for registration.
- 19) On the part of the Managing Director, by the letters dated 30<sup>th</sup> January, 2015 and 17<sup>th</sup> February, 2016 stated that he would rely on the contents of the letter dated 30<sup>th</sup> January, 2015 to the effect that he would not file any reply to the Appeal for the reasons that the reply would be identical to the contents of Managing Director's Ruling delivered on 23<sup>rd</sup> June 2014.
- 20) From the a foregoing, what are the issues for determination before this tribunal. We have deciphered the following issues from the pleadings before the tribunal:-
  - (i) Whether the Managing Director erred by failing to address his mind to and make a determination whether the article referred to is three 3 – dimensional and failed to give specific factual reasons to justify this assertion.
  - (ii) Whether the applications 1125-1129 meet the criteria of section 84(1) of the Act and whether the examiner was required to examine and make its findings based on section 84(1) of the Act.
  - (iii) Whether the Managing Director misdirected himself by incorrectly drawing the inference or attributing the examiner's reasons of the configuration and sizes of various elements of the apparatus were derived from technical explanation of the Refused

Application when the statement of novelty, which the examiner should have considered in his examination.

- (iv) Whether the Managing Director erred by making a generalized finding that all the shapes for which applicant seeks protection are created with functional considerations.
  
  - (v) Whether the Managing Director erred and failed to apply the correct principle in Industrial Design law which states that whether same mechanical or other advantage is derived from a particular shape is immaterial for purposes of determining the registrability of an Industrial design.
- 21) To answer the above issues, one has to peruse the examiner's report made on 29<sup>th</sup> July, 2013.

The examiner's finding is that the application is not an industrial design on the grounds that the drawings and the explanations provided indicate that the subject matter is not for industrial design registration. He further stated it appears that the configuration and sizes of the various elements of the apparatus are derived from technical considerations.

Member sizes and their configuration in a mast are usually derived from structural calculations of the various loading. Therefore this design is rejected in reference to section 84(2).

- 22) On 3<sup>rd</sup> December, 2016 the Appellant was heard by the Managing Director on the five applications in a RE KE/ID/2011/001125-1129 in which the counsel for the appellant requested for a hearing pursuant to Rule 50 (2) of to contest the examiners reasons.
- 23) The counsel for the appellant presented before us, more similar grounds which he had argued before the Managing Director.
- 24) He stated on design No. 1125 that the statement of novelty is equivalent to the claim in a patent application. He argued that the article to which the design is applied is the base. Counsel for the appellant further stated that the examiner's report dwells on construction issues of structural calculations, loadings, member sizes which ordinarily are in the domain of engineering and construction of equipment. He further submitted that the examiner makes no mention on whether a square shaped tower base presented before him was novel or not.

- 25) On design No. 1126 with respect of a tower: The counsel for the appellant argued that the examiner should have considered the features in order to determine whether a tower which is straight and triangular shaped and with a zigzag repeating pattern meets the requirements of Section 86 (2) of the Industrial Property Act. He further stated that the examination report does not have any finding on this aspect but the examiner dwelt on the engineering aspect of the tower.
- 26) On design No. 1127 a straight and square shaped tower: Counsel for the appellant submitted that the examination report makes no reference to whether the claimed features of a straight and square shaped tower with a zigzag repeating pattern can be protected under Section 86 (2) of the Industrial Property Act. He stated that this was the question the examiner would have considered and the examiner failed to do so. He further submitted on this design the examiner avoided this question and failed to examine the features and addressed his mind to extraneous mechanical and construction objects of the design relating to structural calculations, member size and load bearings which are irrelevant and outside the domain of Industrial Design law.
- 27) On design No. 1128: The applicant claims a square shaped telecommunication tower rest platform with a pattern. He argued that the examiner made no reference on whether a square shaped tower rest platform can be registered under section 86 (2) of the Industrial Property Act.
- 28) On design No. 1129 tabular telecommunication tower rest platform: The appellant's Counsel argued that the examiner had made no reference on whether a six-sided shaped Telecommunication Tower rest platform is new to warrant protection under section 86(2) of the Industrial Property Act.
- 29) Counsel for the appellant stated that the Managing Director was required to file within 45 days or being served with the appeal. He submitted that the letter filed by Managing Director dated 30<sup>th</sup> January, 2015 did not constitute a reply with the provisions of Industrial Property Act as their reply is not in a prescribed form i.e. IPT Form 6. He further submitted the Managing Director did not comply with IPT Form 6.
- 30) We concur with the counsel for appellant that the Managing Director did not comply with the provisions of Rule 38 (4,5,6) of the Industrial Property Rules 2002.

### **The Law**

- 31) Industrial design under section 84(1) means any composition of line and colours or any three dimensional form, whether or not associated with line or colours provided that ground composition or form gives a special appearance to a product of industry or handicraft and can serve as a pattern for a product or handicraft.

32) We have perused the KIPI file relevant to these proceedings and it became obvious to us that the managing director failed to consider the appellant's argument to decline the appellant's application for the industrial design. The power of the tribunal as set out in section 114(2) provides for confirmation, setting aside or varying on order or decision. In question which is a statutory mandate to:-

- (i) Re-examine decisions of the managing director afresh with a view to uphold them or revoke them.
- (ii) Sit as an examiner of the application for registration of an industrial design and evaluate the decisions reached by the examiner.
- (iii) Justify the examiner's decision.
- (iv) Provide procedure and consistency of criteria for approval applications for registration.
- (v) Promote the spirit of the intellectual act as stated in the preamble.

33) By looking at the file from KIPI and perusing it the tribunal is discharging its mandate of exercising powers or reviewing decisions of the managing director.

34) The primary essential before a shape can be registered as a design is that it should have an eye – appeal and in this context the eye is that of the prospective customer and the appeal is that created by a distinctiveness of shape, pattern or ornamentation calculated to influence the customer's choice.

35) Secondly, in order to demonstrate that a particular shape is dictated solely by function showing that the function could not have been performed by an article in some other shape.

36) All that has to be shown is that the relevant features of the shape were brought about only by, or are attributable only to, the function which the article in that shape is to perform even if the same function could equally well be performed by an article of a different shape.

It is a fundamental purpose of the design law that one privilege of registration should not be given to trifling variations of the kind which a craft man might be expected to introduce in carrying out his ordinary day to day trade.

37) A design shall be considered new or original unless it is distinguished from what has previously existed by something different from ordinary trade variant.

38) How much a design must differ from the previous art is difficult to define. Each case must be assessed according to its merits.

One should note that if every feature of the shape is one which is attributable solely to the function which the finished article is to perform, then the exclusion operates even though the shape, may also have eye – appeal.

39) We have carefully examined the issues in this matter and the oral arguments presented by the learned counsel for the appellant and the authorities relied on by the Advocate for the appellant and answer the above five issues in the affirmative.

40) We are satisfied on the evidence before us that the examiner did not properly examine the designs of the applicant as required by law. We had read all the authorities provided and referred to by the Advocates for appellant and we do not set them out in the interest of speed and clarity. We have however, taken into account the factual allegations and legal principles put forward.

41) We have noted from the record that by the letter dated 30<sup>th</sup> March, 2016 the Advocates for the appellant had forwarded letter marked very urgent addressed to the managing director stating,

***“During the hearing before the managing director of KIPi on 3<sup>rd</sup> December, 2013, against the Examiner’s refusal of the above application, the managing director indicated of the record that the drawings and the scale mode as submitted lack sufficient clarity of the design features shape, and pattern embodied in the design article as claimed in the statement of novelty in order to provide this clarity and for purpose of enabling proper and complete re-examination of the application, we enclose herewith:-***

- a) **Four (4) copies of the clearer and sidelined drawings clearly depicting the design features, shape and pattern as claimed in the statement of novelty.**
- b) **One sample, of the scale model corresponding to the above design application.**

#### **ORDER**

1. In the view of what we have stated above and in the interest of justice, we set aside the Managing Director's decision.

We order that the examiner do examine the applicant's applications No.1125 to 1129 afresh based on the evidence presented by the appellant within 45 days from the date of this Judgment.

2. Each party shall bear its own costs.

Read and delivered this 9<sup>th</sup> Day of December, 2016 in the presence of:

**Ms. Neema h/b for Mr. Ikimire for the Appellant.**

**N/A for the Respondent.**

**Signed by:-**

**HASSAN N. LAKICHA- CHAIRMAN**

**BROWN M. KAIRARIA - MEMBER**

**DAVID K. KIPLAGAT - MEMBER**

**GODFREY OWINO - MEMBER**

**BRETTAH MUTHURI - MEMBER**