

REPUBLIC OF KENYA
IN THE SENIOR PRINCIPAL MAGISTRATES COURT AT MUMIAS
CRIMINAL CASE NO. 294 OF 2017

REPUBLIC**PROSECUTOR**
VERSUS
ERASTUS MAINA**ACCUSED**

JUDGMENT

The accused person herein ERASTUS MAINA is charged with being in possession in the course of trade counterfeit goods contrary to section 32(a) as read with section 35(1)(a) of the anti-counterfeit Act, 2008 Laws of Kenya.

The particulars of the first count are that Erastus Maina on the 1st of February 2017, at about 3.15pm at Maridadi Sawa in Mumias town within Kakamega County being owner you had in your possession 5 pieces of Gotena aerals, each valued at Ksh1000/= calculated to be confused with genuine product, which is a protected good under trade mark No. 83117 owned by MIH INTELPROP HOLDINGS LIMITED the total value being Ksh5000/= only.

The second count : Exposing or exhibiting for the purpose of trade counterfeit goods contrary to section 32(a) as read with section 35(1)(a) of the counterfeit Act, 2008 Laws of Kenya.

The particulars of the charges are that on the 1st February 2017 at about 3.15 pm at Maridadi Sawa in Mumias town within Kakamega County being owner you did expose or exhibit for the purpose of trade counterfeit goods to wit 5 pieces of counterfeit Gotanna aerals each valued at Ksh1000/= calculated to be confused

with genuine products which is a protected good under trade No.83117 owned by MIH INTELPROP HOLDING LIMITED the total value being Ksh5,000/= only.

The third count is that: on the 1st of February 2017, at about 3.15pm at Maridadi Sawa in Mumias town within Kakamega county being owner you did have in your possession in the course of trade 5 pieces of counterfeit aerials branded Multi Choice Kenya each valued at Ksh1000/- calculated to be confused with genuine products which is a protected good under trade mark No 80897 owned by MIH INTELPROP HOLDING LIMITED the total value being Ksh5000/=.

Count IV: Exposing or exhibiting for the purposes of trade counterfeit goods, contrary to section 32(a) as read with section 35(1) (d) of the Anti – counterfeit Act, 2008 Laws of Kenya.

The particulars being that on the 1st February 2017, at about 3.15 pm at Maridadi Sawa in Mumias town within Kakamega county you did expose or exhibit for purpose of trade counterfeit goods with 5 pieces of counterfeit aerials, branded Multi Choice Kenya each valued at Ksh1000/= calculated to be confused with genuine product which is a protected good under trade mark No.80897 owned by MIH INTELPROP HOLDING LIMITED the total value being Ksh5000/=.

Count V: Having in possession in the course of trade counterfeit goods 32(a)as read with section 35(1)(a) of the Anti-counterfeit Act, 2008 Laws of Kenya.

The particulars of the offence is that on 1st February 2017, at about 3.15 pm at Maridadi Sawa in the course of trade 5 pieces of counterfeit aerials, branded Go Tv, each valued at Ksh1000/= calculated to be confused with genuine product, which is a protected good under trade mark No. 6997 owned by MIH INTEPROP HOLDING LIMITED the total value being Ksh5000/= only.


Count VI: Exposing or exhibiting for the purpose of trade counterfeit goods, contrary to section 32(a) as read with section 35(1)(a) of the Anti-counterfeit act 2008, Laws of Kenya.

The particulars being that on the 1st February 2017, at about 3.15 pm at Maridadi Sawa in Mumias town within Kakamega County being owner, you did expose or exhibit for the purposes of trade counterfeit goods to wit 5 pieces of counterfeit aerials, branded GTv each value at Ksh1000/= calculated to be confused with genuine product which is a protected good under trade mark No. 69997 owned by MIH INTERPROP HOLDINGS LIIMITED the total value being Ksh5000/= only.

Count VII: Exposing or exhibiting for the purpose of trade counterfeit goods, contrary to section 32(a) as read with section 35(1)(a) of the Anti-Counterfeit Act 2008, Laws of Kenya.

The particulars are that, counterfeit goods to wit 7 pieces of counterfeit Oxford mathematical sets, each valued at KSH 260/= calculated to be confused with genuine products which is a protected good under trade mark No. 44497 owned by HELIX GROUP PLC the total value being Ksh1820/= only.

Count VIII having in possession counterfeit goods, contrary to section 32(a) as read with section 35(1)(a) of the Anti-Counterfeit Act 2008, Laws of Kenya.

The particulars are that, on 1.2.17, at about 0.3.15 pm at sawa sawa in Mumias town within kakamega county counterfeit goods to wit 7 pieces of counterfeit Oxford mathematical sets, each valued at KSH 260/= calculated to be confused with genuine products which is a protected good under trade mark No. 44497 owned by HELIX GROUP PLC the total value being Ksh1820/= only. 

Prosecution is led by the learned prosecution counsel Mr. Adera while accused is represented herein my M/S KAMUNYA advocate. Accused pleaded not guilty to all the counts herein and case proceeded to full hearing.

Prosecution's case is that MIH Intelprop Company Limited who is the complainant in count 1, 2, 3, 4, 5 and 6 is the registered owner and proprietor of trade Mark a gottena no. 83117 on 15.10.15 (see registrars certificate Pexh2) and it donated power of Attorney to GO TV company which is a sister company to Multi choice Kenya Company limited (see power of Attorney dated 17.6.15- Pexh 3). GO TV on its part donated power of Attorney to Fredrick Saramba who is its Anti-piracy manager -PW1 power to act on its behalf and protect the trade mark gottena in kenya and prosecute on their behalf - Pexh 4. Multi choice is registered in Kenya as trade mark no. 80997 on 28.11.13 and it is valid till the year 2023 -pexh5. PW1 also has a certificate for use of trade mark GO TV in legal proceedings or abroad issued on 29.11.16-Pexh 6 and a similar certificate for trade mark GO TV entertaining Africa issued on 29.9.15 valid till 14.12.2020- Pexh 7 . Pexh 1-7 are registered in class 9 of international classification of marks .

PW4 Lovance Robert Spoo works for Pulucon services Limited as head of anti-counterfeit division. It runs 2 ISO certifications. i.e laboratory testing services, inspection and verification and quality management systems as per Pexh 27 . PW4 has an accreditations certificate for inspection valid from 17.12.15 to 16.12.18.-pexh 28. Helix trading limited has contracted Pulucon to represent them in counterfeit matters on 19.12.17 -pexh 29 and it ratified their earlier actions as per paragraph 3 of the same.

PW1 got complaints from their clients that the gottenas were providing poor reception and that there was undercutting of the price of gottena in Mumias town

. On 20.1.17, he did a market survey and confirmed the same and he reported to Anti counterfeit agency.

On 1.2.17, Martin Luther Gwanga (Pw5) a chief Inspector of Anti counterfeit agency and his colleague Effy Monica Aluoch (PW3) an inspector of the same agency were on inspection duties in Mumias town in company of PC Caroline Achieng (Pw2) and corporal Njaramba of Mumias police station. They went to Maridadi sawa shop in Mumias town and found accused herein who is the proprietor of the said shop. They introduced themselves and asked to search the premises and they found TV aerial and oxford mathematical sets which they suspected to be counterfeit.

They seized 5 pieces of gottena-Pexh 8a-8e and made an inventory - Pexh 15 . 7 pieces of oxford mathematical sets -Pexh 20a-20g as per inventory -pexh 16. They got an expired permit for the said business-pexh 17 and copy of accused's identity card -pexh 18. Anti-counterfeit agency then issued a seizure notice to GO TV -Pexh 19 asking it to lay a complaint . GO TV made a formal complaint and supporting affidavit of PW1 -pexh 10 & pexh 11 respectively. PW1, PW3 and PW5 compared pexh pexh 8a-8e with original gottena-pexh 23 and noticed that the original was navy blue while the counterfeit was black, the original had Kenya bureau of standards mark while counterfeit lacked the same. Also that the fake one had writings UHF on it while original had none. The original comes assembled while the fake one is not assembled.

Pullucon were also notified of the seizure vide notice - pexh 22 and two oxford sets were forwarded to them for analysis-pexh 21. Original oxford set was availed to Anti counterfeit agency-pexh 24. It was noted that original oxford mathematical set had grooves , no writings inside, had one pencil while the

counterfeit was smooth and has writings inside and had two pencils . Pw3 wrote to registrar of companies to confirm status of Maridadi sawa-pexh 25 and it was confirmed vide pexh 26 that it was not registered. He was later charged with the offences herein.

Accused opted to adduce sworn testimony. He denied the charges herein. He admitted running the said maridadi sawa shop and that the anti-counterfeit officers and police officers visited his shop on the material day and conducted a search for counterfeit goods and found go tv aerials and mathematic sets which they alleged were fake. He said he is a retailer and not a manufacturer and that a supplier from kakamega usually delivers the goods to his office. It is his case that he was not asked for receipts or other documents for the said goods and that the officers left him with one go tv aerial which is original and he produce it-Dexh4. Also that he got Dexh4 from the same supplier of the other aerials which were taken away. It is further defence case that PW5 asked him for bribe of KSH 30,000/= but he refused.


I have considered prosecution's case defence and submissions. The state submitted that they have proved that the goods were counterfeit and that accused admitted before under section 25 A (1) of the Evidence Act that he was found with the same. They cited HCA no. 57 of 2012 Nyeri . Peter Mwangi kariuki Vs republic where it was held " thus the ingredients of offences facing the accused were ;(a) proof of possession, (b) proof that the items in question were game trophies, (c), evidence that the appellant was dealing in game trophies without dealers licence, and (d) failure to make report to an authorized officer. In my view, possession includes two elements; namely being in physical control of the item and knowledge of having the item. To be guilty of possession, an accused person must be shown to have knowledge of two things, namely, that

accused knew the items was in his custody and secondly he knew that the item in question was prohibited. A person has possession of something if he knows of its presence and has physical control of it or has power and intention to control it". It was submitted that possession was proved.

Prosecution further submitted that pw4 conducted test in their accredited laboratory and thus this evidence is prima facie. Further that PW1 and PW4 proved existence of intellectual property rights under section 26 (5) of the Anti-counterfeit Act.

Prosecution also submitted that agency by ratification is provided for under regulation 18 of anti-counterfeit regulations 2010 which provides that "the owner of an intellectual property right may appoint an agent to act on his behalf by completing form ACA 15 of the first schedule upon payment of the fee specified in the second schedule". Further that form ACA 15 provides the prescribed format for a power of Attorney and states in part as follows-

" the owner hereby agrees to ratify all that the agent shall do or cause to be done in execution of this deed. This power of Attorney shall be interpreted in accordance with and governed by laws of republic of Kenya".

Further that in ratification in Agency without knowledge ' . 15 Yale law journal 331 Arthur Corbin states as follows; where one without semblance of authority assumes to act as the agent of another , that other may ratify the act and thereby acquire the rights and assume the obligations that would have been his had the agent's assumed authority been actual". They urged the court to find that Pexh 29 is properly before court and it conferred to PW4 proper power as an agent of Helix. 

It was also submitted by the prosecution that the procedure substance and law in processing the complaints under the Act was followed herein.

Prosecution submitted that the offences herein are of strict liability and consequently, knowledge is not an ingredient of the offences. They cited pharmaceutical manufacturing Co. Vs Novelty manufacturing limited HCCC no. 746 of 1998 -Nairobi where it was held that the only question is whether the defendant's professed want of intent to copy plaintiff's trade mark or the plaintiff's acquiescence in defendant's use of the offending word for a long time affords any defence to the claim. In my view both of them don't. Registration of a trade mark confers the right to exclusively use the mark . Infringement of the trade maker is a tort of strict liability. Intention and motive are irrelevant considerations. And as the right is statutory one, acquiescence cannot constitute an estoppel or any other defence which statute itself does not recognize. I accordingly find that the defendant has no defence to the plaintiff's claim for infringement of a registered trade mark. So the issue no 5 is answered in the affirmative''

The state also argued that they have proved their case beyond reasonable doubt as the defence of accused is not plausible


Defence submitted that prosecution has failed to prove it's case against accused and that the evidence on record cannot sustain a conviction.

Defence submitted that accused was neither manufacturing the / packaging the goods or knowing they were counterfeit and as such prosecution should have gone for the companies responsible. Further that the anti- counterfeit. Officials also that the anti -counterfeit official did not have the genuine item for comparison at the material time and that there is a possibility of a swap at the

place of storage. It was from submitted that defence produced a receipt showing he bought the GO TV decoders from Triple soul co limited . That Dexh 4 shows that what was seized from the shop of accused is different from what was produced. Further that in the case of republic vs VJ yator and 2 others 2015KLR it was held "for the above reasons, cited, I find that the prosecution has failed to prove beyond reasonable doubt that accused person was responsible for counterfeiting of the sugar seized and acquitted under section 215 CPC of the charge being in possession of counterfeit goods contrary to section 32(a) as read with section 35 (1) (a) of the anti- counterfeit Act 2008".

I have seen the said case and I note that the Hon Judge was quoting the findings of the trial court and that a crucial witness from Mumias sugar company was not called to testify as to authenticity of copies of some documents . The only ground for appeal in that case was on disposal of the alleged counterfeit sugar upon acquittal of accused. In this case, all witnesses were called to testify.

It is not denied that the Gottena trade mark no. 833117 herein , Multi choice Kenya trade mark no 80897 belong to MIH INTERLOP HOLDINGS LIMITED and oxford mathematical set trade mark no 44497 is owned by Helix group. I have also seen the registration documents produced herein and thus I am satisfied that complainants are the prima facie owners of the said respective trademarks . it is also not disputed that PW1 and PW4 had power of Attorney to Act on behalf of complainants as per the said powers pexh 3 and 29 respectively .

On whether the seized goods were counterfeit, prosecution's case is that 5 counterfeit Gottenas (Pexh 8a-8e) and 7 helix mathematical sets (pexh 20a-20 h) were recovered from the shop of accused . PW3 & Pw5 said they recorded the recovered items in the seizure forms (Pexh 15 and 16)Accused does not deny 

that the goods Gottena and the mathematical sets were taken from his shop by PW5 and his team. He however produced Dexh 4 and said the Gottenas taken from his shop resembled it. He did not produce a sample of sets he was selling.

On the issue of possession, accused does not deny that he was found in possession of the said goods. In the cited HCA no. 57 of 2012 Nyeri . Peter mwangi kariuki vs republic where it was On the issue of possession, accused does not held " thus the ingredients of offences facing the accused were ;(a) proof of possession, (b) proof that the items in question were game trophies, (c), evidence that the appellant was dealing in game trophies without dealers licence, and (d) failure to make report to an authorized officer. In my view , possession includes two elements; namely being in physical control of the item and knowledge of having the item.

To be guilty of possession, an accused person must be shown to have knowledge of two things, namely, that accused knew the items was in his custody and secondly he knew that the item in question was prohibited. A person has possession of something if he knows of its presence and has physical control of it or has power and intention to control it". It is clear that accused knew that he was keeping the said counterfeit goods for sale and he had control of the same section 35 (3) (b) of the Anti counterfeit Act introduced strict liability on the person who is found in possession of the goods regardless of knowledge that the goods as counterfeit. I find that accused was found in actual possession of the same as they were in his shop in the course of business.

Defence submitted that the purchase receipt was produced by accused but I note from the record of 24.5.18 accused attempted to produce the receipts but prosecution objected to the same and the same was upheld for failure to comply

with the stamp duty Act and so they remained marked as DMFI 1a and 1b and not produced as alleged. The seizure forms produced by PW3 .i.e Pexh 15. & 16 and he said accused signed them same were not challenged. Dexh 4 was introduced at defence stage. Although accused said Dexh 4 was left at his shop by PW5 and his team, it was only brought to court during defence and prosecution witnesses were not cross-examined on it. PW1, PW3 and PW5 compared pexh 8a-8e with original gottenaa-pexh 23 and noticed that the original was navy blue while the counterfeit was black, the original had Kenya bureau of standards mark while counterfeit lacked the same. Also that the fake one had writings UHF on it while original had none. The original comes assembled while the fake one is not assembled.

PW3, PW5 and PW4 said that they noted that original oxford mathematical set had grooves , no writings inside, had one pencil while the counterfeit was smooth and has writings inside and had two pencils. PW4 went further to state that he subjected the seized sets to laboratory examination as per his report Pexh 35 and found that the sample is a suspected counterfeit. From the foregoing it has been proved that Pexh 8a-8e and Pexh 20a-20 h are counterfeit goods.

On whether the said counterfeits could have been planted on accused, he submitted that since the goods were not compared with original at the scene, there was a possibility that he they were swapped. I find that it would be unreasonable to expect anti-counterfeit officers to walk with samples of original products for comparison with suspected fake ones during their operations.

He also testified that PW5 asked him for KSH 30,000/= bribe to secure his release but he admitted in testimony that he did not report that to police. The issue of bribe was not put to PW5 during his testimony and thus it was not

proved. The seizure forms were produced by PW3 .i.e Pexh 15 & 16 and he said accused signed them. The forms were produced and not challenged. I do not see any reason why the counterfeit goods could have been planted.

On whether accused was exposing or displaying the goods for purpose of trade, PW2, PW3 and PW5 said that they found the goods herein on the counter and in the inner store this was admitted by accused .and i am satisfied that accused displayed the said items for sale.

On the value of the said counterfeit goods, pw1 said an original gotenna goes of KSH 1'000/= each. Pw4 said an original oxford mathematical set is valued at KSH 260/= . The charge sheet indicates that the valued of the 5 gottenas was KSH 5000/= while the 7 sets was KSH 1820/=. I find that the value of the said counterfeit goods as been proved.

Defence submitted that accused is not a manufacturer or supplier of the said goods and thus should not be held liable for the counterfeit. Prosecution submitted that this is a strict liability case as was held in the cited Pharmaceutical manufacturing Co Vs Novelty manufacturing limited HCCC no. 746 of 1998 –Nairobi and that the knowledge of it being a counterfeit is not an ingredient of the offence herein have seen section 35 of the Anti -counterfeit Act which provides as follows;

35. **Penalties**

(1) *A person convicted of an offence under section 32, shall be liable—*

- (a) *in the case of a first conviction, to imprisonment for a term not exceeding five years, or to a fine, in respect of each article or item involved in the particular act of dealing in counterfeit goods to which the offence relates, not less than three times the value of the prevailing retail price of the goods, or both;*
- (b) *In the case of a second or any subsequent conviction, to imprisonment for a term not exceeding fifteen years, or to a fine, not less than five times the value of the*

prevailing retail price of the goods, or both.

- (2) *A person convicted of an offence under section 24 or 31, shall be liable to imprisonment for a term not exceeding three years, or a fine not exceeding two million shillings, or both.*
- (3) *A court that has convicted a person of an offence under section 32—*
 - (a) *shall, when considering which penalty to impose, take into account, inter alia, any risk to human or animal life, health or safety or danger to property, whether movable or immovable, that may arise from the presence or use of the counterfeit goods in question;*
 - (b) *may take into account, in mitigation of sentence, any evidence to the effect that such person had fully, truthfully and to the best of his ability disclosed to an inspector who investigated that offence, all information and particulars available to that person in relation to any or all of the following—*
 - (i) *the source from which the counterfeit goods involved in the commission of the offence, were obtained;*
 - (ii) *the identity of the persons involved in the importation, exportation, manufacture, production or making of those counterfeit goods;*
 - (iii) *the identity and, if reasonably demanded, the addresses or whereabouts of the persons) bution of those goods;*
 - (iv) *The channels for the distribution of those goods.*

My understanding of section 35 (3) (b) of the said Act is that it does not matter whether one is a manufacturer, supplier or retailer of counterfeit goods under section 32 of the Act, provided one is in possession . Before passing a sentence, the court is enjoined to consider if the offender has co-operated with the Anti-counterfeit officials to point out the source of the goods as a mitigating factor.

i have evaluated the entire evidence on record and I find that defence has not succeeded to displace prosecution's case which is firm and water tight and I proceed to dismiss it as a mere denial.

Prosecution has proved its case beyond any reasonable doubt. I find accused guilty of the 4 counts of : Having in possession in the course of trade counterfeit goods contrary to 32(a)as read with section 35(1)(a) of the Anti-counterfeit Act,

2008 Laws of Kenya(count 1, 3, 5 and 7) and Exposing or exhibiting for the purpose of trade counterfeit goods, contrary to section 32(d) as read with section 35(1)(a)of the same Act (count 2, ,4, 6 and 8) . I proceed to convict him on each of the said counts under section 215 CPC.

14 days Right of Appeal.



T.A ODERA

SPM

30.7.18

Delivered in open court at Mumias in the presence of Accused Wesa advocate holding brief for Kamunya for accused .KIPLAAT holding brief for Adera prosecuting counsel for Anti counterfeit Agency and court Assistant TEMOI .



T.A ODERA

SPM

30.7.18

Pros: we have no previous records of accused. The offence of selling counterfeit goods in on the rise in Kenya. Unscrupulous business men are engaged in the said business to the detriment of genuine business men. The market is not fair. I seek a severe sentence preferable custodial to serve as a lesson. He maligned the name of the counterfeit officers on allegations of bribe.

MITIGATION

WESA: Accused is aged 53 years, married with 3 children the youngest being 3 years. He is sole bread winner of the family, first offender remorseful. He refused to bribe we seek a none custodial sentence.

COURT: Mitigation is considered with nature of the offence their circumstances its impact on the consumers and effect of the owners of trade marks. There is no indication that accused co-operated with other anti-counterfeit officers as to the source of the counterfeit goods herein

SENTENCE:

COUNT: 1, 3, 5, 8 accused is fined KSH 15,000/= on each respective count or 6 months imprisonment total KSH 60,000/=

Counts 2, 4, 6, and 7 accused is fined KSH 5460/= on each respective count or 4 months imprisonment in default. Total KSH 21,840 /.=

Sentences to run consecutively. 14 days Right of Appeal.



T.A ODERA

SPM

30.7.18

PROS: I seek that the counterfeit goods be released to the government for destruction as the expense of accused at his under section 28 of the Anti-counterfeit Act.

WESA: I am not sure if that is the law. We seek certified copies of proceedings for appeal.

ORDER: The application for disposal of the goods be made after expiry of appeal days . Mention on 13.8.18. Security be released to depositor. Proceedings be typed and supplied to defence at cost.



T.A ODERA

SPM

30.7.18