

THE ANTI COUNTERFEITING BILL, 2010

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SCHEDULE

Currency Point.

A Bill for an Act

ENTITLED

THE ANTI COUNTERFEITING BILL, 2009

An Act to prohibit trade in counterfeit goods that infringe upon protected intellectual property rights; to require intellectual property rights to cover only copyright and trademarks; to prohibit release of counterfeit goods into the channels of commerce; to create offences relating to trade in counterfeit goods; to empower the Commissioner General to seize and detain suspected counterfeit goods; to empower inspectors appointed by the National Bureau of Standards to seize and detain suspected counterfeit goods and to provide for incidental matters.

BE IT ENACTED by Parliament as follows:

PART I – PRELIMINARY

1. Commencement

This Act shall come into force on a date appointed by the Minister, by statutory instrument.

2. Interpretation

In this Act, unless the context otherwise requires-

“Bureau” means the Uganda National Bureau of Standards established by section 2 of the Uganda National Bureau of Standards Act;

“Commissioner General” means the Commissioner General of Uganda Revenue Authority and includes any officer acting under the authority of the Commissioner General;

“complainant” means a person who is entitled under section 17 to lay a complaint and who has laid such a complaint;

“Council” means the National Standards Council established by section 4 of the Uganda National Bureau of Standards Act;

“counterfeiting” means without the authority of the owner of a copyright or trademark in Uganda in respect of protected goods-

- (a) the manufacturing, producing, packaging, re-packaging, labeling or making of any goods by which those protected goods are imitated in such manner and to such a degree that those other goods are identical to protected goods;

- (b) the manufacturing, producing or making of the subject matter of that intellectual property, so that the other goods are likely to be confused with or to be taken as being the protected goods of the owner or any goods manufactured, produced or made under his or her licence;
- (b) the manufacturing, producing, or making of copies, in violation of the author's rights or related rights;
- (c) in the case of medicines, includes the deliberate and fraudulent mislabeling of medicines with respect to identity or source, whether or not such products have correct ingredients, wrong ingredients, have sufficient active ingredients or have fake packaging.

"counterfeit goods" means –

- (a) in relation to any goods alleged to infringe any copyright, any goods which are copies made without the consent of the rights holder or person duly authorised by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation;
- (b) in relation to any goods alleged to infringe any trademark any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of those goods, or which cannot be distinguished in its essential aspects from that trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation;

"currency point" has the value specified in the Schedule to this Act;

"customs authority" means the Uganda Revenue Authority;

"depot" means a place designated as a counterfeit goods depot under section 13(1);

"document" includes a tape recording, a photograph and any electronic or magnetic or other medium on, in, or by means or by way of which, images, sound, data or information may be stored;

"exporter" includes any person who, at the relevant time-

- (a) is the owner or is in control or possession of any goods exported or to be exported from Uganda;
- (b) carries the risk for any goods exported or to be exported from Uganda;

- (c) represents that or acts as if he or she is the exporter or owner of any goods exported or to be exported;
- (d) takes or attempts to take any goods from Uganda;
- (e) has a beneficial interest, in any manner or of any nature, in any goods exported or to be exported from Uganda; or
- (f) acts on behalf of any person referred to in paragraphs (a), (b), (c), (d) or (e), and, in relation to imported goods destined for exportation from Uganda, includes the manufacturer, producer, maker, supplier or shipper of those goods or any person inside or outside Uganda representing or acting on behalf of that manufacturer, producer, maker, supplier or shipper;

“importer” includes any person who, at the relevant time-

- (a) is the owner or is in control or in possession of any goods imported or to be imported into Uganda;
- (b) carries the risk for any goods imported or to be imported into Uganda;
- (c) represents that or acts as if he or she is the importer or owner of any goods imported into Uganda;
- (d) brings or attempts to bring any goods into Uganda;
- (e) has a beneficial interest, in any manner or of any nature, in any goods so imported or to be imported into Uganda;
- (f) acts on behalf of any person referred to in paragraph (a), (b), (c), (d) or (e);

“inspector” means a person appointed as inspector under section 6;

“intellectual property right” means copyright or a trademark protected in Uganda under any enactment relating to copyright or trademark;

“Minister” means the Minister responsible for trade;

“owner” means a person who has a right in law to enforce the intellectual property right in his or her own name;

“package” or “packaging” means any container, wrapping or outer cover and contents of it, or any bundle or single piece in the case of unpacked goods;

“proper officer” means any officer whose right or duty it is to require the performance of, or to perform any acts referred to in the East African Community Customs Management Act, 2004;

“protected goods” means goods protected under any enactment relating to copyright or trademarks in Uganda;

“stipulated goods” means suspected counterfeit goods referred in an application to the Commissioner General under section 19;

“vehicle” includes any motor vehicle, van, truck, trailer, caravan, cart, barrow, train, aircraft, ship, boat or other vessel, and any craft or other means of conveyance whether or not similar to the foregoing.

PART II – ADMINISTRATION

3. Administration.

This Act shall be administered by the Uganda National Bureau of Standards.

4. Functions of the Bureau.

- (1) In administering this Act the functions of the Bureau shall be to-
 - (a) enforce the provisions of this Act;
 - (b) enlighten and inform the public on matters relating to counterfeiting and incidental matters;
 - (c) deal with all matters relating to combating counterfeiting in Uganda as provided for under this Act and any ancillary matters connected with its functions under this Act; and
 - (d) devise promotion, introduction and training programmes on combating counterfeiting and incidental matters and to that end coordinate its work with national, regional or international organisations concerned with the same subject matter.
- (2) In carrying on its functions under this Act the Bureau shall cooperate with the Uganda Revenue Authority and any other organisation or agency which has functions under this Act or whose operations relate to the implementation of this Act.
- (3) This Bureau may delegate some of its functions to the Uganda Revenue Authority.
- (4) This Act does not derogate from the powers of the Uganda Revenue Authority under the East African Customs Management Act, 2004.

5. Liability for damage or loss arising under this Act.

(1) Any person who suffers damage or loss caused by wrongful seizure, removal or detention of goods alleged to be counterfeit goods following a complaint made to the Council under this Act, is entitled to claim compensation for the damage or loss suffered by him or her against the complainant.

(2) Subsection (1) shall not prejudice a person who gives information in good faith and on reasonable grounds on the basis of which goods are seized, removed or detained.

(3) The Bureau, an inspector or person in charge of the relevant depot is liable in respect of a claim under subsection (1) only if -

(a) in the seizure or removal of the alleged counterfeit goods, the Bureau, inspector, or the person in charge of the detention and storage of those goods, has been grossly negligent; or

(b) the Bureau, inspector or the person in charge of the depot, as the case may be, in the seizure, removal, detention or storage of those goods, acted in bad faith.

(4) Any reference in subsection (3)(a) or (b) to an inspector or to a person in charge of a depot, shall be construed to include any person acting on the instruction or under the supervision of the inspector or the person in charge.

PART III – INSPECTION

6. Appointment of inspectors.

(1) The Council shall, for the purposes of enforcing the provisions of this Act, appoint such number of inspectors as it considers appropriate and shall issue to them, in writing and in such form as may be prescribed, certificates of authority to act as inspectors.

(2) A person appointed as an inspector under subsection (1) shall hold office subject to such conditions as the Council may determine.

(3) In addition to inspectors appointed under subsection (1), the Council, may designate as an inspector a member of the Council, a police officer, a customs officer or any other public officer.

(4) The Council may vary the conditions subject to which an inspector is appointed or designated or may revoke the appointment or designation.

(5) The appointment or designation of an inspector under this section shall be published in the Gazette.

7. Powers of inspectors in relation to counterfeit goods.

(1) An inspector may at any reasonable time-

- (a) with the authority of a warrant issued by a court, enter upon, and inspect, any place, premises or vehicle at, on or in which goods that are reasonably suspected of being counterfeit goods, are to be found, or on reasonable grounds, are suspected to be, or to be manufactured, produced or made, and search the place, premises or vehicle and any person in that place, for such goods and for any other evidence of the alleged or suspected act of dealing in counterfeit goods and for the purposes of entering, inspecting and searching such a vehicle, an inspector may stop the vehicle, wherever found, including on any public road or at any other public place;
- (b) with the authority of a warrant issued by a court, take the steps that may be reasonably necessary to terminate the manufacturing, production or making of counterfeit goods, or any other act of dealing in counterfeit goods being performed, at, on or in such place, premises or vehicle, and to prevent the recurrence of any such act in future;
- (c) with the authority of a warrant issued by a court, seize and detain, and, where applicable, remove for detention, all the goods in question found at, on or in such place, premises or vehicle;
- (d) seize and detain, and, where applicable, remove for detention, any tools which may be used in the manufacturing, production, making or packaging of those goods or in applying a trade mark on those goods;
- (e) where he or she reasonably suspects that a person at, on or in that place, premises or vehicle may furnish any information with reference to any act of dealing in counterfeit goods-
 - (i) question that person and take down a statement from him or her;
 - (ii) demand and procure from that person any book, document, article, item or object which in any way may be relevant to the nature, quantity, location, source or destination of the goods in question, or the identity and address of anyone involved or who appears to be involved as a supplier, manufacturer, producer, maker, distributor, wholesaler, retailer, importer, exporter or clearing and forwarding agent of, or other dealer in, the goods in question; and
- (f) seal or seal off any place, premises or vehicle at, on or in which-
 - (i) the goods in question are found, or are manufactured, produced or made, either wholly or in part;

- (ii) any trade mark, any exclusive mark or any work which is the subject matter of copyright, is applied to those goods;
- (iii) the packaging for those goods is prepared; or
- (iv) the packaging of those goods is undertaken.

(2) Notwithstanding subsection (1)(b) the steps provided under that subsection shall not include the destruction or alienation of the relevant goods unless authorised by the court, but the goods may be destroyed if they are perishable or detrimental to health or dangerous.

(3) This section shall not be construed as requiring a person to answer any question or give any information if to do so might incriminate him or her.

(4) An inspector may arrest, without a warrant, any person whom he or she suspects upon reasonable grounds of having committed any offence under this Act and may search and detain that person:

(5) Notwithstanding subsection (4) a person shall not be arrested under this section unless he or she obstructs or hinders the inspector or that person refuses to give his or her name and address to the inspector or to produce to him or her satisfactory evidence of his or her identity, or gives a name and address which the inspector has reason to believe to be false or it appears to the inspector that that person may not be found or made answerable to justice without unreasonable delay, trouble or expense.

(6) A private person who arrests a person without a warrant shall without unnecessary delay make over the person arrested to a police officer, or in the absence of a police officer shall take the person to the nearest police station.

8. Duties of inspector following seizure of goods

(1) An inspector who has seized any suspected counterfeit goods under section 7 shall-

- (a) as soon as possible but not later than five working days seal, clearly identify and categorise the goods and prepare, in quadruplicate, an inventory of those goods and cause the person from whom the goods are seized to check the inventory for correctness; and, if correct, cause that person to make a certificate under his or her signature on each copy of the inventory and if the seized goods are removed under paragraph (c), the inspector shall endorse that fact under his or her signature on every copy of the inventory, and in that case the inventory; shall also serve as a receipt;
- (b) furnish one copy of the inventory to the person from whom the goods are seized and another to the complainant, if any, within five working days after the seizure;

- (c) as soon as possible but not later than five working from the date of seizure, remove the goods, if transportable, to a depot for safe storage, or, if not capable of being removed or transported, declare the goods to have been seized in the place where they are found, and seal off or seal and lock up the goods or place them under guard at the place where they were found, and thereupon that place shall be taken to be a depot; and
 - (d) by written notice, inform the following persons of the action taken by the inspector under section 7(1) and of the address of the counterfeit goods depot where the seized goods are kept-
 - (i) the person from whom the goods are seized; and
 - (ii) either the complainant, where the inspector exercised his or her powers following a complaint made under section 17(1); or
 - (iii) any person who, in relation to the goods, qualifies under section 17(1) to be a complainant, but who had not yet made a complaint at the time when the inspector exercised those powers on his or her own initiative under section 17(4).
- (2) An inspector may require a complainant to disclose any additional information, which may be relevant to the action that has been taken.
- (3) Any person aggrieved by a seizure of goods under section 7(1), may at any time apply to the court for a declaration that the seized goods are not counterfeit goods and for an order that they be returned to him or her.
- (4) The court may grant or refuse the declaration applied for under subsection (3) and make such order as it thinks fit in the circumstances, including an order as to the payment of damages and costs, if applicable.

9. Obstruction and breaking the seal

- (1) A person who –
- (a) willfully obstructs an inspector in the discharge of his or her duties
 - (b) willfully fails to comply with any requirement properly made to him or her by an inspector;
 - (c) without reasonable cause fails to give to an inspector any assistance or information which the inspector may reasonably require of that person for the purpose of the performance of his or her duties under this Act; or

(d) in giving any such information as is mentioned in paragraph (c) makes any statement which he or she knows to be false or does not believe to be true, commits an offence.

(2) Where any person, without authority, breaks, damages or tampers with a seal applied by an inspector under this Act or removes any goods, document, article, item, object or thing sealed or sealed-off by an inspector or detained or stored at a depot under this Act he or she commits an offence.

(3) A person who commits an offence under this section is on conviction liable to a fine not exceeding two thousand five hundred currency points or imprisonment not exceeding three years or both.

10. Evidence and presumptions

(1) Copies of any statement taken down or other documentary evidence procured by an inspector in the course of exercising his or her functions under this Act, may be made available to a complainant upon an application in the prescribed manner.

(2) A statement made by an inspector to the effect that the goods specified in the inventory attached to that statement are goods seized by him or her from a specified person at a specified place and on a specified date shall be *prima facie* evidence of the facts stated in the statement concerning the counterfeit goods or any act of dealing in them.

(3) Where the existence of an intellectual property right in respect of protected goods or any person's title to or interest in that intellectual property right is in issue in any civil or criminal proceedings concerning counterfeit goods, the substance of, title to or interest in that intellectual property right, where it is alleged to encompass the rights in respect of intellectual property as described in the definition of "intellectual property right" in section 2, may be proved in accordance with the provisions of any intellectual property legislation for the time being in force.

(4) Where the existence of intellectual property right in respect of suspected counterfeit goods or the title or interest in intellectual property right is in issue, the complainant shall be presumed to be the owner of the intellectual property or the related right until the contrary is proved.

(5) Subsection (4) shall not be taken to prejudice the rights of any person not being the owner of an intellectual property right in relation to the goods.

(6) Where a name or mark purporting to be that of the author of a work or the owner of copyright or related rights, is either associated with copies of a work or other protected subject matter, or its related packaging, or appears in connection with a work or other protected subject matter, the association or connection shall be admissible as evidence of the fact indicated and such evidence shall be presumed to be correct, until the contrary is proved.

(7) Subsections (3), (4) and (5) shall not be construed so as to detract from the power of the court, in relation to any matter referred to in subsections (3), (4), (5) or any aspect of such matter-

- (a) to require oral evidence to be given; or
- (b) to order that the evidence of a person who resides or is for the time being outside the area of jurisdiction of that Court, be taken by means of interrogatories.

(8) Where a person who trades in protected goods featuring, bearing, incorporating or embodying the subject matter of particular intellectual property right is proved to have been found in possession of suspected counterfeit goods to which the subject matter of the same intellectual property right has been applied, it shall in any civil or criminal proceedings concerning an act of dealing in counterfeit goods found in his or her possession, be presumed, until the contrary is proved, that that person was in possession of the goods for the purpose of trade.

(9) This section shall operate without prejudice to the provisions of the Evidence Act.

11. Storage of seized goods, and access to them.

(1) Goods that have been seized under section 7(1) shall be stored and kept in safe custody at a depot until the person in charge of the depot-

- (a) is ordered by the court under this Act to return, release, destroy or otherwise dispose of the goods as specified in the order;
- (b) is directed by the inspector under section 12 of this Act to release the goods to the person from whom they were seized.

(2) Notwithstanding subsection (1), in the case of counterfeit goods, the goods shall be either destroyed or returned to the country of origin if imported, at the expense of the manufacturer or importer as the case may be.

(3) Upon an application in the prescribed manner, goods seized under section 7 (1) shall, within five working days, be made available for inspection by the complainant, if any, or by the suspect or any other interested person at the depot at any reasonable time.

(4) Upon an application in the prescribed manner, the council may make the seized goods available to the applicant for testing or analysis within five working days.

(5) An inspector may, in the prescribed manner, take samples in reasonable quantities for requisite testing or analysis necessary for the discharge of his or her official duties.

12. Release of seized goods.

(1) Where any goods are seized and detained under section 7 the inspector shall cause the goods to be returned, less any portion of the goods which has been reasonably utilized for the purpose of any test or analysis, to the person from whom they were seized within three months after the date of seizure unless within that period some person is charged with an offence under this Act and it is alleged that the offence was committed in relation to or in connection with those goods.

(2) Where a prosecution for an offence under this Act is commenced within the period mentioned in subsection (1) and any person is convicted of that offence, the court may order that any goods seized and detained under this Act in relation to or in connection with which the offence was committed, shall be forfeited to the Government for destruction at the expense of the person convicted.

(3) The court before which a person is charged with an offence under this Act shall, whether that person is convicted of the offence or not, order that any goods in his or her possession which appear to the court to be counterfeit goods or to be tools used or intended to be used for making counterfeit goods, be destroyed or otherwise dealt with as the court may deem fit.

13. Counterfeit goods depot.

(1) The Council shall, by notice in the Gazette, designate any place to be a ware house for counterfeit goods, in this Act referred to as a depot.

(2) The Council shall appoint any fit and proper person to be in charge of a depot designated under subsection (1).

14. Disclosure of information obtained under this Act.

(1) Where a person discloses to another person-

(a) any information with respect to any manufacturing process or trade secret obtained by him or her in premises which he or she has entered by virtue of powers of entry conferred on him or her under this Act; or

(b) any information obtained by him or her by virtue of this Act, he or she commits an offence unless the disclosure was made in or for the purpose of the performance of functions under this Act.

(2) A person who commits an offence under this section is liable to a fine not exceeding two thousand and five hundred currency points or imprisonment not exceeding three years or both.

15. Impersonation.

Where a person who is not an inspector purports to act as such under this Act he or she commits an offence and is liable on conviction to a fine not exceeding two thousand five hundred currency points or imprisonment not exceeding three years or both.

PART IV – OFFENCES AND PENALTIES

16. Penalties for dealing in counterfeit goods.

- (1) A person who knowingly-
 - (a) has in his or her possession or control in the course of trade any goods that are counterfeit goods;
 - (b) manufactures, produces or makes in the course of trade, any counterfeit goods;
 - (c) sells, hires out, barter, or offers or exposes for sale, hiring out, or donates any counterfeit goods;
 - (d) exposes or exhibits for the purposes of trade any counterfeit goods;
 - (e) distributes counterfeit goods for the purposes of trade or any other purpose;
 - (f) imports into or exports from Uganda counterfeit goods;
 - (g) in any other manner disposes of any counterfeit goods in the course of trade,commits an offence.
- (2) A person who commits an offence under this section is-
 - (a) in the case of an offence other than one under subsection (1)(b), liable to a fine, not less than five times the value of the market price of the genuine goods and not more than ten times the value of the market price of the genuine goods, or imprisonment not less than five years or not exceeding ten years, or both such fine and imprisonment;
 - (b) in the case of an offence under subsection (1)(b), liable to a fine not less than ten times the value of the market price of the genuine goods and not more than twenty times the value of the market price of the genuine goods, or imprisonment not less than seven years and not exceeding fifteen years, or both such fine and imprisonment.
- (3) A person who commits a second or subsequent offence under this section, is liable-
 - (a) in the case of an offence other than one under subsection (1)(b), to a fine not less than ten times the market price of the value of the genuine goods and not more than twenty times the value of the market price of the

genuine goods, and in addition shall be sentenced by the court to imprisonment not less than seven years and not exceeding fifteen years;

- (b) in the case of an offence under subsection (1)(b), to a fine not less than twenty times the value of the market price of the genuine goods and not more than thirty times the value of the market price of the genuine goods, and in addition shall be sentenced by the court to imprisonment not less than ten years and not exceeding twenty years.
- (4) In any case where a person is convicted under this section for dealing in counterfeit goods, the court shall order the forfeiture of the goods to the State.
- (5) In the case where the offence is under subsection (1)(b), the court shall -
- (a) order the forfeiture to the State of all machinery, equipment or other material used in the commission of the offence; and
 - (b) order the closure of the premises where the offender carries on the business in respect of which the offence is committed.
- (6) A court that convicts a person of an offence under this section -
- (a) shall, when considering which penalty to impose, take into account 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 the sentence, any evidence to the effect that that person, fully, truthfully and to the best of his or her knowledge, had 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 involved in the distribution of those goods;
 - (iv) the channels for the distribution of those goods.

17. Complaints.

(1) Any holder of an intellectual property right or his or her successor in title, a licensee or agent of that intellectual property right holder in respect of any protected goods, who has reasonable cause to suspect that an offence under section 16 has been or is being committed or is likely to be committed by any person, or any person who claims to be aggrieved by any such act may lodge a complaint with the Council.

(2) The complainant shall furnish to the satisfaction of the Council such information and particulars, as may be prescribed, to the effect that the goods to which the offence relates are *prima facie* counterfeit goods.

(3) Where the Council is satisfied-

(a) that the complainant is a person entitled to lay a complaint under subsection (1); and

(b) that -

(i) the goods claimed to be protected goods are protected goods; and

(ii) the intellectual property right, alleged to have been infringed by the offending goods, exists; and

(c) that the suspicion on which the complaint is based, appears to be reasonable in the circumstances;

(d) a person who may not be the owner of an intellectual property right has suffered damage on account of the counterfeit goods, the Council shall cause appropriate steps to be taken under section 7(1).

(4) This section does not prejudice the power of an inspector under this Act.

(5) Nothing in this section shall be taken to prejudice the rights of any complainant who is not the owner of an intellectual property right in relation to the goods.

PART V – ORDERS

18. Orders for preservation of documents as evidence.

(1) Where a person has *prima facie* evidence that his or her right has been infringed by another person and he or she satisfies the court that *prima facie*-

(a) he or she has a cause of action against another person which he or she intends to pursue;

(b) the other person has, in his or her possession, documents, counterfeit goods or other things which constitute evidence of great importance in substantiation of that cause of action; and

- (c) there is the real and well-founded apprehension that the documents, counterfeit goods or other things may be hidden, destroyed or rendered inaccessible before discovery can be made in the normal way,

the court may make such order as it considers necessary or appropriate to secure the preservation of the documents, copies or things as evidence.

- (2) An order made under subsection (1) may be granted *ex parte*.

PART VI – BORDER MEASURES

19. Powers of the Commissioner.

(1) The owner of an intellectual property right who has valid grounds for suspecting that the importation of counterfeit goods may take place, may apply to the Commissioner General, in the prescribed manner to seize and detain all suspected counterfeit goods which are -

- (a) counterfeit goods featuring, bearing, embodying or incorporating the subject matter of that intellectual property right or to which the subject matter of that right has been applied; and
 - (b) imported into or which enter Uganda during the period specified in the application,
- and the goods shall remain in customs control until final disposal or order of court.

(2) Notwithstanding subsection (1) the period may not extend beyond the last day of the period for which the intellectual property right referred to in that subsection exists.

(3) For the purposes of sub-section (1), the applicant may furnish to the Commissioner General a specimen of the goods of the nature described in paragraph (a) of the definition of “protected goods” in section 2, if any, and to which the subject matter of his or her relevant intellectual property right relates, and sufficient information and particulars as to the subsistence and extent of that intellectual property right and to his or her title to that right.

(4) The Commissioner General shall consider and deal with an application under subsection (1) within three working days and may grant the application if satisfied on reasonable grounds that the -

- (a) goods claimed to be protected are *prima facie* protected goods;
- (b) intellectual property right, the subject matter of which relates to the protected goods, *prima facie* exists; and

(c) the applicant *prima facie* is the owner of that intellectual property right.

(5) When an application made under subsection (1) has been granted and notice of it given under subsection (6), all goods that are counterfeit goods of the type with reference to which that application was made, or suspected on reasonable grounds to be stipulated goods, and imported into or entering Uganda from time to time during the period determined by the Commissioner General, which may be shorter than the period applied for, may be seized and detained by the customs authorities in performing their functions under the East African Community Customs Management Act, subject to the provisions of subsection (6) and (7).

(6) The Commissioner General, shall notify the applicant in writing whether the application has been granted or refused, and-

(a) where granted, state the period during which any stipulated goods being imported into or entering Uganda will be made subject to seizure and become subject to detention under subsection (5);

(b) if refused state the reasons for the refusal.

(7) For the purposes of acting under subsection (5) in relation to goods that are stipulated goods or suspected on reasonable grounds to be stipulated goods-

(a) an authorised customs officer shall seize the counterfeit goods or alleged or suspected counterfeit goods, in accordance with the East African Customs Management Act;

(b) the following provisions of this section shall apply with necessary modifications in any relation to any authorised customs officer -

(i) the provisions in accordance with or subject to which the powers in section 7 or 8 may be exercised by an inspector acting as such on his or her initiative;

(ii) the provisions by which any other power or any right, function, duty, obligation, exemption, indemnity or liability is conferred or imposed on an inspector acting as such.

(8) Notwithstanding subsection (7) the Minister, may, at the request of the Minister responsible for finance acting on the recommendation of the Commissioner General, by notice in the Gazette, exempt the authorised customs officer from any of the provisions made applicable by this section if satisfied that there are suitable and appropriate alternative arrangements made by or under the East African Community Customs Management Act, that cover the purposes of the provision from which exemption is sought.

(9) The customs authority is not obliged to act under subsection (5) unless the owner of the intellectual property right, the subject matter of which is alleged to be featured or borne by or incorporated or embodied in or to have been applied to stipulated goods, furnishes to the Commissioner General security in the manner and amount that the Commissioner General may require, to indemnify the customs authority and their members against any liability that maybe incurred as a result of the seizure and detention of goods or anything done in relation to goods when acting or purporting to act under this section, and to cover any expenses that may be incurred in effecting the seizure and detention of the goods.

(10) This Act shall not be construed so as to render the customs authority or any of its members liable for-

- (a) any failure to detect or seize stipulated goods;
- (b) the inadvertent release of any stipulated goods; or
- (c) any action taken in good faith in respect of the goods.

(11) A person who makes an application to the Commissioner General to seize goods as suspected to be counterfeit goods knowing, or having reason to believe that the allegation is false, commits an offence and is on conviction liable to a fine not exceeding two thousand five hundred currency points or imprisonment not exceeding three years or both.

PART VII – MISCELLANEOUS

20. Matters related to medicine to be dealt with by National Drug Authority

Any matters of alleged counterfeiting of medicines shall be dealt by the National Drug Authority under the National Drug Policy and Authority Act.

21. Immunity of officials.

A suit, prosecution or other legal proceeding shall not be brought against any person who does any act in good faith for the purpose of giving effect to this Act.

22. Regulations.

(1) The Minister may make regulations generally for the better carrying out of the provisions of this Act and, without prejudice to the general effect of the foregoing, the Minister may, by regulations prescribe –

- (a) any inventory to be prepared or made under this Act;
- (b) any matter necessary or expedient for the proper and effective control, management and administration of a depot and the proper care of the goods detained in a depot;
- (c) the manner and procedures for proper disposal of counterfeit goods;

- (d) any other administrative or procedural matters that may be necessary or expedient for the proper and effective administration of this Act.
- (2) Regulations made under this section may prescribe in relation to a contravention of the regulations -
- (a) a fine not exceeding one hundred currency points or imprisonment not exceeding two years or both;
 - (b) in the case of a second or subsequent offence, a fine not exceeding two hundred currency points or imprisonment not exceeding five years or both;
 - (c) a requirement that the court shall forfeit to the state anything used or involved in the commission of the offence.

23. Disposal of fines

The fines imposed and recovered by the courts in respect of the contravention of any of the provisions of this Act or of any regulations made under this Act shall be distributed as follows –

- (a) ten percent to the complainant;
- (b) forty percent to the Consolidated Fund; and
- (c) fifty percent to the Bureau.

24. Power of Minister to amend Schedule

The Minister may, by statutory instrument, with the approval of Cabinet amend the Schedule to this Act.

SCHEDULE

Sections 2, 24

CURRENCY POINTS

A currency point is equivalent to twenty thousand shillings.

Cross References

Constitution, 1995

Copyright and Neighbouring Rights Act, No.19 of 2006.

East African Community Customs Management Act, 2004 (Act No.1 of 2005).

Evidence Act, Cap.6

National Drug Policy and Authority Act, Cap.206

Patents Act, Cap.216.

Penal Code Act, 120.

Trade Marks Act, 217.

Uganda National Bureau of Standards Act, Cap.327.

Uganda Revenue Authority Act, Cap.196.