

RECENT LEGISLATIVE CHANGES IN TRADEMARK LAW IN TANZANIA

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1. INTRODUCTION

1.1 There are two important legislative developments which took place in the IP arena in Tanzania that are expected to change the Tanzania IP landscape for the better. This paper focuses on these recent legislative changes (namely *the Merchandise Marks Act Regulations 2008¹* and *the Zanzibar Industrial Property Act 2008²*). In the light of these legal developments, it is noted that Tanzania has made a good step by amending its laws on protection of Trade Marks rights in order to comply with international standards as prescribed in the TRIPS Agreement³ and other international conventions. It is further noted that, in the light of the above legal changes, Tanzania, has considerably stepped up its efforts to stamp out counterfeiting.

2. The United Republic of Tanzania

2.2 Union of Tanganyika and Zanzibar

Tanzania is a United Republic, made up of two countries namely Tanganyika (now “Mainland Tanzania”) and the Islands of Zanzibar and Pemba, collectively known as "Zanzibar". Both countries were British colonies and thus followed the common law legal system that was bequeathed to them. Although these two former states united in 1964, they still maintain separate trade marks laws and registration systems. Consequently, protection sought in one part of the union will not extend to the other part. To obtain trademark protection throughout the union, protection must be sought in both Tanganyika and Zanzibar (i.e. by filing separate trademark applications.)

¹ GN 89 of 2008 as published on 20 June 2008

² Act No 4 of 2008

³ The Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement)

2.2 **The Trademark Law in Tanzania**

2.2.1 In Tanganyika, trade marks are governed by **the Trade and Services Marks Act⁴**. This legislation was enacted in 1986 and became operational in October 1994 following the publication of the commencement notice in the official Gazette. The only recent legislative development in Tanganyika is the publication of the implementing Regulations for the Merchandise Marks Act, 1963⁵ i.e. **the Merchandise Marks Regulations, 2008** (“the **Regulations**”)

2.2.2 In Zanzibar, before September 2008, trade marks were governed by the outdated Trade Marks Decree, 1930⁶. But now, we have a new law in Zanzibar, namely; the **Zanzibar Industrial Property Act 2008**

3. **The Recent Legislative Changes in Tanganyika**

3.1 **The Amendments to the Merchandise Marks Act 1963**

3.1.1 The phantom of counterfeiting has haunted Tanzania since independence. The Merchandise Marks Act, 1963, was enacted to combat counterfeiting activities in 1963. Surprisingly, this legislation did not become operational until 15 April 2005⁷ due to the delay in the publication of the commencement notice in the official Gazette. The inordinate delay in the implementation of this legislation bemuses critics and some questioned the ability of an archaic legislation, enacted to address a problem in 1960’s to contain an escalating problem in this modern times of information technology.⁸

3.1.2 In response to the criticism, the legislation was amended in 2007 by the Written Laws (Miscellaneous Amendments) (No.2) Act, 2007⁹. These

⁴ [CHAPTER 326 R.E 2002].

⁵ [CHAPTER 85 R.E 2002];

⁶ Chapter 159 of Laws of Zanzibar

⁷ See GN 95 of 2005 published on 8 April 2005

⁸ See for instance, Mkono & Co, *‘Turning the tables on counterfeiters’ Handbook 2008, (15th Ed) Managing Intellectual Property* at 396

⁹ Act No 19 of 2007

Amendments were important as they addressed the counterfeiting problem broadly and came up with some practical strategies and Rules to meet the shared challenges posed by the problem of trade in counterfeit and pirated products.

3.1.3 Among other things, the Amendments in 2007, introduced the offices of chief inspector¹⁰ and other inspectors with various powers to implement the law. The Chief inspector's powers include powers to investigate, powers to initiate proceedings before the courts against the suspects; powers to conduct searches and seize suspected counterfeits, powers to destroy counterfeit products, powers to receive complaints from brand owners and conduct summary proceedings.¹¹

3.1.4 Importantly, the inspectors have been given powers to demand from the supplier of any goods suspected to be counterfeit any information relating to particulars of the manufacturer of those goods.¹² If the supplier fails to supply the information within fourteen days, the supplier would be deemed to be the manufacturer of such goods. Here the main target of the law is to destroy the source of the counterfeits products and also to disrupt the manufacturing and the chain of supply.

3.1.5 Another important change that was introduced by the amendments is that the Minister has been given powers to make Regulations for the better implementation of the Merchandise Marks Act.¹³ Before the Amendments, there was no possibility of making any regulations at all. This omission proved fatal to the implementation of the Merchandise Marks Act from day one. There were neither Rules nor guidelines on how to implement the main Legislation. This omission caused serious problems because no procedure was set forth to govern the administration of the Merchandise Marks Act. For instance, there was no guidance on how to handle any counterfeit products let alone what to do with the arrested counterfeit products. The Amendments

¹⁰ See s. 4 of Act No 19 of 2007

¹¹ See S. 2C of the 2007 Amendments

¹² See section 4(b) of Act No 19 of 2007

¹³ See S. 49© of Act No. 19 of 2007

brought practical solutions as in 2008 the Minister made decisive Regulations.
i.e. **the Merchandise Marks Regulations, 2008**

3.2 **The Merchandise Marks Regulations, 2008**

3.2.1 These Regulations are decisive and bring hope for an end to an era of counterfeiting in Tanzania. The Amendments and the Regulations are now in force. The Regulations were published in the Government Gazette of 20 June 2008.

3.2.2 Unlike the main legislation which does not define counterfeit goods, the Regulations define counterfeit goods as **“goods available as a result of counterfeiting and piracy and includes any means used for the purposes of counterfeiting or piracy”¹⁴**.

3.2.3 Furthermore, the Regulations established an Interdepartmental Task Force¹⁵ to oversee the implementation of the Act and the Regulations. The Members of the Task Force are appointed by the Minister from the Attorney General Chambers, Tanzania Revenue Authority, Tanzania Police Force, Tanzania Bureau of Standards and representative from the Food and Drugs Authority. For the first time, the task force provides a good cooperation between various organs of the government in an effort to fight a common enemy, counterfeiting. Indeed, following this cooperation various coordinated raids have been launched throughout the country over the past years and several counterfeits and pirated products were arrested and destroyed.

3.2.4 Moreover, the Regulations have clarified the powers of the Chief Inspector appointed under the Act. Apart from the investigative powers, the Chief inspector may also request the Commissioner of Customs to suspend the release of goods suspected to be counterfeit goods¹⁶. The Regulations also set out the manner of conducting summary proceedings.¹⁷ Basically, the chief inspector has been vested with immense powers. It is apparent that the

¹⁴ See Regulation 2

¹⁵ See Regulation 8

¹⁶ See Regulation 16(1)

¹⁷ See Regulation 12

execution of these powers will infringe the doctrine of separation of powers and may be subjected to abuse.

- 3.2.5** Under the Regulations, an appeal against the final decision of Chief Inspector shall lie in the Fair Competition Tribunal,¹⁸ established under the Fair Competition Act 2003 and chaired by a judge of the High Court
- 3.2.6** Another important change introduced by the Regulations is the establishment of Zonal offices¹⁹ in various places around the country to combat counterfeiting. Since Tanzania is a big country, the zonal offices simplify the efforts against counterfeiting around the whole country. The zonal offices are manned by responsible officers who have the authority to monitor border posts and seize, detain and or dispose of counterfeit products before they are exported or imported into the country.
- 3.2.7** The Regulations have also prescribed measures to be taken at the border by authorizing Customs Officials to seize any goods imported or exported which are reasonably suspected to be counterfeits products or any goods which are suspected to violate the IP rights of any person that are recognised under the Act or any other written law²⁰.
- 3.2.8** The Regulations also provide for the possibility of obtaining *ex parte* search orders (*Anton Piller Orders*). The search order can be obtained from any District Court by the Chief Inspector or any IP right holder. The order will authorise the said inspectors to enter and search any premises that are suspected to contain counterfeit goods²¹
- 3.2.9** Moreover, the Regulations also contain provisions setting out the procedure for seizure, detention, storage and disposition of counterfeit goods²² The regulations further provide a mechanism under which suspected offenders may

¹⁸ See Regulation 51

¹⁹ See Regulation 7

²⁰ See Regulation 52

²¹ See regulation 18(4)

²² See Regulation 55

be committed to the Director of Public Prosecution for criminal prosecution for importing, exporting or dealing in counterfeit goods which endanger safety and public health of the inhabitants in Tanzania²³

3.2.10 Under the Regulations one can also obtain freezing orders²⁴ (*Mareva injunctions*) from the Court to enable the Applicant to have the Respondent's asset frozen so that they cannot be removed from the jurisdiction of a court to frustrate the final order or judgement of the court.

3.2.11 The Regulations have also prescribed the fees and fines payable for counterfeiting offences as well as prescribing various forms that may be used to commence an application either before the Chief Inspector or Custom officials. Any person convicted of an offence under the Act may be sentenced to pay a fine or serve a prison term of 1 year or both²⁵. The maximum fine has been capped at, Tsh5, 000,000 which is roughly US\$5000. Given the money which can be reaped by counterfeiters, the consensus is that the penalties prescribed by the law are too small and will not offer a good deterrence against counterfeiting. Nevertheless, the task force can advise the Chief inspector on the method of calculating the suitable fines for each particular case, and impose a fine appropriate with the harm or potential harm and also to deter such offences²⁶.

3.2.12 It is our considered opinion that the Amendments and the Regulations have breathed some new life into our law and this has stepped up the ongoing war to stamp out counterfeiting. Since the law has now branded the importers and sellers of counterfeits as criminals, it is now possible to use the criminal machinery to fight counterfeits. However, the Confederation of Tanzania Industries (CTI) estimates that 40% of the market in Tanzania is dominated by counterfeits and pirated products. CTI believes that since most counterfeits products originates outside Tanzania, the current war against counterfeiting will only bear fruits if the governments of the exporting countries in the

²³ See Regulation 50

²⁴ See Regulation 2

²⁵ See 3 of Cap 85

²⁶ See Regulation 49

Middle East and Asia make serious efforts and control the manufacturer of counterfeits²⁷.

3.2.13 It is now an offence under our law for any person to sell any goods to which any forged trademark or false trade description is applied or to which any trademark or mark so nearly resembling a trademark as to be likely to deceive is applied. However, any meaningful successes against counterfeiting will be achieved on the basis of the cooperation between all stakeholders as envisaged by the Amendments. Basically the Regulations offer all stakeholders an opportunity of turning the tables on counterfeiters.

4. The Recent Legislative Changes in Trademark Law in Zanzibar

3.1 The Zanzibar Industrial Property Act 2008

3.1.1 Before September 2008, Trademark protection in Zanzibar was regulated by the Trademarks Decree. Basically the Decree was outdated and had been in force since the British colonial era. Besides, the Decree did not provide for registration or protection of service marks.

3.1.2 But now, we have a new law,²⁸ the Zanzibar Industrial Property Act 2008²⁹ which was enacted in 2008. The New law repeals and replaces the old Trademarks Decree and importantly, introduced the registration of service marks as well as non-traditional marks.³⁰ The new law in Zanzibar is now in force since 13 September 2008 following the commencement notice published by the Minister in the official gazette of 3 October 2008³¹.

3.1.3 The New legislation in Zanzibar has five (5) parts, 123 sections and has changed the entire IP landscape in Zanzibar. It consolidates and codifies in a single legislation, the laws on Trade and Service Marks³², Patents,³³

²⁷ Mkono, *ibid* at 397

²⁸ Zanzibar Industrial Property Act 2008, Act No 4 of 2008

²⁹ Act No 4 of 2008

³⁰ See s. 2, *Ibid* for definition of a mark

³¹ See Legal Supplement (Part II) to the Zanzibar Gazette, Vol. CXVII No 6284 of 3 October 2008

³² Part III, Chapter 1

³³ Part II, Chapter 1

Geographical Indications³⁴, Industrial Designs³⁵, Layout Designs of Integrated Circuits³⁶ and Utility Models.³⁷

3.1.4 This New legislation has expanded the scope of trademark protection. It is noteworthy that, for the first time, the law provides for registration of service marks as well as non-traditional marks like sound, colour and scent marks in Zanzibar. Classification of marks is now based on the Nice Agreement as last revised.³⁸ All trademarks registered under the old law shall be reclassified at the time of renewal³⁹. Under the New legislation, **a mark is defined to mean “any sign capable of being represented graphically and which can distinguish goods or service of one undertaking from other undertakings”⁴⁰.**

3.1.5 Fundamentally, the absolute grounds for registration assert supremacy in the New Legislation as for any mark to be registered under the law that mark must be distinctive and not likely to deceive⁴¹. The New Law also contains provisions for protection of collective marks⁴², certification marks,⁴³ trade names as well protection for unregistered well-known marks⁴⁴

3.1.6 Ironically, the term for trademark protection has been reduced from 14 years to 10 years⁴⁵. The registration can then be renewable for consecutive terms of 7 years⁴⁶ with a grace period of 6 months⁴⁷. Under the old law, the renewal period was 14 years and the grace period was 3 months.

³⁴ Part III, Chapter III

³⁵ Part II, Chapter III

³⁶ Part II Chapter IV

³⁷ Part II, Chapter II

³⁸ S. 2 and 47(1) (a)

³⁹ S.121(4)

⁴⁰ S.2, Ibid

⁴¹ S.46(2)

⁴² S.51

⁴³ S.s.52

⁴⁴ See s. 46(1)(v), s.74(3) and (6)

⁴⁵ S. 49(7) (a).

⁴⁶ S. 49(7) (b).

⁴⁷ S. 49(7) (c).

- 3.1.7 Registration of a mark under the new law will give the registered proprietor an exclusive right to prevent others from using, in the course of trade, an identical or similar signs on identical or similar goods where the use is likely to cause confusion.⁴⁸ The New law also provides for national exhaustion of rights in respect of articles put on the market in Zanzibar by the registered owner or by his consent.⁴⁹
- 3.1.8 On enforcement provisions in respect of industrial property rights, the new law provides for anti-counterfeiting measures, provisional measures to prevent infringement or unlawful use of marks⁵⁰ and measures that should be taken at the borders⁵¹ against importation and exportation of suspected counterfeit products infringing third parties IP rights. To achieve this, customs officials have been authorized to suspend the clearance and release of goods suspected to be counterfeit or pirated goods⁵²; if there is a *prima facie* evidence that the said goods are counterfeit. The new law also has provisions against unfair competition.⁵³
- 3.1.9 Furthermore, the new law also has provisions describing the powers and duties of the Civil Courts while handling IP cases. The courts may grant injunctions, damages and costs⁵⁴ as well as order the destruction of the infringing goods as a deterrent measure.⁵⁵
- 3.1.10 Additionally, the new law has also criminalized willful trademark counterfeiting as well as large scale copyright piracy⁵⁶. Anyone found guilty of these offenses would be exposed to penalties i.e. fines, imprisonment or both.

⁴⁸ S.49(1)

⁴⁹ S.49(3)

⁵⁰ S.82

⁵¹ See PART IV, Chapter V, especially s. 90, 97

⁵² S.91

⁵³ See S.67

⁵⁴ For instance see s. 81

⁵⁵ S.85

⁵⁶ S. 112

3.1.11 Although the New law is a commendable development, its implementation faces a serious challenge because, there are no Regulations promulgated so far to support the same. Therefore, the administration of the law without the enabling Regulations is proving difficult. However, under the saving provisions,⁵⁷ the Regulations made under the old Law should apply until the New Regulations are promulgated.

3.1.12 How long will it take for the implementing Regulations to be enacted and published is hard to predict but, the expectation is that the new law will change the IP landscape in Zanzibar for better. And since the Registrar's office has now been empowered to publish its own official Journal,⁵⁸ it is our expectation that this will speed up publication of trademarks applications and thus speed up the registration process. Under the Old Law, publication of trademark applications was taking place slowly due to delays in publication of the Government Gazette, which is published by the government.

4.0 Conclusion

To conclude, the legislative developments in Tanzania show that, the Tanzania IP landscape is changing for the better. However, much is still to be done to meet the international requirements by 2016 as required under the TRIPS agreement. Our country has taken a giant step to reform its IP legal landscape. At this defining moment, with the current economic meltdown, trademarks protection is more important than ever. Trademark owners should come forward, take advantage of these legal developments and protect their brands. This is the time, the right time to hit back by turning the tables at counterfeiters and pirates!

Thank you for listening, and karibu Tanzania!

⁵⁷ S.123
⁵⁸ S.2