

# Counterfeiting in Africa: an A-Z guide

With Africa proving particularly vulnerable to the sale of counterfeit goods, we take a look at some of the problems and solutions from a wide swathe of nations across the continent

**The world is** awash with counterfeit goods, with Africa proving no exception. There are many reasons for this: as much as Africa is a resource-rich continent, in March 2013 it was identified as the world's poorest inhabited continent. Africa's entire combined GDP is barely one-third that of the United States. Despite this poverty, there has been significant economic growth of late and consumer spending power has increased dramatically. However, African countries are particularly vulnerable to the sale of counterfeit goods because so much commercial activity takes place in unregulated markets, borders can be easily breached and resources for fighting counterfeiting are often inadequate.

Counterfeiting reduces tax revenue and inhibits economic growth by deterring investors. However, it is the damage caused by counterfeit pharmaceuticals that rightly attracts the greatest attention. It is estimated that fake pharmaceuticals account for anywhere between 30% and 60% of the African market. Further, the World Health Organisation has estimated that some 100,000 people die in Africa every year because of counterfeit pharmaceuticals.

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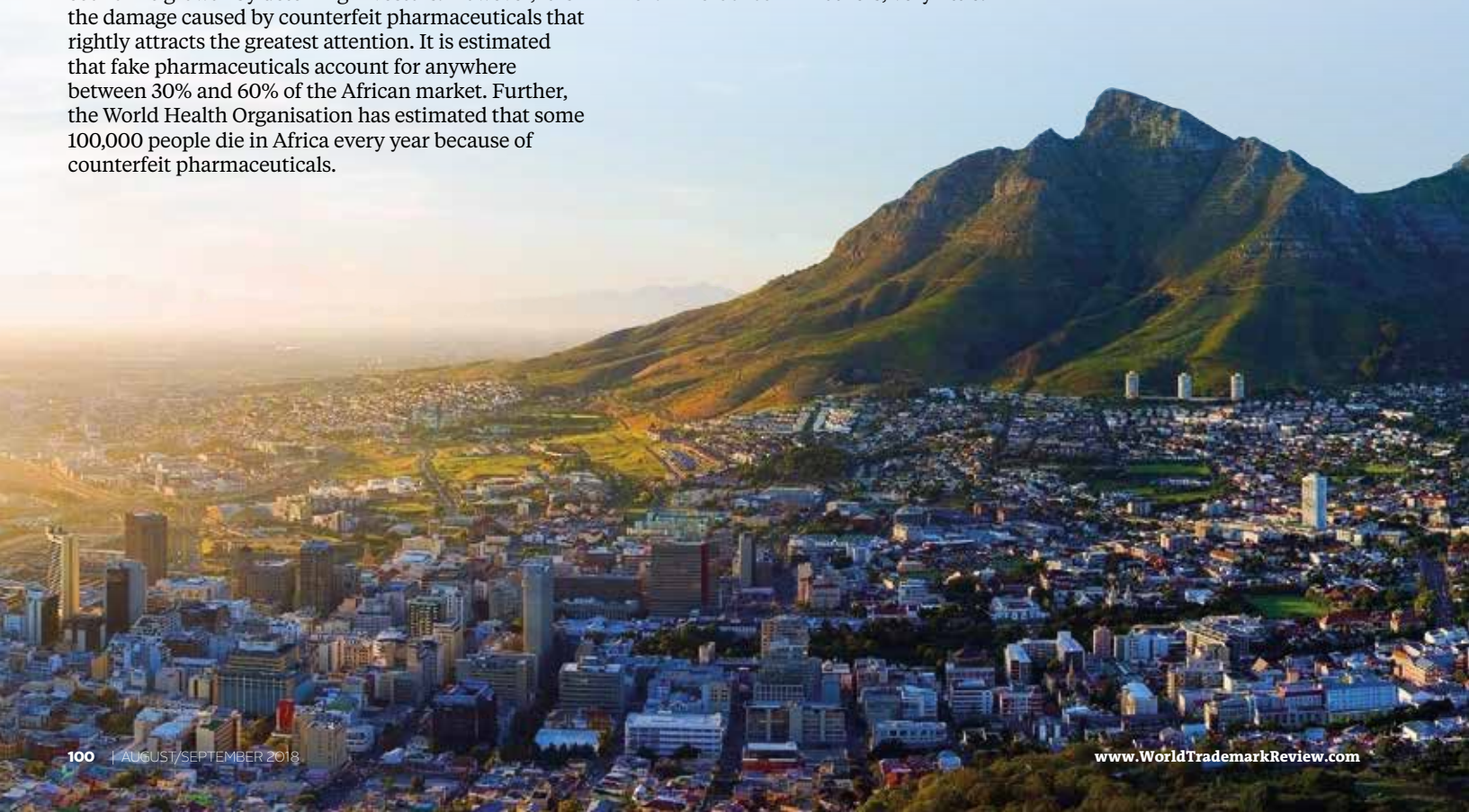
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Most of the counterfeit goods in Africa come from the east, particularly China. However, counterfeit goods come from other countries as well and a significant number are even manufactured on African soil.

This A-Z guide of counterfeiting in Africa does not cover every one of the continent's 50 or so countries, but it does at least start with Algeria and end with Zambia. The idea is to provide an overview of the problems and solutions that exist. In some countries, there are specific anti-counterfeiting laws and dedicated anti-counterfeiting bodies, whereas in others, it is necessary to use what is available – whether this is regular IP legislation, the ordinary courts or the customs authorities. For some countries, there is much to say; for others, very little.

**PICTURE:** DENIS  
MIRONOV/  
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**Algeria****Civil proceedings**

Any act of trademark infringement is considered counterfeiting, so the registered trademark owner should sue for infringement immediately when it discovers that its marks are being counterfeited. The procedure is as follows: a judge is allocated who then appoints an official known as a *huissier* (bailiff) to investigate the alleged infringement. If the *huissier* concludes that the goods are indeed counterfeit, they will be detained; the rights holder then has 30 days in which to pursue a civil claim. When the legal proceedings are complete, the court can confirm the seizure, order the destruction of the goods and award damages.

**Criminal proceedings**

Criminal sanctions do exist and can be effective.

**Customs authorities**

A customs watch – in other words, a request that Customs look out for counterfeits of a specific brand and notify the rights holder in the event that they are discovered – is available. In our experience, this can be highly effective. A customs watch in Algeria lasts for five years.

**Côte d'Ivoire**

Côte d'Ivoire has a fairly good story to tell when it comes to anti counterfeiting.

**Civil proceedings**

Côte d'Ivoire is a member of the African Intellectual Property Organisation (OAPI) – the regional registration system that covers much of French-speaking Africa. An OAPI trademark registration allows its owner to bring an infringement action before any competent court in any member state. The court can then grant an injunction and/or damages and order the confiscation of the infringing articles.

**Interim measures**

Courts can grant certain interim relief. One example is a *constat*, an official report, under which the rights holder, assisted by officials, makes a detailed inventory and description of allegedly infringing articles. This may be followed by a seizure of goods subject to the rights holder furnishing security for damages resulting from a wrongful seizure. Once alleged counterfeit goods have been seized, the rights holder must initiate criminal and/or civil action within 10 working days.

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**Criminal proceedings**

Trademark infringement is a criminal offence, punishable by fines and imprisonment. In criminal proceedings, the court may order the confiscation and destruction of infringing goods. Criminal proceedings are initiated by the Economic Police, which conduct investigations and have the power to seize counterfeit goods.

**Customs**

Customs has the power to conduct raids and can seize and detain counterfeit goods. A customs watch service is available, which must be renewed annually.

**Ghana**

**Civil proceedings**

A trademark infringement action can be brought before the civil courts – in our experience these are quite good.



**Criminal proceedings**

The Trademarks (Amendment) Act 2014 made intentional trademark infringement a criminal offence. A court can order the forfeiture and destruction of goods where criminal offences are being investigated. It can even deny bail to a suspect charged with counterfeiting of goods in the following industries: food, drugs, medical devices, household chemicals, cosmetics, vehicle parts and electrical appliances.

**Customs authorities**

Although there is no specific provision for a customs watch, a practice has arisen whereby the commissioner of Customs will put in place a watch notice. If customs officials encounter suspicious goods bearing the mark in question, they will alert the rights holder, detain the goods and inform the importer. If the importer acknowledges that the goods are counterfeit, they will be destroyed; if it denies that the goods are counterfeit, the rights holder will need to bring court proceedings for trademark infringement.

**Training**

The Ghanaian authorities are open to receiving assistance from trademark owners. Law firms have been known to conduct brand identification training for customs officials and police officers.

**Kenya**

**Civil and criminal proceedings**

Kenya takes counterfeiting extremely seriously. It has remedies for trademark infringement, with the Trade Descriptions Act establishing specific criminal offences. However, what sets Kenya apart from most African countries is that it has specific anti-counterfeiting legislation in the form of the Anti-counterfeiting Act 2008.



**Anti-counterfeiting Act**

The act created the Anti-counterfeiting Agency (ACA), a specialised agency that was established to help rights holders with search and seizure operations (raids) in the marketplace and at various ports of entry. The act

allows a rights holder to lodge a complaint of suspected counterfeiting, which will result in a search and seizure. Further, it empowers ACA inspectors to enter and search premises, seize counterfeit goods and arrest suspects without a warrant. It also allows a rights holder to apply to the commissioner of Customs for the seizure of suspected counterfeit goods and creates presumptions in favour of the rights holder. In addition, the act establishes harsh penalties for infringers, including a five-year prison sentence.

Unsurprisingly, the act has come under close scrutiny from the courts. In 2012 a court ruled that it was too broad and could interfere with the flow of generic medicines. However, in the subsequent case of *Paul Nduba v Hon Attorney General and Anti-counterfeit Agency*, the court ruled that the act is constitutional and that its search-and-seizure provisions do not breach the right to privacy set out in the Constitution. In a more recent case, a Kenyan company applied for a judicial review after the ACA seized counterfeit footwear. The court rejected the application, making the point that courts should not usurp the Anti-counterfeiting Act’s mandate “to investigate any matter that raises suspicion of the occurrence or imminent occurrence of a crime”.

**Further developments**

Two recent developments illustrate how seriously Kenya takes enforcement. The first is that in a copyright infringement case involving the Music Copyright Society of Kenya and the Kenya Broadcasting Corporation, the court issued an Anton Piller order (a search-and-seizure order) to preserve evidence. The second is that the authorities have decided to amalgamate a number of IP bodies – including the ACA, the Kenya Copyright Board and the Kenya Industrial Property Institute – into the Intellectual Property Organisation of Kenya in order to cut bureaucracy and to improve cooperation when it comes to enforcement measures.

**Training**

The Kenyan authorities welcome advice and assistance. Law firms have been known to conduct numerous brand identification training programmes on behalf of their clients.

**Liberia**

**Civil proceedings**

The Industrial Property Act 2014 contains specific infringement provisions relating to the various IP rights. The act provides for injunctions, damages and the destruction of goods.



**Interim measures**

The act creates provisional measures that are designed to preserve evidence. In circumstances where there is a real danger of evidence being destroyed, the rights holder can be granted these remedies without notice to the alleged infringer.

**Customs authorities**

There are measures that are aimed at preventing the importation of goods bearing counterfeit marks or pirated

copyright goods. These measures provide that the rights holder can apply to the director general of the Liberian Intellectual Property Office for an order requiring the customs authorities to suspend the clearance of particular goods. Customs must then allow the rights holder to inspect the goods, remove samples for examination and testing, and file court proceedings within 10 days. The rights holder will need to lodge security to cover any damages claim that the importer may bring.

### Madagascar

#### Civil proceedings

The relevant IP legislation in Madagascar is the Ordinance Establishing Arrangements for the Protection of Industrial Property (89-019). This allows for both trademark infringement and dilution claims – counterfeiting issues tend to be dealt with using the ordinance.

However, there are challenges. Litigation in Madagascar is slow and expensive, with costs seldom awarded; there is no specialist IP court and very little case law. In addition, Madagascar uses an inquisitorial system – under this, a *huissier* is appointed to make enquires, conduct investigations and collect evidence, with the judge playing an active role in the proceedings.

#### Interim measures

Seizures of goods can be ordered, subject to the rights holder providing a guarantee. Legal proceedings must be instituted within one month of a seizure.

#### Criminal proceedings

Trademark infringement is a crime punishable by imprisonment for between six months and three years or a fine.

#### Customs authorities

Rights holders can approach Customs and ask it to seize counterfeit goods at ports. However, officials will not detain seized goods for more than one month unless ordered to do so by a court. While it is possible to register a trademark with Customs, in our experience the authorities do not really understand how this process works.

### Mauritius

In Mauritius, counterfeiting matters tend to be dealt with through criminal proceedings or customs measures.

#### Criminal proceedings

A rights holder can lodge a criminal complaint with the Anti-piracy Unit of the Mauritius Police Force. This should be based on either copyright or trademark infringement. While the police have more experience dealing with copyright infringement, there is no system of copyright recordal in Mauritius, making subsistence of copyright difficult to prove. If the complaint is based on trademark infringement, the police may act under the Unfair Practices Act, which sets out grounds for trademark infringement. A local representative of the rights holder will need to provide a statement explaining the prejudice that is being suffered.



#### Customs authorities

A customs watch is available and tends to be effective, with officials being proactive when it comes to alerting rights holders of possible infringements. On notification, the rights holder has 10 days in which to file a civil claim; failing this the goods will be released.

### Morocco

#### Civil proceedings

The Industrial Property Law requires the trademark owner to submit a petition to the president of the Commercial Tribunal for the appointment of a *huissier*, who then buys a sample of the counterfeit product and files a report with the president. If the president decides that proceedings should go ahead, the trademark owner has 30 days in which to submit a lawsuit. When all the papers are filed, the court makes a ruling. It can order the seizure of goods, as well as other materials, instruments and documents relevant to the alleged infringement.

#### Interim measures

Although it is theoretically possible to obtain an urgent preliminary injunction, in practice this is extremely difficult.

#### Criminal proceedings

Criminal actions are possible but in our experience the police are unwilling to get involved.

#### Customs authorities

Customs authorities can detain counterfeits that are in transit and the infringer may be required to pay the cost of warehousing and destroying the goods. A customs watch is possible and can be effective.



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### Nigeria

#### Laws

The International Chamber of Commerce's Business Action to Stop Counterfeiting and Piracy has described Nigeria as the "gateway to the rest of Africa for counterfeit products". It also made this assessment of Nigeria's legal capacity: "no IP protection, no proven protection by judicial precedents and slow court proceedings."

This finding is unduly harsh. Nigeria has a number of laws that can be used in the fight against counterfeits. The Merchandise Marks Act criminalises trademark forgery and allows the police to conduct search-and-seizure raids for counterfeit products. The Trademarks Act provides for infringement proceedings before the Federal High Court, while the Fake Drugs and Unwholesome Processed Foods Act criminalises the sale

of counterfeit drugs and processed foods. The Copyright Act and the Cybercrime Act are also relevant.

**Regulatory bodies**

Nigeria has a number of regulatory bodies that can play a role in anti-counterfeiting. The Consumer Protection Council enforces laws against deceiving consumers and has powers of search and seizure. The Standards Organisation of Nigeria ensures compliance with product standards and can be effective in dealing with counterfeit products that do not meet industry standards. The National Agency for Food and Drug Administration Control monitors the quality and safety of foodstuffs, medicines and various other goods, and has the power to raid premises, seize and destroy products, and prosecute. The Economic and Financial Crimes Commission is responsible for prosecuting offences relating to economic and financial crimes, which include “theft of intellectual property and piracy”. In addition, Customs can seize counterfeit goods in certain circumstances. The Nigerian police recently announced plans to set up an anti-piracy unit in each of the country’s 36 states, an initiative that is strongly linked to the fact that the sprawling Nigerian film industry (Nollywood) loses significant sums to piracy every year.

**Comment**

All these laws and resources may suggest that counterfeiting is being effectively tackled, but this is not the case. The fact that counterfeiting is all so disparate may well be the problem. Perhaps Africa’s largest economy and most populous state needs specific anti-counterfeiting legislation and a specific anti-counterfeiting agency, much like Kenya and South Africa have in place.

**Training**

The Nigerian authorities have recently been showing an interest in brand identification training at the ports of entry. Spoor & Fisher has successfully conducted brand identification training with Nigerian customs officials on behalf of major corporates.

**South Africa**

**Civil proceedings**

The Trademarks Act and the Copyright Act both contain provisions regarding civil and criminal liability for infringement. However, South Africa also has specific anti-counterfeiting legislation.

The Counterfeit Goods Act 1997 is limited to the infringement of registered trademarks, well-known trademarks, copyright and prohibited marks under the Merchandise Marks Act, and establishes various prohibited acts and offences. The Counterfeit Goods Act defines ‘counterfeit goods’ as both imitations that are substantially identical to the protected goods and colourable imitations that are confusingly similar to the protected goods.

The act was scrutinised by the Supreme Court of Appeal in the 2010 case *Puma AG Rudolph Dassler Sport v Rampar Trading (Pty) Ltd*, resulting in some important findings. Counterfeiting requires deliberate and fraudulent infringement of the trademark. However, goods need not have been cloned for counterfeiting to have taken place. The fact that the trademark owner



has not produced goods of that type does not mean that the goods cannot be counterfeit, provided that they are covered by the trademark registration.

The main benefit of the Counterfeit Goods Act is that it brings state enforcement agencies such as the police and customs officials into the fight against counterfeits. A rights holder can request the police authorities to search premises where it suspects that imported counterfeit goods are being stored and seize those goods so that they can be used as evidence in infringement proceedings. A search and seizure warrant is then executed, the goods are seized and the suspect is informed.

After a seizure or raid has been conducted, the complainant must lodge criminal and/or civil proceedings, failing which the counterfeit goods could be released back to the suspect or importer.

**Customs authorities**

The Counterfeit Goods Act provides for a customs watch. If goods are detained, the rights holder is required to inspect the goods and confirm that they are counterfeit before lodging a criminal complaint or instituting civil proceedings. If a civil case is brought, the court can order an injunction, a declaration that the goods are counterfeit, delivery-up, a disclosure of sources, damages and legal costs.

**Training**

The South African authorities (ie, Customs and the police) welcome advice and assistance. Law firms have been known to conduct numerous brand identification training programmes on behalf of their clients.

**Sudan**

**Civil proceedings**

Civil actions for infringement are the best way to deal with counterfeits, even though proceedings are slow.



**Criminal proceedings**

Although these are theoretically possible, the reality is that the police are not very enthusiastic about intellectual property.

**Customs authorities**

A customs watch is an option. This must be renewed annually.

**Tanzania**

**Law**

The Merchandise Marks Regulations 2008 have greatly assisted in the fight against counterfeits. These provide for the appointment of a task force and a chief inspector, powers of detention and seizure of goods, seizures by border officials, asset-freezing orders and criminal prosecutions.



**Enforcement**

There are many positive reports of Tanzanian officialdom. In one case, investigations at the Kariakoo informal market in Dar es Salaam revealed that

counterfeit Timberland and Jeep goods were on sale. After lodging a complaint with the Fair Competition Commission (FCC) on behalf of the clients, lawyers accompanied FCC officials and police officers on a raid. Seven people were arrested, all of whom pleaded guilty and paid fines.

#### **Training**

Law firms have been known to carry out brand identification training for customs officials on behalf of clients.

### **Tunisia**

#### **Civil proceedings**

In our experience, civil proceedings are the best way to address counterfeiting. In Tunisia, all trademark infringements constitute counterfeiting and it is often best to institute urgent proceedings for summary judgment – this is possible only if the trademark owner acts within one month of becoming aware of the infringement.



#### **Criminal proceedings**

Criminal proceedings for infringement are possible, but these seldom result in convictions.

#### **Customs**

Customs authorities can seize counterfeit goods that are being imported. A customs watch service also exists.

### **Uganda**

#### **Civil proceedings**

The Trademarks Act 2010 allows a trademark owner to institute a civil action in the High Court for an injunction, as well as an order for the seizure and destruction of the counterfeit goods.



#### **Interim measures**

The act provides that a party whose rights are “in imminent danger” of being infringed can approach the court without notice to the other side for an order authorising inspection and removal of the counterfeit goods.

#### **Criminal proceedings**

The act has a number of anti-counterfeiting provisions. For example, it creates various offences for forging and falsely applying trademarks, as well as selling goods with false trademarks. It is also possible to take action against counterfeiters by way of criminal action under the Penal Code, as well as the Standards Act, if the counterfeit goods fail to meet industry standards.

#### **Customs authorities**

The act provides that a trademark owner can apply to the court for the seizure of goods by Customs.

#### **Anti-counterfeiting legislation**

There is an Anti-counterfeiting Bill 2009, but this is not yet in force. The bill:

- makes it clear that counterfeiting is limited to trademark and copyright infringements;

- prohibits the trade in counterfeits;
- establishes offences; and
- allows inspectors to seize and detain goods.

However, as a result of disagreement over which government agency will be responsible for enforcement, the bill is yet to become law.

#### **Comment**

Despite the various powers granted by the law, our experience is that the police and customs officers are reluctant to impound goods, with one of the problems being high storage costs. Civil proceedings remain the best bet.

### **Zambia**

#### **Law**

The trademark law in Zambia is old and in need of an update. For example, it does not recognise service marks. The Intellectual Property Bill 2011 makes various changes that are clearly aimed at bringing Zambian trademark law into line with trademark laws elsewhere, but this is not yet in force. From a counterfeiting perspective, the bill defines ‘counterfeit goods’ as those where there is “intent to defraud or to enable another to defraud”. It also provides for five years’ imprisonment for counterfeiting and sets out provisions dealing with border seizures of counterfeit goods.



#### **Practice**

The Zambian authorities seem to be taking counterfeiting seriously. Spoor & Fisher recently acted for a global corporate in cases involving large quantities of counterfeit goods. In the first case, a Zambian individual who was found in possession of 600 cases of counterfeit goods was charged and convicted, and all the goods were destroyed.

In the second case, it became apparent that the counterfeit goods had come to Zambia from Namibia. Raids conducted in a warehouse in the Namibian port town of Walvis Bay uncovered huge quantities of counterfeit goods, much of which had already been cleared to be shipped to Sierra Leone. Our lawyers managed to seize and destroy all the counterfeits – 7,991 cases in total. It was a good example of cross-border cooperation against counterfeiters and could serve as a model for the future.

#### **Training**

Spoor & Fisher has successfully conducted training with the Zambian authorities on behalf of a major client.

#### **Comment**

There is a long way to go of course, but the signs are positive. Kenya and South Africa have dedicated anti-counterfeiting legislation and bodies, whereas the authorities in a number of other countries appear determined to eradicate the scourge of counterfeit goods. **WTR**



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