

# CRIMINAL LAW ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS IN ZIMBABWE

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## **Abstract**

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*In line with the provisions of international treaties such as TRIPS, there have been some calls for the robust use of criminal law in the enforcement of intellectual property (IP) infringement cases. There is a realisation that certain conduct done by infringers go beyond the ordinary infringement of rights hence public law has to intervene in such cases. This is because acts such as counterfeiting have a public law dimension in that they may cause a threat to public health and the wellbeing of the public generally if left unchecked by criminal law. In Zimbabwe, a number of statutes governing various branches of IP provide criminal penalties for certain conduct done wilfully. The general view is that these criminal provisions do not go far enough as to be deterrent to would be IP infringers. More deterrent penalties are necessary so as to make infringing activities unrewarding and dangerous to the perpetrators. A call is made to strengthen the criminal penalties provided for counterfeiting and acts of copyright piracy.*

## **Keywords**

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intellectual property, criminal law, infringement, counterfeit, enforcement

## **Introduction**

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A number of Zimbabwean statutes regulate intellectual property rights (IPR) issues. In addition, a number of IPR infringements are punishable by criminal sanctions. As an example, the Trademark Act (Chap 26:04) criminalises the manufacturing or distribution of goods bearing false trademarks or logos. The World Intellectual Property Organisation (WIPO) Treaty in article 2 (viii) defines IP as including rights relating to; literary, artistic and scientific works, performances of performing artists, phonograms and broadcasts, inventions in all fields of human endeavour,

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scientific discoveries, industrial designs, trademarks, service marks and commercial names and designations, protection against unfair competition and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields. This is a very wide definition that captures all aspects that constitute IP. In simple terms IP can be defined as creations of the human mind. The law accords these creations protection as a way of incentivising those who are creative and to benefit the public at large. The fields of IP can be broadly separated into industrial property and copyright.

Zimbabwe is a member of the WIPO Treaty, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary Works and the World Trade Organisation Agreement on Trade Related Aspects of Intellectual Property (TRIPS) among other IP international instruments. These international instruments outside TRIPS do not provide a detailed mechanism for enforcement of IPRs. TRIPS, to its credit, has detailed provisions dealing with all forms of enforcement of IP rights ranging from administrative, civil, border measures all the way to criminal enforcement of rights. Article 61 of TRIPS allows member states to use the criminal process in cases of willful trademark counterfeiting or copyright piracy on a commercial scale. Zimbabwe's membership to these instruments is reflected in the national law where a number of IP laws were enacted by Zimbabwe.

## **Criminal Enforcement of IPRs in the Zimbabwean Context**

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A number of IP fields are protected in Zimbabwe through positive laws. IP helps generate employment, support the economy and help nations develop. For example in Kenya copyright based industries contributed 5.32 percent of Kenya's GDP, employing 3.26 percent of the total national workforce. In Tanzania, between 2007 and 2010 the copyright industries made a contribution of 3-4.6 percent of the gross domestic product (GDP) and employed 28,202 and 44,331 people, or 4.5 and 5.7 percent of the total national workforce. (World Intellectual Property Organisation, 2012). The European Union (EU) noted that IPR are one of the principal means through which companies, creators and inventors generate returns on their investment in knowledge, innovation and creativity. (European Union, 2015). At the same time, cases of IPR infringement are on the increase globally and in Zimbabwe. The EU report supra noted that:

IPR infringements have indeed reached unprecedented levels, facilitated in particular by digital technology that allows low-cost, high quality reproduction in bulk. International trade in counterfeit

and pirated goods has been estimated to be worth as much as USD 650 billion. (EU Report, p.2)

This state of affairs creates a huge challenge. In the Zimbabwean context there has been an increase in the number of cases of infringement of IP particularly for copyright and trademarks, see for example the case of *S v Moyo & Anor* HB-21-09, a review hearing of a criminal trial. This has led to some very loud calls for more resort to the criminal law to curb IP infringement in all fields of human endeavour in the Zimbabwean market. This demand raises both philosophical and practical questions for IP practitioners, scholars and right holders. Questions have been asked as to whether the government can afford the additional use of criminal law, and whether the push towards that dispensation is supported by the law. The international legal framework is in support of using the criminal law to combat serious forms of counterfeiting and copyright piracy.

Oyewumni et al. (2018) state that in many countries including African countries, certain acts of infringement of IPRs give rise to criminal action. They justify this approach on the grounds that certain infringing acts are considered public concerns due to their far reaching adverse consequences. The consequences can be economic, cultural or have an adverse effect on the general wellbeing of a society. There is a further public interest consideration justifying state involvement in enforcement matters. The possibility of involvement of organised crime groups in large scale infringement activities as a way of funding terrorism, drug trafficking and human trafficking is another push towards public involvement of the state in the enforcement of IP.

## **Justification for Using Criminal Sanctions**

It has been argued by Blakeney (2005), among others, that it is best that intellectual property rights be left to the right holders for civil enforcement as opposed to the state, particularly in the developing world where resources are limited. This is because IPRs are private rights owned by individuals. Halt et al. (2014) asserts that after a company invests in developing IP rights, it is the company's responsibility to police the market to ensure that no competitors are improperly benefiting from such IP investments. The argument being made is that generally enforcement of IPRs is the province of the owner of the right who must do it using the civil process. There are instances where matters should not be left to the proprietor of a right alone to enforce his or her right.

While it is not in dispute that IPRs are private in nature and that the best person to enforce those rights is the owner, there is a limit to what a private individual can do. There are situations where if the owner is left alone to

enforce and prevent wilful infringement of his or her rights there will be chaos in the market. Just like with tangible property, there are situations where the state has to enforce the rights of right owners as a way of bringing sanity in the market and to stop possible damage to public interests. Oyewumni supra succinctly puts it when she says:

... beyond being private injuries actionable by owners of affected works, these infringing acts are considered public concerns, due to their far reaching, adverse consequences for economic, cultural, and general societal wellbeing (2018, p.534).

A number of reports such as the EU Report (2015) have shown that the items that counterfeiters produce and distribute are often substandard and can even be dangerous, posing health and safety risks that range from mild to life-threatening. The World Health Organisation (2006) estimated that about a hundred thousand deaths yearly take place in Africa because of the use of counterfeit and fake medicines. Harms (2012) makes the salient observation that “criminal law, in general, protects private rights against infringement if there is a public policy element involved. A typical example is theft”. In the case of theft, the citizen who has lost his property gets protection from the state's intervention. There is therefore nothing unusual or new if the state enforces private rights through the criminal law.

It is also worth noting that, counterfeiting and piracy undermine innovation, which is important for economic growth. As a consequence, the magnitude and effects of counterfeiting and piracy demands that action be taken by the public at large as opposed to leaving it to the right holder alone. In that regard, criminal enforcement of IP rights becomes key in combating wilful or large scale infringement of IP rights.

In any case, there is already justification at the international level for the use of criminal sanctions for certain serious IP infringements which are done deliberately and at a commercial scale. Article 61 of TRIPS allows the use of criminal proceedings in cases of willful trademark counterfeiting and copyright piracy on a commercial scale. This means that the international framework permits the use of criminal penalties in these two areas of IP law. Where a trader knowingly manufactures, distributes or sells trademarked goods bearing false trademarks, he or she would be committing an act proscribed by the international framework of IP law. The same article (Art 61 of TRIPS) also says that criminal enforcement could possibly be available in cases where infringement:

- Is used as a business,
- Is committed wilfully or with gross negligence,

- Is done for profit making purposes,
- Is done on a large scale, and
- For repeat offenders.

Beyond the minimum standard provided by TRIPS, member countries have the discretion as to whether or not to extend the application of criminal procedures to infringement of other IPRs, especially where they are committed willfully and on a commercial scale. Infringement of patents and designs rights, where carried out knowingly and in the course of trade or commerce, may warrant criminal penalties. Harms (2012, p. 468) observes that the TRIPS Agreement does not require criminal sanctions for patent infringement but provides optionally for them to be criminalised in the case of willful infringement on a commercial scale. Harms gives examples of countries such as Brazil, Japan and Thailand that have criminalised patent infringement.

Infringement cases can be reported to the authorities by a number of people including right owners, members of the public, associations, producers' groups and by state officials like custom officers. Right owners may report cases that they find or law enforcement agencies may detect and prosecute such actions on their own. Ports of entry are another arm of government that can detect such activities and inform right holders for possible prosecution. TRIPS provides for penalties such as imprisonment, fines and seizure and destruction of infringing goods and manufacturing implements. The destruction of manufacturing implements is a good criminal law remedy as it has a wider impact on the criminal groups unlike just destruction of an infringing article or goods.

## **Benefits of Criminal Sanctions**

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Criminal sanctions are inherently deterrent in nature with the objective of stopping any prospective infringers from committing crimes in the future. This is like carrying out a public execution or public flogging of an offender. This is one of the major advantages that is cited for the use of criminal law penalties for any offence. To be that effective it follows that trials should be held publicly and the penalties meted out by the courts should be widely published in the same communities where the crime was committed. This would require that IP offenders be tried within the same geographical areas where they committed their crimes. Situations where the court is located in the capital city but trying cases from the provinces for example may not help in achieving the objective of deterrence for would be offenders. In Zimbabwe the press report court cases but they are more interested in the sensational cases like those to do with sexual offences, robberies, murders and family matters of prominent individuals in society.

Very few IP cases have been reported in the newspapers. Of the few reported cases, the tendency has been to report the commencement of the trial and not the outcome of the trial. This then means that the aspect of deterrence has not been achieved since the public is denied the chance of getting to know the punishment imposed on the offender.

Custodial sentences for IP infringement put the infringers out of illegal business as they serve sentences in prisons and thereby crippling infringing syndicates and bringing to an end the infringing act. This will be especially so if all parties to the infringement network are held to account. If some of the members escape or are not caught the syndicate may not be totally dismantled. For single offenders once they are arrested and convicted it means they will be out of their illegal business for the duration of their prison term. In addition to that, if the correctional services are successful in their objective of reforming inmates, it would also mean that by the time offenders are released from prison, they would have moved away from criminal inclinations. This is a worthwhile advantage for criminal enforcement of IPRs.

As alluded to in passing in the previous paragraph, criminal sanctions through the penalty of imprisonment provide infringers a chance to reform while they are away from the public. Indeed correctional services across the world have evolved from being agencies intended to mete punishment to units that are responsible for the rehabilitation and reform of the offender. As a result in Zimbabwe the unit is now known as the Prisons and Correctional Services Department. Through the teaching provided by correctional services department and through self-introspection, IP offenders have a chance to change the course of their life and decide to move away from crime. This is also coupled with the fact that losing one's freedom is one of the most difficult punishments that one can endure. This realisation and reality can force people to reform their lives while serving a prison term or undergoing any other punishment imposed by the courts.

From a cost point of view, criminal proceedings offer the complainant a quicker remedy at less expense as compared to civil proceedings. This is the main reason why right holders clamour for robust use of criminal sanctions in IP enforcement. Criminal proceedings are initiated by the state using the state's resources to investigate and to bring the offender to book. Once the offender is apprehended it is the state which pursues the matter in court until a verdict is granted. This virtually means that the responsibility of the right holder if any is to lodge a complaint of infringement of rights to the police or other agency of the state. In the event that the criminal trial is contested by the accused, the complainant may be required to testify in court in support of the prosecution case. This means

for the right holder, criminal enforcement offers less hassles to the owner and more particularly the right holder does not meet any costs of the litigation. This is a huge saving especially in large scale infringement of copyright and trademarks. Pursuing a large group or many groups of infringers can be financially ruinous in the civil context hence criminal law offers a very good window of relief for right owners.

In the context of the cost to the right holder as alluded to above criminal penalties are initiated by the state to satisfy the public good. Criminal action entails the state assuming the obligations of investigation and prosecution of offenders. The advantage of this arrangement is that “the exorbitant costs of enforcement are borne by the state, rather than the right owner who may have been rendered impecunious as a result of the leaks in business income resulting from largescale infringement” (Oyewumni, p.535). The justification for this arrangement lies in the benefits that governments and society at large derive and obtain from well protect IPRs. The public obtain jobs, goods and services from IPRs such as patents and trademarks. Likewise, governments collect taxes, charges and duty from companies and individuals that have IPRs. One can imagine the contribution to the fiscus of such brands as Tanganda Tea, Mazoe Orange, Colgate, Meikles Hotel and Hullets Sugar to mention just a few. The argument is that if the state does not intervene through enforcement of such rights the public and the government lose out to the detriment of the market. At the same time, by operation of a number of national statutes, the moment infringement is done at a large scale, the criminal law is triggered. The involvement of the state in criminal enforcement helps the right holder to concentrate on producing new products and improving those already on the market, ultimately benefiting all. If criminal sanctions are used where they should, society, right holders and the state will benefit.

Another benefit to the state is that convicted offenders are sometimes ordered to pay fines by the courts. These fines when paid become state resources that are used for public needs. This means that the offender atones for his wrong conduct by paying a monetary penalty to the state. The challenge with this is that the right owner does not normally get financial recompense. In addition, in most cases in Zimbabwe the penalties are on the lower side as shall be discussed below.

## **Disadvantages of Criminal Enforcement**

The standard of proof required for criminal conviction is high, the required level of proof in Zimbabwe is that of beyond reasonable doubt. Both the physical and mental elements of a given offence have to be satisfied beyond reasonable doubt. In every criminal case the state is obliged to prove its case beyond reasonable doubt in order to sustain a conviction

against an accused person. It was stated in *S v Isolano* 1985 (1) ZLR 62 that proof beyond reasonable doubt requires more than proof on the balance of probabilities. The court must have absolute degree of certainty to convict. It was further stressed that if a reasonable person would entertain some doubt in his mind as to whether or not the accused is guilty, such an accused person must be acquitted. This increases the likelihood of losing an infringement claim against an infringer. The burden of proof on the state is high in a criminal case.

The prosecution has the difficult task in a criminal trial to prove that the accused had the necessary intention to commit the crime charged. This might include proving that the accused was aware that the articles in his possession were illegal articles or that he was keeping them for sale contrary to a given statute. The Nigerian case of *Nigerian Copyright Commission v Edolo* [2008-2011] IPLR 1 illustrates this point very well. The accused, an engineer, was charged with offences bordering on the rebroadcasting of the signals of the broadcaster Multichoice, without consent. The major issue before the court was whether or not the prosecution had proved its case beyond reasonable doubt. Although ten smart cards which had been cloned were admitted as evidence, the court held that it was the duty of the prosecution to show that the items were indeed contrivances within the meaning of Section 18 (1) (a) and (c) of the Copyright Act. Further, insufficient evidence was adduced to show that these items could not be used for any purpose other than for cloning smart cards. This deflated the case of the prosecution because the items mentioned in the charge were capable of being used for several purposes. The prosecution also failed to prove that the accused violated Section 18 (1) (a) of the Copyright Act, which provides for criminal liability in cases where any person makes or causes to be made for sale, hire or for the purpose of trade or business any infringing copy of a work in which copyright subsists. In view of the failure of the prosecution to prove that the accused caused the smart card to be made for sale, hire or for the purpose of trade and business, other than for private use as alleged by him, the court held that none of the ingredients were proved and thus dismissed the case.

In countries with weak justice systems, criminal sanctions may not work effectively. This is especially so where nations are grappling with resource constraints to support government operations in key social service ministries such as health, education and environment. To expect such governments to be spending huge budgets on their justice may seem as poor prioritisation.

It must also be remembered that the burden lies on the state to provide life necessities for infringers who are convicted in criminal trials. The more

criminals we have in our prisons and correctional facilities the more the government expenditure for that line item in national budgets. On a balance though, the cost of maintaining correctional facilities housing offenders is justifiable than the cost of those offenders harming innovation, creativity and the rights of others while they are free outside prison. Allowing such offenders to criminally infringe IPRs is a worse evil than feeding them while they are inside prisons. When considered in light of the other benefits imprisonment can still achieve better results for right holders, society and governments.

It is sometimes argued that the more resort governments give to criminal enforcement the more congestion in prisons and other facilities that house convicts once the IP infringer is imprisoned. While the sentiment is true to an extent, on closer scrutiny it does not stand. The same argument could be raised for convicts of such crimes as murder, theft, assault or terrorism. In fact, prisons anywhere in the world have more offenders for such crimes than for commercial crimes such as IP infringement. The sentiment seems to originate from a view that commercial crimes are not crimes but should be dealt with as mere civil wrongs. If this is the grounding for the view, then it is wrong. All crimes are wrongful and should be punished in the same way. In any case, of late countries have come up with innovative ways of punishing crimes outside the penalty of imprisonment. For example in Zimbabwe, the courts are also using community service as a way of punishing offenders of less serious crimes.

Community service is a penalty where on conviction, the convict is not imprisoned but performs a service at a designated public institution for a given period. The service is rendered from home and follows in general the normal working hours for ordinary employees up until the hours of the punishment are exhausted. Special orders of community service have been made by the courts where for example, a student or a gainfully employed person may be allowed to carry out their community service on weekends only as a way of not disrupting their studies or work. Such approaches to sentencing cannot cause congestion in the prisons. Likewise, other counties including Zimbabwe have come up with an open prison system, where inmates have wider freedom while serving their punishments.

Other commentators are of the view that resorting more to the criminal law will not help because the courts and other players in the criminal enforcement ecosystem are not psyched to see IP infringement as a hard crime. As a result, most of the punishments given to IP infringers in most jurisdictions, are on the lower side. This is based on the perception that commercial crimes are not “true” crimes. This view holds true for Zimbabwe as the case of *S v Chiadzwa* HH-28-04 will show. The accused was convicted for by a magistrate for copyright infringement and

sentenced to a fine of \$400 and in default of payment to 10 days imprisonment. A further 10 days imprisonment was suspended for five years on conditions. It was alleged that the appellant bought certain sculptures from one Taurai Chimba between January 2000 and March 2002. Those sculptures were said to be copies of sculptures created and produced by the complainant, a well-known sculptor, Dominic Benhura. The appellant was alleged to have exhibited, by way of trade, the infringing copies at his art galleries. The alleged infringing copies were sixteen in number and seven of them were inscribed "D.E. Benhura" or "Dominic". It was alleged that the appellant knew that the complainant was the creator of the sculptures and that he had no right to infringe the complainant's copyright. He was convicted and sentenced. On appeal the Appeal Court noted some errors made by the trial court.

Justice Chinhengo on appeal set aside the conviction on the basis that copyright in the works had not been proved. In addition the magistrate had not appreciated the legal issues correctly. The court aquo had relied on the fact that the appellant had copied the idea in the works from the complainant. The court made the following observation:

The evidence adduced at the trial is not at all clear. This may be so because of the obscurity of the subject of copyright. It is not often that our courts are called upon to decide copyright cases. (p. 5 of the judgement).

The facts as presented before the Magistrates Court seemed to have suggested that a delict of passing off as opposed to a crime had been committed. The inscription of the name of the complainant on the sculptures not made by him was clearly an act of passing off that could be actionable at the complainant's instance.

To cure the challenge highlighted in the previous paragraph leads to another disadvantage. To make the whole court enforcement system functional to the level where IP infringement is punished at the appropriate levels requires training of the courts, prosecutors, inspectors and police officers. Training requires resources and budgets to support it. It can be said that this cost is not necessary where there are many other competing interests. The advantage of training is that it is normally carried out once or on a few occasions for one group of individuals. Once a group is trained they grasp the issues and can even proceed to train others in the future. With passage of time such groups would just require refresher courses which are not as time consuming as initial ones.

# Criminal Penalties Created by the Zimbabwe IP Legislation

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A number of Zimbabwean statutes both in the IP sphere and copyright have penal provisions. The challenge observed is that outside copyright and trademarks the law does not have substantive penalties for protection of IP other than those made in connection with prosecution of IP applications. This is unsatisfactory. These statutes will be individually analysed in this section and recommendations made on whether the law goes far enough in making infringement difficult and expensive.

## **Industrial property**

Most industrial property law outside trademark legislation does not create criminal offences for infringement of rights as shall be seen below.

## **Industrial designs**

The Industrial Designs Act (Chap 26:02) provides for criminal punishment for a number of acts. While sections 48, 49 and 50 create offences these offences are not relevant to the present discussion as they deal with offences during the prosecution of rights at the IP office.

The last criminal provision is s51 which punishes falsely representing that a design is registered when it is not, either as result of the expiry of the protection term or because the design was never registered at all. The penalty for that offence is a fine of \$200 or imprisonment for a period not exceeding six months or both. This conduct is not seriously viewed by the lawmaker since this penalty is on the lower side. This offence is normally committed by someone who wishes to derive economic benefit from the misrepresentations he or she makes, hence it deserved a more serious penalty. There is an element of fraud in the offence which makes it a serious infraction of the law. Just as in the Patents Act, the Industrial Designs Act does not punish infringement of design rights per se. It would have been more satisfactory if certain infringing acts which are done wilfully at a commercial scale were criminalised by the law. This position leaves the defence of most Industrial property outside trademarks in the sole hands of the right owner. This can pose a challenge in the event of serious infringement on a large scale where the right owner may be overwhelmed in mounting civil actions.

## **Patent Act (Chap 26:03)**

Sections 84 to 86 of the Patent Act (Chap 26:03) have some procedural penalty provisions relating to certain conduct at the Patent Office or making false representations that goods are patented. These are not directly relevant to the protection of IPRs. Section 87 is intended to protect

the public by prohibiting the trafficking in patents by officers employed in the Patent Office. Section 88(1) provides for criminal punishment for unauthorised claim by any person that goods are patented. A penalty of imprisonment for two years and imposition of a fine of \$400 is provided for that breach of the law. Criminal sanctions are not imposed by the Act for any person who knowingly infringes a patent. It is apparent that the existing offences provided by the law do not relate to improper use of patents or infringement of patents. This position is defensible as being in line with the international framework which reserves criminal penalties for trademark counterfeiting and copyright piracy only. It is only a few countries that punish such conduct by the criminal law.

The position in Zimbabwe contrasts sharply with the position in Honduras where criminal penalties for patent infringement are provided (Title VI Chapter 1 of Decree No 12/99 of Industrial Property law). The approach in Zimbabwe is in accord with a number of jurisdictions such as in South Africa, Zambia and Kenya. In the United States of America the same position reigns. The Supreme Court of America noted in *Dowling v. United States*, 473 U.S. 207, 227 (1985). “[d]espite its undoubted power to do so . . . Congress has not provided criminal penalties for distribution of goods infringing valid patents”. Patent infringement is not generally enforced through criminal provisions in many countries. The question is whether this is still justifiable with rising cases of infringement.

### **Plant breeders rights**

Part V of the Plants Breeders Act (Chap 18:16) provides for criminal offences for a number of acts. The statutory framework of criminal punishment is the same as is found in the Patents Act and the Industrial Designs Act. The Act punishes certain conduct of applicants as they file for rights. Section 30 creates offences committed by officers such as acquiring and selling plant breeder's rights outside the course of duty. An officer who commits this offence is liable to a fine not exceeding the sum of \$300 or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

### **Trademarks**

Forgery of registered trade mark is proscribed by section 83 of the Trademarks Act (Chap 26:04). Forging a mark or using one without the consent of the proprietor of the registered trade mark is assumed where it is shown that the accused made a trade mark or a mark so nearly resembling the registered trade mark so as to likely deceive or cause confusion or falsifies a registered trade mark (section 83).

Section 84 prohibits the forgery of registered trademarks and other related acts such as:

- falsely applying to goods or in relation to services a registered trade mark; or
- making a die, block, machine or other instrument for the purpose of forging, or of being used for forging, a registered trade mark; or
- disposing of, or has in his possession, a die, block, machine or other instrument for the purpose of forging, or of being used for forging, a registered trade mark; (section 84(b) to (d)).

Paragraph (e) of section 84 makes the importation of devices used for the application of a trademark an offence. Likewise paragraph (h) criminalises the making, importation or possession of devices for the application on any goods of the registered trademark. Contravention of section 84 attracts a penalty of a fine of \$400 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment. (S 84 (f) (iii)).

A person who sells or imports any goods or performs any services to which a forged registered trade mark is applied; or a registered trade mark is falsely applied commits an offence. The penalty for this offence is similar to the one provided by s 84 (f) (iii). These penalties are relatively serious but the only drawback seems to be that the section does not make reference to the number of offending articles involved in a given case. The law would have been deterrent enough if it made a similar reference to the number of infringing articles or materials in coming up with the penalty. An accused person facing the charge has some defences available to him in terms of the Act. Some of the available defences include that reasonable precautions were taken and that the accused had no reason to suspect the genuineness of the trade mark.

The availability of these possible defences accords with normal criminal principles where no person can be found to be criminally responsible without liability. Therefore, a person who acted innocently or took all reasonable precautions to prevent committing the offence cannot be liable for criminal conduct.

Section 86 restricts the importation of counterfeit trademarked goods into the country. Counterfeit trademarked goods are defined as goods which bear without authorisation a trade mark which is either identical to a registered trade mark or which cannot be distinguished in its essential aspects from a registered trade mark (section 86(1) of the Act). The section allows the owner of rights or a user to apply to the Boarder Authorities to ask for the suspected counterfeit goods to be dealt with as prohibited goods in terms of the law, for a period of ten days. The Board Authorities have little discretion in the matter once faced with such an application. This is because the law provides that “the Director shall forthwith comply with

the request and ensure that no such goods are imported into or exported from Zimbabwe, and that any such goods that have been imported but not yet entered are not released to the importer” (Section 86(2) of the Act). This means that the Director has little discretion on the matter. All the Director can do is to request the proprietor to furnish him with security in such form and for such amount as the Director may require to secure the fulfilment of any liability and the payment of any expense which he may incur as a result of the detention of any goods to which the request relates or as a result of anything done by him in relation to goods so detained (Ibid). The proprietor must then file an application with the Intellectual Property Division of the High Court within 10 days for an appropriate order pertaining to the goods. If the application is filed within that period the goods shall remain in detention (section 86 (3) and 86(4) of the Act).

A few points need to be highlighted with respect to section 86. Firstly, the section was introduced by the Trademark Amendment of 2001. Before that the section did not address counterfeit goods it only referred to infringing goods. The previous position was therefore weak and unacceptable. Secondly, the amendment introduced the definition of a counterfeit product. While the first part of the definition is not very sound, the second part of the definition is in point where it states that these are goods which “cannot be distinguished in its essential aspects from a registered trade mark” (s86 (1) of the Act). In simple terms a counterfeit product is a good or product which imitates the original product in every detail. It is a 100 percent copy of the original good as no variation of any form is done by the counterfeiter on the goods. It is therefore noteworthy that the amendment was in point and came at the right time when counterfeiting is a major challenge for nations across the globe. The border measures provided are also within the international framework of dealing with suspected counterfeit products.

One major weakness of the provisions of section 86 is that it does not provide a criminal penalty for contravening the section. The section provides that:

(9) Notwithstanding anything in the Customs and Excise Act [Chapter 23:02], a person shall not be liable to any penalty under that Act, other than forfeiture of the goods, as a result of their importation or exportation being prohibited by virtue of this section”. (s86 (9) of the Act.)

This declaration for non-criminal liability pours cold water on the otherwise progressive provision. It is not clear why no penalty was imposed for importing or exporting counterfeit products where the international framework (under the Trips Agreement for example) urges

member states to punish wilful counterfeiting by the criminal law. Article 61 of TRIPS is very clear on that. This is a major drawback for Zimbabwe and the country may be seen to be not complying with its TRIPS obligations. It is urged that the lawmakers must have a relook at the provision with a view to amend it and provide a criminal penalty in addition to the existing civil remedy available to a trademark owner. As it is in its current form, the section may seem to be an obstruction to improving the business climate in Zimbabwe. Trademarks are one of the major IPRs that investors rely on in the market.

Section 89 of the Act provides a limitation period for prosecution in terms of the Act. It states that:

No prosecution for an offence under this Part shall be commenced after the expiration of a period of –

- (a) three years from the date on which the offence is alleged to have been committed; or
- (b) one year after the first discovery thereof by a police officer or customs officer; whichever is the earlier.

The rationale for this limitation is not clear in the Act, ostensibly the idea is to ensure quick prosecution of cases. While the three year period is understandable the one year period after discovery by a police officer or a customs officer does not seem to have adequate justification. IP infringement affects mostly the owner of the trademark or a licensee. It is therefore curious that the proprietor of right would lose out on the opportunity for a criminal prosecution just after 12 months based on the knowledge that a state official had. Why is the running of prescription not based on the knowledge of the owner? The section does not even require that the police/custom officer must have communicated with the proprietor of the right before prescription can kick in. It would have been fair and justifiable if there was a requirement that the State official must have notified the owner of the rights before prescription starts to operate. In any case, the shorter prescriptive period of one year is not justified for criminal offences. A minimum of three years would have been fair and reasonable. This part requires a relook by the lawmakers in order to improve the criminal penalties of the Act.

### **Geographical indications**

Section 9 of the Geographical Indications Act prohibits the application of a misleading geographical indication to any product. This is a good provision. Section 11 proceeds to provide a number of civil remedies to an affected person from the courts. The section provides innovative remedies such as additional damages. In order to award such punitive damages, the

court is guided by among other things the flagrancy of the contravention and any benefit shown to have accrued to the defendant or respondent as a result of the contravention. This approach is good as it makes infringement expensive for the infringer. The unfortunate situation is that there is no criminal penalty for contravening section 9. This is a major drawback.

There are only a few general criminal remedies in the Act. Sections 35 to 37 creates general offences common in other IP statutes as discussed above. The Act does not therefore set out clear criminal penalties that can help proprietors of IP rights to enforce their rights. This is a contrast with the position found in Uganda for example, where the Geographical Indications Act of 2013, section 4 and 22 provides criminal sanctions where a GI mark is deceptively used on goods which do not originate from a given geographical area. Punishment for the offence is imprisonment not exceeding two years or a fine or both. This is a better approach as it assists right holders and the public at large through criminal law enforcement. Taking into account the numerous advantages of criminal penalties discussed in the earlier sections of this paper, Zimbabwe is lagging behind in its approach.

### **Copyright and Neighbouring Rights**

The Copyright and Neighbouring Rights Act (Chap 26:05) in section 59(5) creates a number offences and provides for punishment of 2 years imprisonment or a fine of \$700 for infringing copyright. Section 59 (1) provides as follows:

- (1) A person shall be guilty of an offence if, at a time when copyright subsists in a work, he does any of the following things in Zimbabwe without the authority of the owner of the copyright in the work:
  - (a) in relation to an article which is an infringing copy and which the person knows or has reason to believe is an infringing copy –
    - (i) he makes it; or
    - (ii) otherwise than for his personal and private use, he imports it into Zimbabwe or exports it from Zimbabwe; or
    - (iii) in the course of business, he possesses it or exhibits it in public or distributes it; or
    - (iv) he sells it or lets it for hire or offers or exposes it for sale or hire; or
    - (v) otherwise than in the course of business, he distributes it to such an extent that the owner of the copyright is prejudicially affected;

This part covers a variety of activities in relation to works in which copyright subsists. This would cover the unlawful production of books, compact disks and any other material protected by copyright. In addition sub section 'b' deals with making copies of copyright protected materials. Section 59 (2) deals with the offence of performance in public of musical works without authority, while subsection 3 deals with re-broadcasting of broadcasts "knowing that copyright subsists in the broadcast and that the re-broadcast or transmission constitutes an infringement of the copyright" (section 59 (3)). Any person who causes a programme-carrying signal to be distributed without the authority of the owner of the copyright in the signal, knowing that copyright subsists in the signal and that the re-broadcast constitutes an infringement of the copyright, commits an offence in terms of s59(4) of the Act.

To prove the essential elements of any of the above offences requires proof of copying or reproduction. Dealing with this requirement in the *Chiadzwa* case supra the Appeal Court commented as follows:

Returning now to s. 27(1)(e) of the Act, (now s59) it must be clear that for an offence to be committed the applicant's work of art should have been reproduced not that his idea should have been adopted. There must be a reproduction of an article in which copyright subsists. The evidence in this case did not establish that any such article was copied or reproduced. S. 27(1) (e) also requires that the accused person should have knowledge that the article which he exhibits is an infringing copy of the complainant's work. As to the requirements for establishing such knowledge see *Paramount Pictures Corp v Video Parktown North* 1983(2) SA 261(T) at 261 F - 262 A, where in reference to *Gramophone Co Ltd v Music Machine (Pty) Ltd & Ors* 1993(3) SA 188 (W) it was said that "knowledge" meant:

"Notice of facts such as would suggest to a reasonable man that a breach of copyright law was being committed". (P7-8).

The *Chiadzwa* case illustrates that care should be taken on the evidence presented before a court to secure a conviction. The case also helps to show the dearth of IP knowledge on the part of the magistrate and public prosecutor who had dealt with the trial case.

A person guilty of any of the section 59 infringements is liable to a fine not exceeding \$700 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment "in respect of each article to which the offence relates" (s59 (5) of the Act). Properly applied, this means that the section imposes a penalty of \$700 or two years imprisonment for

every infringing article. This could mean that a person who is caught with five infringing books should be punished by five \$700 fines or send to prison for ten years.

The above assertion is made in the light of the fact that our courts have said that where a statute provides a penalty of a fine or imprisonment or both the court is obliged generally to consider the fine before imposing imprisonment. This has been said in cases such as *S v Lameck Tshuma* HB-302-16 and *S v Zuva* 2014 (1) ZLR 15 (H) 18 A -C. The case law provides that where a statute provides for a sentence of a fine and imprisonment, the court must first and foremost give effect to the sentence of a fine and reserve imprisonment for the most serious aberrations and/or repeat offenders. However, the reference to infringing articles is not affected by this principle of sentencing. The rationale behind the section is to deny the accused of any benefit that he or she would have obtained from the offence.

This approach to sentencing means that the more benefit that the person was likely to derive from the infringing activity the more serious the penalty he or she should face. This is a desirable practice in theory as it would render crime unrewarding for the offender as he or she is stripped of any of the possible benefits of the offence. This approach is in accord with Article 61 of TRIPS and other national laws in the region. For example the Zambian Copyright Act in section 28(1) (g) allows for graduated penalties for repeat offenders. Likewise, the South African Act in section 27(6) empowers the courts to consider the number of infringing articles in imposing an appropriate penalty. The other positive aspect of the Act is that it is one of the few local statutes that provides a penal penalty for infringement of intellectual property rights. Not only does it provide a penalty but gives a deterrent one for that matter.

In Uganda, for example, criminal offences and penalties for copyright infringement are provided in section 47 of the Copyright & Neighbouring Rights Act. A deterrent penalty of four years imprisonment or hundred currency points for each offending article is provided. This is a deterrent penalty which other African nations including Zimbabwe can consider following. The Copyright Act of Kenya of 2001 provides one of the highest penalties in terms of imprisonment for a first conviction. Section 38 of the Act provides a penalty of a fine or imprisonment for up to six years for a first offence and in any other case a penalty of up to 10 years. These few comparisons show the extent to which other countries are treating cases of infringement of IP rights. Possession of goods for private or domestic use does not fall within criminal conduct.

## Recommendations

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Zimbabwe can improve its system of IP criminal enforcement in a number of ways. Some countries in Africa have adopted the use of specialised bodies or agencies in investigating and prosecuting IP infringements. In Ghana, the law provides for a Copyright Monitoring Team, made up of police officers seconded from the Police Service, representatives of copyright owners and officers of the Copyright Office. (Section 50 of the Copyright Act). The team is charged with the duty of monitoring copyright works, investigation of cases, undertaking of anti-piracy activity, and performance of other functions that are necessary to protect authors. Similar provisions are also provided in the Nigerian Copyright Act, which uses the nomenclature “copyright inspectors”. The Nigerian Act specifically provides, beyond investigation, that a copyright inspector may prosecute, conduct or defend before a court any charge, information, complaint or other proceedings arising under the Copyright Act. (s38(3) of the Copyright Act, Nigeria). In addition to these specific powers, a Copyright Inspector is broadly vested with authority to exercise the powers, rights and privileges of a police officer as defined under the Police Act and under any other relevant enactment pertaining to the investigation, prosecution or defence of a civil or criminal matter under the Act.

The establishment of a special IP enforcement unit is evidence of the prioritisation of IPR criminal prosecution, attributable to the growing awareness of the negative effect of piracy and counterfeiting. These specialised bodies vested with wide police powers, translate to more focus and better competence, while also sending out a message of low tolerance for violation of IPRs. (Oyewumni, 536). Indeed these developments are good for Africa and it is urged that Zimbabwe adopts similar arrangements to deal with piracy and counterfeiting.

Closely related to this is the need to create a specialised police force unit in Zimbabwe to deal with IP crime. Many countries have adopted this approach with very good results. In Zambia a specialised Intellectual Property Unit was created in 2006. It has specialised IP experts who investigate IP crimes. The Unit is a specialised branch of the Zambian police force whose main objective is to protect all forms of intellectual property rights, prosecute infringers of IPR, encourage innovation and creativity; eradicate counterfeit and substandard products from the market. (See for example Part iv of the Copyright and Performance Right Act No. 44 of 1994) At its inception in 2006 it was known as the Anti - Piracy Crack Squad with the aim of addressing the increasing levels of music piracy. In the first three years after its formation, the crack squad carried out several raids on individuals and organizations involved in music

piracy. In 2009, the Anti Piracy Crack Squad was renamed Intellectual Property Unit. This was to broaden its mandate and enable it to deal effectively with all other forms of Intellectual Property infringement such as trademark infringement. This specialised police unit uses the Copyright and Performance Right Act No. 44 of 1994 in its daily operations. In Zimbabwe at the judicial level, a special IP Court Division of the High Court has been created. A police unit for Intellectual Property is therefore long overdue.

In Zambia, by operation of Part IV of the Act, the police are given an extended mandate to enforce copyright. Sections 34 to 38 of the Act details the role of the police in carrying out investigations, gathering evidence and prosecuting crimes under the Act. This is missing in the Zimbabwean Copyright and Neighbouring Act.

With the exception of the Copyright and Neighbouring Act, the criminal penalties provided in the statutes should be raised from their current levels so that they become deterrent enough. Another point to note that is that the standard scale of fines was gazetted in 2017 and was denominated in United States dollars. A new scale denominated in the RTGS currency must be gazetted which matches the economic developments in the country.

## **Conclusion**

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A number of Zimbabwean IP legislation creates criminal offences for a number of infringing acts. The main challenge observed with regards to the law is that, with the exception of copyright and trademark laws, most of the statutes do not create offences for infringing IP rights. The offences found in most of the industrial property legislation such as patents, GIs, industrial designs and plant breeders' rights are just procedural in nature. The statutes do not create offences for infringing IPRs as some nations in Africa and beyond have done. While on the face of it, this approach seems to be in compliance with the requirements of TRIPS, on closer look it does not. TRIPS does not compel member states to have penal provisions outside counterfeiting and piracy but does not close the door to taking that route. Article 61 of TRIPS gives members a discretion to expand the ambit of criminal provisions where certain conduct is done on a commercial scale, is committed wilfully or with gross negligence. Zimbabwe appears not to have used this window to add instances where criminal penalties are justified for IPR infringement. It is submitted that widespread infringement of rights is outside the private law domain where the proprietor is expected to fight it out alone. Once infringement becomes widespread and on a large scale criminal law remedies should be triggered

at law. To that extent Zimbabwe can expand the areas where criminal law could be used to deter infringement of IPRS.

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