

REPUBLIC OF SOUTH AFRICA

COUNTERFEIT GOODS AMENDMENT BILL

*(As introduced in the National Assembly as a section 75 Bill; explanatory summary of Bill
published in Government Gazette No 22249 of 24 April 2001) (The English text is the
official text of the Bill)*

(MINISTER OF TRADE AND INDUSTRY)

[B 27—2001]

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GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the Counterfeit Goods Act, 1997, so as to amend the definition of “intellectual property right”; to make further provision regarding an inspector’s powers in relation to counterfeit goods; and to effect a technical correction; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 1 of Act 37 of 1997

1. Section 1 of the Counterfeit Goods Act, 1997 (hereinafter referred to as the principal Act), is hereby amended by the substitution for paragraph (a) of the definition of “intellectual property right” of the following paragraph: 5

“(a) means the rights in respect of a trade mark conferred by the Trade Marks Act, 1993 (Act No. 194 of 1993), and includes rights in respect of a trade mark contemplated in section 35 of that Act;”.

Amendment of section 5 of Act 37 of 1997

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2. Section 5 of the principal Act is hereby amended by—

(a) the substitution for paragraph (a) of subsection (4) of the following paragraph:

“(a) any [steps taken by an inspector in accordance with paragraph (a), (b), (c) or (d) of subsection (1), or like steps taken by him or her] acts performed by an inspector by virtue of subsection (2) [will cease to have any legal effect whatsoever unless the court confirms such steps, either finally or *pendente lite*] must be confirmed by a magistrate or a judge of the High Court having jurisdiction in the area where the acts were performed, on the application of the inspector [or the relevant complainant (where applicable)] brought within 10 court days of the day on which those [steps had been taken] acts were performed;”;

(b) the insertion after subsection (4) of the following subsection:

“(4A) If the magistrate or judge contemplated in subsection (4)(a) does not confirm the acts performed by the inspector, the inspector must return any goods seized forthwith and make good any damage caused.”.

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Substitution of section 21 of Act 37 of 1997

3. The following section is hereby substituted for section 21 of the principal Act:

“Civil or criminal liability under other laws and institution of civil or criminal proceedings thereunder not affected by this Act

21. Subject to the Constitution of the Republic of South Africa, 1996 5
(Act No. 108 of 1996), and the Criminal Procedure Act, 1977 (Act No. 51
of 1977), the provisions of this Act [**will**] do not detract from a person’s
civil or criminal liability, in terms of any other law, on account of his or her
infringement of any intellectual property right [**and**] or from the capacity or
competence in terms of any law to institute civil or criminal proceedings in 10
respect of such infringement.”.

Short title

4. This Act is called the Counterfeit Goods Amendment Act, 2001.

MEMORANDUM ON THE OBJECTS OF THE COUNTERFEIT GOODS AMENDMENT BILL, 2001

1. The Counterfeit Goods Act, 1997 (Act No. 37 of 1997) ("the Act"), was enacted to implement Chapter III (Enforcement) of the Trade Related Aspects on Intellectual Property Rights Agreement (TRIPS). After ratifying this Agreement, South Africa was obliged to enact its provisions into law.

2. The object of the Bill is to bring the Act into line with the provisions of Chapter III of TRIPS and to effect certain technical corrections to the Act.

3. The Bill seeks to amend the definition of "intellectual property right". In terms of paragraph (a) of the definition, an intellectual property right means the rights in respect of a trade mark conferred by the Trade Marks Act, 1993 (Act No. 194 of 1993). It is proposed that these rights be extended to include rights in a trade mark which is entitled to protection under the Paris Convention as contemplated in section 35 of the Trade Marks Act, 1993. The effect of the amendment would be that goods under a mark that is well known in the Republic and which is entitled to protection under the Paris Convention will also be protected under the Act. Any goods which infringe such trade marks could then be seized and destroyed under the Act.

4. Section 5(4)(a) of the Act provides that steps taken by an inspector in accordance with a warrant and, under certain circumstances, taken without a warrant cease to have any legal effect unless a court confirms such steps on the application of the inspector or the relevant complainant brought within 10 court days of the day on which those steps were taken. The Bill seeks to amend section 5(4)(a) by deleting the reference to steps taken in accordance with a warrant since a warrant is issued by a judge or magistrate and a further confirmation by a court is unnecessary. In terms of the proposed amendment only acts performed by an inspector without a warrant (by virtue of section 5(2)) need to be confirmed by a magistrate or judge of the High Court having jurisdiction in the area where the acts were performed.

5. The proposed amendment to section 21 of the Act is to effect a technical correction to the section.

6. Consultation

- * All chief executive officers of companies which are trade mark holders in South Africa.
- * Department of Arts, Culture, Science and Technology.
- * South African Broadcasting Corporation.
- * South African Musicians Union (Samu).
- * Non-members of Samu.
- * Association of the South African Music Industry (Asami).
- * South African Music Rights Organisation (Samro).
- * South African Revenue Service.
- * South African Police Service.

7. Financial implications for State

None.

8. Parliamentary procedure

The State Law Advisers and the Department of Trade and Industry are of the opinion that this Bill must be dealt with in accordance with the procedure established by section 75 of the Constitution since it contains no provision to which the procedure set out in section 74 or 76 of the Constitution applies.