

April 28, 2020

Edward Gresser,
Chair of the Trade Policy Staff Committee
United States Trade Representative
600 17th Street NW
Washington, DC 20006

RE: U.S. - Kenya Trade Agreement

Docket No. USTR-2020-0011

Submitted via regulations.gov

Dear Mr. Gresser:

Companies in virtually every sector of the economy protect their brands with trademarks. Trademarks are more widely used than any other form of intellectual property (IP), particularly by small and medium sized enterprises. Branding is one of the most important mechanisms for a company to secure return on investments in research and development. Strong trademark laws also help to protect consumers from counterfeits. Increasing globalization means that brands transcend national borders more than ever before.

Securing robust and meaningful trademark protections for brand owners and consumers is a critical and achievable outcome of the United States – Kenya Free Trade Agreement (FTA). The mutual interest of the United States and Kenya in adequate and effective trademark protection and enforcement lay the groundwork for the United States to secure high-level standards that equal or exceed existing U.S. trade agreement commitments and that could serve as a model in the region and beyond. By promoting a more predictable and consistent environment for IP-intensive industries,¹ the FTA will promote fair, efficient, and transparent regulatory systems, that will facilitate trade and drive economic growth.

ABOUT INTA

As the world's oldest and largest association of brand owners, with a membership of over 7,200 companies, the International Trademark Association (INTA) represents over 31,000 trademark professionals in diverse capacities: multinational corporations, businesses of all sizes, law firms and other professionals, academic institutions, and not-for-profit organizations. INTA members

¹ IP-intensive industries directly accounted for 27.9 million jobs and indirectly supported an additional 17.6 million jobs, representing almost one in three jobs in the United States. The industries make up approximately 52% of U.S. merchandise exports. See U.S. Patent and Trademark Office and Economics and Statistics Administration, *Intellectual Property and the U.S. Economy*, at 1 (2016).
<https://www.uspto.gov/sites/default/files/documents/IPandtheUSEconomySept2016.pdf>

contribute approximately \$12 trillion to the global economy. The majority of INTA's corporate members are based in the United States, including 89 companies in the Global 500.

INTA's mission is to encourage and support best practices and excellence in the field of trademarks rights, in the protection of rights for brand owners and consumers, and to foster economic growth and innovation through awareness of the importance and development of brands. INTA supports the advancement of trademark and related IP protection as a means to promote national and international commerce. To achieve this goal, INTA Strategic Plan is to: 1) Promote the Value of Trademarks and Brands, 2) Reinforce Consumer Trust, and 3) Embrace Innovation and Change.

BACKGROUND

INTA's Harmonization of Trademark Law and Practice Committee evaluates efforts on national, regional, and international levels through treaties, trade agreements, special conventions, and other nonbinding instruments that relate to trademark law and practice. The committee develops policy recommendations to INTA's Board of Directors. Committee work includes drafting proposed treaty language and advocating INTA's existing policy positions to relevant government officials.

Kenya has signaled an openness to reform in order to promote greater two-way trade and investment with partners in the United States. Political and private sector leaders in Kenya recognize that a predictable IP environment is important condition precedent for increased U.S. trade and investment. As Kenya aligns its trademark protection and enforcement framework to U.S. norms, INTA anticipates positive changes in Kenya and beyond. Kenya is not only an important strategic partner of the United States, but it is a regional model and a geographical and commercial hub. Consistent with this approach in other economies, INTA advocates for trade commitments that raise the level of IP protection and enforcement and create opportunities for enhanced trade, investment and economic growth.

Four features of Kenya's current IP system merit special attention:

- Kenya's National Agenda (Big Four Agenda, Kenya Vision 2030 and The Kenya Digital Economy Blueprint) acknowledges the importance of IP in achieving sustainable developments goals, creating jobs and promoting innovation.²
- Kenya is a member the World Intellectual Property Organization, the World Trade Organization and other major international bodies. The country is a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and other major international IP conventions including the Berne Convention, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, the Paris Convention, and the Patent Cooperation Treaty.
- Kenya is a member of the African Regional Industrial Property Organization (ARIPO) and is empowered by the Harare Protocol to grant patents and register industrial designs on behalf of contracting states. Content that violates the IP rights of another person, including pirated movies, music, and patents, is prohibited. High-standard IP commitments will deepen the United States' trade and investment on the African continent, and will

² <https://vision2030.go.ke/>, <https://www.ict.go.ke/wp-content/uploads/2019/05/Kenya-Digital-Economy-2019.pdf>

complement Kenya's efforts to integrate regional standards, including through the East African Community and the African Continental Regional Free Trade Agreement (AfCTA).

- Kenya has made sustained investments in raising public awareness of the importance of IP. During the 2013-2017 period, the Kenya Intellectual Property Institute (KIPI) carried out more than a hundred IP awareness activities in the country.

INTA has direct experience with IP outreach, education, and harmonization in Kenya. In 2018, INTA assisted Kenya's National Assembly with the creation of a Trademark/IP Caucus to foster the promotion and protection of IP rights in Kenya.³ In late 2019, INTA conducted a workshop for judges to provide continuing education on IP rights and proceedings, including topics such as bad faith filings, counterfeits, and nontraditional trademarks.⁴ INTA is pleased to engage with stakeholders and the government of Kenya on important aspects of IP legislation and policy.

RECOMMENDATIONS

INTA offers three categories of recommendations at this time, and identifies one additional area for continued discussion.

General Obligations and Transparency

A well-functioning market economy must embrace basic principles in order to instill confidence in private sector investors. Procedural transparency is an indispensable condition, furthering good governance and the rule of law. FTA commitments can promote targeted training and capacity building, information exchanges, and enhance awareness of the importance of IP among the civil service and the public. Strong trademark obligations in Kenya will set the benchmark for fair and equitable treatment for the fastest growing segment of IP-intensive industries.⁵

The FTA should incorporate provisions to improve the parties' general IP systems, to ensure a level playing field for all IP owners, such as small and medium sized enterprises, including:

- Raising awareness of the importance of IP in all branches of government.
- Online publication of laws, regulations, procedures, and administrative rulings of general application concerning the protection and enforcement of IP rights.
- Online publication of information concerning trademark applications and registered trademarks.
- Establishment of a Committee on Intellectual Property Rights (IPR Committee), composed of government representatives of each Party.
- Training judges and prosecutors with specific IP and trademark expertise to promote confidence in civil and criminal avenues for IP enforcement.
- Exchanging information between IP offices or other relevant agencies or institutions.

³ <https://www.worldipreview.com/contributed-article/inta-and-kenya-s-anti-counterfeit-authority-sign-memorandum-of-understanding>

⁴ https://www.inta.org/INTABulletin/Pages/Enforcement_update_7421.aspx

⁵ Trademark-intensive industries are the largest in number and contribute the most employment with 23.7 million jobs in 2014 (up from 22.6 million in 2010). *Intellectual Property and the U.S. Economy*, at 10. <https://www.uspto.gov/sites/default/files/documents/IPandtheUSEconomySept2016.pdf>.

Procedural and Substantive IP Provisions

The shift to a modern economy driven by innovation and a balanced and up-to-date IP framework requires the adoption of an effective legal framework. FTA commitments will drive legal and practical reform in Kenya, and should include the following:

- Electronic trademark filing system.
- Protection for collective and certification marks.
- Protection of well-known marks, including implementation the World Intellectual Property Organization's Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.
- Ten year term of protection for trademarks.
- Protection for non-traditional marks, *e.g.*, sound and smell.
- Protection for color marks.
- A likelihood of confusion standard for use of identical or similar signs on related goods or services.
- Procedures providing for the opportunity to oppose the trademark before registration and to cancel after the registration.
- A trademark classification system consistent with the Nice Agreement.
- Not requiring marking for registered trademarks.
- Not requiring recordal of a trademark license.
- Accession to The Hague Agreement.
- Protection of partial designs, *i.e.*, that a part of a product can be registered as a design provided that it otherwise meets the requirements for registration.
- A domain name resolution policy.
- An anti-cybersquatting policy (prohibition on bad faith domain name registration).
- A requirement that limitations on government measures to restrict branding or the use of trademarks must be supported by evidence of efficacy and proportionate to the level of interference with the trademark owner's rights.

Anticounterfeiting and Enforcement Provisions

In the area of trademarks, counterfeiting and infringement (both online and physical) are a global problem. Since its establishment, INTA has advocated for strong measures against trademark counterfeiting. Counterfeit goods not only lead to consumer deception but, owing to their often poor quality, may pose a threat to health and safety of consumers around the world.

INTA applauds the progress that Kenyan authorities have achieved in anticounterfeiting enforcement in recent years, but there is still opportunity for improvement. The Kenya Anti-Counterfeit Authority (ACA) 2017-2022 Strategic Plan outlines an ambitious roadmap toward "a counterfeit-free Kenya" and it uses a multifaceted approach in dealing with trade in counterfeit goods in the country.⁶ ACA's new push in achieving its mandate themed "Taking Responsibility in the War against Counterfeiting" has three main facets, namely collaboration, operational actions, and consumer-focused actions. Kenya is also in the process of implementing IP rights recordation pursuant to the Anti-Counterfeit Act of 2008, as amended by the Statute Law (Miscellaneous Amendments), Act 2018. Regulations to give effect to the Act have been finalized

⁶ <https://www.aca.go.ke/strategic-plan>

and forwarded to the Office of the Attorney General for onward transmission to the Kenya's Parliament for approval. INTA is hopeful that these measures will help curb the counterfeit trade in Kenya and reduce the amount of counterfeits.

INTA desires TRIPS-plus protections in the U.S. – Kenya FTA in order to address the socially and financially crippling effects of infringements and counterfeits.⁷ We forecast that the value of domestically produced and consumed counterfeit and pirated goods could range from \$524 - \$959 billion by 2022⁸. Deterrent level damages and destruction of counterfeit goods are simply not enough. Enforcement provisions should also include:

- Presumption of validity of registered trademarks in civil, administrative, or enforcement proceedings.
- Injunctive relief to prevent infringing goods from entering the channels of commerce.
- In civil proceedings, judicial authorities should be able to make determinations against the party adversely affected by a denial of access to evidence.
- Competent authorities must be empowered to initiate *ex officio* border measures against suspected counterfeit goods.
- Willful importation or exportation of counterfeit goods must be subject to criminal penalties.
- Criminal penalties for willful importation and use of labels or packaging identical to or indistinguishable from a registered trademark.
- Criminal liability for aiding and abetting counterfeiting.
- Seizure and forfeiture of counterfeiting proceeds.

Sharing Best Practices

As counterfeiters become increasingly creative and adaptive to the evolving counterfeit trade, we must always improve anticounterfeiting enforcement mechanisms. As Kenya will be updating its IP system and the U.S. will be providing technical and other assistance as part of negotiating and concluding a FTA, we look towards innovative ideas to foster the sharing of best practices, including to:

- Promote stronger anticounterfeiting efforts online and offline.
- Promote information sharing with all stakeholders.
- Map the counterfeit trade routes, advocating for stronger tools for targeting counterfeits.
- Organize brand identification trainings for enforcement officials at the borders to promote seizure of goods in transit.
- Support the establishment of an IPR Center in order to fight against counterfeits, piracy, and other IP crimes between the different governmental offices within the country, and to facilitate coordination between that country and other jurisdictions globally.

⁷ INTA Model Free Trade Agreement, IV.1.1 (“Each Party shall adopt trademark infringement and anticounterfeiting laws that go beyond the minimum requirements of TRIPS Part III to strengthen the protection of trademarks and enhance the legitimate trade between nations[.]”).

<https://www.inta.org/Advocacy/Documents/INTAModelFreeTradeAgreement.pdf>

⁸ Frontier Economics, *The Economic Impacts of Counterfeiting and Piracy*, at 8 (2017).

https://www.inta.org/Communications/Documents/2017_Frontier_Report.pdf

CONCLUSION

INTA is pleased to have the opportunity to provide input to this process. INTA welcomes any questions that USTR may have and is available to discuss our recommendations in more detail. In this respect, please contact Jenny McDowell, Director, Government Relations, at jmcdowell@inta.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Etienne Sanz de Acedo". The signature is stylized and cursive.

Etienne Sanz de Acedo
Chief Executive Officer
International Trademark Association (INTA)