

THE QUEST FOR ROBUST ENFORCEMENT OF THE LAW ON TRADEMARKS IN UGANDA TO MAXIMIZE ITS ECONOMIC BENEFITS. A SYSTEMATIC REVIEW.

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Page | 1 **ABSTRACT**

Introduction

With ever-increasing cases of trademark counterfeiting and infringement globally due to sophisticated technological advancements, it has become imperative for companies to register their trademarks to enjoy the benefits that accrue from their registration. Not only has registration of trademarks benefited trademark owners, but it is also a means of technological transfer between states and a source of government revenue. In this study, the law on trademark enforcement was examined in a quest for robust enforcement mechanisms to maximize the economic benefits.

Purpose: This study was done to analyze the law on trademark enforcement in Uganda in a quest for robust enforcement mechanisms to maximize the economic benefits. It involved a probe into the adequacy of the existing legal and institutional framework on trademark enforcement mechanisms since it is a necessity to any given country irrespective of its level of economic development. It not only enhances the protection of the existing trademark rights but also encourages creators and investors to settle in an environment that is conducive to creativity and investment.

Methodology

The study utilized doctrinal research methodology, analyzing data from authoritative sources like statutes, conventions, and judicial decisions, and utilizing content analysis techniques for clear and concise answers.

Results

The study revealed that Uganda has a robust legal and institutional framework for trademark enforcement though with weak penalties. The institutional framework is weak, lacking sufficient funds and trained personnel to effectively deter counterfeiting and infringement.

Conclusion

The empirical literature indicates that Uganda has a robust legal framework for trademark enforcement but the penalties are insufficient to deter counterfeiting and infringement.

Recommendations

The authors recommended the amendment of the Trademarks Act to provide sentences that are deterrent in nature, promotion of public awareness, and training of the required personnel.

Keywords: Trademarks, Intellectual property, Economic benefits, Enforcement

Submitted: 2024-08-05 **Accepted:** 2024-08-28

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INTRODUCTION

Poor trademark enforcement mechanisms affect the fundamental rights conferred by legal protection of stopping counterfeiters and infringers from exploiting the trademark without the rights owner's consent.¹ Trademark

infringement and counterfeiting activities are on the rise globally and infringing goods range from luxury goods, medicinal drugs, motor vehicle spare parts, seeds, pesticides, and other commodities.² Cross-border trade of counterfeit materials in the information communications technology sector, for example, was projected to reach 143 billion United States dollars which corresponds to 6.5% of

¹ WIPO Magazine, "Recent challenges to the enforcement of IPRs" April 2006. Accessed at wto.org/English/tratop/-e/trips-e/ipenforcement.eltm, accessed on 4/6/2024.

² Christopher Munguma, "Civil enforcement of trademark rights in Zimbabwe" June 2018, African Journal of IP Vol. 2 No.2.

international trade.³ Some of such goods are finding their way to the market in Uganda as there was a destruction of infringing items worth Ugandan shillings 67.219 million in the financial year 2022/2023 as a result of the court order.⁴ The unauthorized use of trademarks deters investment and often affects the economic benefits of trademarks like hindering state revenue.⁵

A trademark can be a word, symbol, logo, sign, mark, design, name, or phrase that identifies a product of one manufacturer and differentiates it from those of other manufacturers.⁶ Examples of trademarks include Coca-Cola which is one of the well-known beverages and has been in use since 1887 with its distinctive red and white logo, Nike swoosh logo which was introduced in 1971 and is known worldwide for athletic apparel and footwear, Apple with its iconic bitten apple logo which was introduced in 1977 and it makes popular consumer electronics and products like iPhone, iPad and Mac computer line-ups, among others.⁷

While Uganda is a landlocked country, its central position at the heart of the East African Community (EAC) makes it attractive to potential investors as an emerging market and this makes it a strategic base for trade. As such, new enterprises entering the market seek trademark registration beforehand to avoid trademark infringement and counterfeiting by third parties who take advantage of new businesses and register their trademarks in bad faith.⁸ A trademark is territorial,⁹ and the territoriality principle has made it possible for countries across the world to enter into

bilateral and multilateral treaties to effectively enforce the rights across jurisdictions.¹⁰ This has made trademarks recognized worldwide though their enforcement varies significantly from country to country.¹¹ While most countries rely on first use in commerce, others grant exclusive rights to the first party who registers his mark with the relevant authority.¹² In Uganda, for example, for a trademark owner to enforce his rights against infringement, he/she must have registered his trademark with the Uganda Registration Services Bureau (URSB).¹³

As enforcement is the process of ensuring compliance with the law to make the rights respected,¹⁴ trademark law is of less binding force without an efficient enforcement system.¹⁵ Therefore, in designing and applying enforcement provisions, the law should provide adequate penalties and provisional measures that enable trademark owners to protect their rights promptly against unauthorized use.¹⁶ This leads to the elimination of trademark infringement and contributes to market efficiency which in turn enhances economic growth.¹⁷

RESEARCH METHODOLOGY

The study adopted doctrinal research methodology to properly address the research objectives and questions, also providing clear and concise answers to legal questions based on the legal contexts that are authoritative sources of law. As such, a systematic review of the relevant statutes, policies, treaties, and judicial decisions was done. Additionally, published research papers, journal articles, textbooks, magazines, and newspapers that are relevant to the topic at hand were looked at. This entailed visiting

³ Buttice, V., (et al), "Counterfeiting in digital technologies: An empirical analysis of the economic performance and innovative activities of affected companies" (2020) Research Policy, 49(5), p.103959.

⁴ Uganda Registration Services Bureau Annual Report 2022/2023, accessed at <https://www.go.ug/storage/publications/download/ursb-annual-report-202223-1707207432.pdf> p.20 on 17/5/2024.

⁵ Anthony C. K. Kakooza, "the civil, administrative and criminal law standards in IP enforcement in Uganda. The good, the bad and the hoped for" 2010.

⁶ Trademarks Act, Laws of Uganda, (printed by UPPC, Entebbe by order of Government), Act No7 of 2010), section 1.

⁷ <https://www.mekiplaw.com/famous-trademarks/> accessed on 22/July 2024.

⁸ An essential guide to filing trademarks in Uganda, available online at <https://www.worldtradereview.com/article/essential-guide-filing> accessed on 11th September 2023.

⁹ Nirmalya Syam & Viviana Munoz Tellez, "Innovation & Global IP Regulatory Regimes: The Tension between Protection & Access". Research Paper June 2016.

¹⁰ W Cornish, Llewellyn & Aplin: Patents, Copyright, Trademarks and Allied Rights (8th edn Sweet & Maxwell 2013) p 4 line 1-01.

¹¹ Zachary Shufro, "The Madrib protocol and the absence of international trademark enforcement mechanisms" Haute couture's paper shield 2020, North Carolina journal of IL vol.45 no. 3.

¹² Stephen Burley, IP Bench book series: Introduction to the International IP legal framework, WIPO 2023 p.4.

¹³ Trademarks Act, Laws of Uganda, (printed by UPPC, Entebbe by order of government) Act No. 7 of 2010 section 36.

¹⁴ WIPO National workshop for judges organized by WIPO in cooperation with the government of the kingdom of Saudi Arabia, December 13-15, 2004.

¹⁵ Ibid.

¹⁶ Enforcement of IPR found at <https://www.wto.org/english/tratop-e/trips-e/ipenforcement-e.htm>. Accessed on 26/9/2023.

¹⁷ Ibid

libraries in search of data and consulting online data sources.

Eligibility criteria

Inclusion criteria

Statutes, policies, treaties, judicial decisions, published research papers, journal articles, textbooks, magazines, and newspapers that were relevant to the topic at hand from the year 2000 to date were looked at through visiting libraries and consulting online data sources.

Exclusion criteria

Statutes, policies, treaties, judicial decisions, published research papers, journal articles, textbooks, magazines, and newspapers which were not deal with trademarks were not considered in the study.

Information sources

The study utilized doctrinal research methodology, analyzing data from authoritative sources like statutes including the Industrial Property Act, the Trademarks Act 2010 Laws of Uganda, and the 1995 Constitution of the Republic of Uganda as amended. (Reviewed on 18th July, 2024), conventions such as the East African Community Common Market Protocol 2004, the Lusaka Agreement establishing the African Regional Intellectual Property Organization, The Convention establishing World Intellectual Property Organization (Reviewed on 12th May 2024), and judicial decisions such as A-Plus funeral management ltd versus A-Class funeral services (U) ltd & URSB. High Court of Uganda Civil Division CS No. 355 of 2020 decided on 30th June 2023 by Justice Ssekana Musa (Reviewed on 20th July 2024) and utilizing content analysis technique for clear and concise answers.

Study selection

For purposes of this study, the researcher did not have a predetermined sample size of the number of articles/documents to be reviewed. As such, a myriad of trademark authentic materials from the year 2000 to date were reviewed to fulfill the requirements of the study objectives.

Data collection process

In this study, data was collected systematically based on the objectives of the study. Both primary and secondary data collection methods were employed. Primary sources of data included the Constitution, statutes, conventions, and treaties. Secondary sources of data included textbooks, journal articles, judicial decisions, and published reports.

These were accessed online and by visiting libraries. Through examining these documents systematically, the overall picture of the study was drawn.

Data analysis

Data was analyzed using the content analysis technique. The content analysis technique is the systematic examination of legal materials and documents to understand legal rules, principles, and doctrines. The method is preferred because it ensures objectivity and reduces bias. In this study, content analysis involved developing themes based on the two research questions as a guide. The two themes were the legal and institutional framework of trademark enforcement mechanisms in Uganda and the economic benefits of trademarks. In this regard, relevant legal materials such as statutes, treaties, judicial decisions, academic articles, and research papers were collected and analyzed systematically to form the findings of the study.

Ethical Considerations

The researcher obtained ethical clearance from Bishop Stuart University Research and Ethics Committee under BSU-REC-2024-321.

DISCUSSION

Legal and institutional framework on trademark enforcement mechanisms in Uganda

The quest for global protection of trademark rights saw the signing of the Paris Convention in 1883 and Uganda has been a member of the Paris Convention since 1965.¹⁸ The Paris Convention is one of the first international agreements that was enacted to help IP creators protect their intellectual creations across countries.¹⁹ The Convention provides the right of priority in addition to providing the principle of national treatment.²⁰ To address the problem of global cooperation and policy formation among states, the World Intellectual Property Organization (WIPO) was established in 1970 to enable the protection of intellectual property rights in general and trademarks in

¹⁸ <https://www.wipo.int/treaties/en/ip/paris/> accessed on 8/6/2024.

¹⁹ African IP SME helpdesk accessed at <https://intellectual-property-helpdesk.ec.europa.eu/...on> 26/9/2023.

²⁰ The Paris Convention for the protection of industrial property 1883, article 4.

particular and Uganda joined WIPO in 1973.²¹ Apart from administering trademark-related treaties, WIPO provides registration of trademarks in multiple jurisdictions across the world.²²

The global concern of trademark rights infringement and counterfeiting led to the signing of the TRIPS Agreement in 1995 which is a multilateral agreed framework that provides global minimum standards for enforcement of trademark rights.²³ It ushered in a new era of multilateral law by setting out general principles for the enforcement of IP in general and trademarks in particular. It plays a critical role in resolving trade disputes over IP and in assuring World Trade Organization (WTO) members which include Uganda the latitude to achieve their domestic objectives.²⁴

The pursuit of regional protection of trademark rights led to the signing of the Lusaka Agreement in 1976 which established the African Regional Intellectual Property Organization (ARIPO) as an Inter-governmental Organization for cooperation among African English-speaking Countries.²⁵ ARIPO has a centralized, cost-effective, and user-friendly system where trademark registration is done through enforcement is through member states.²⁶ At ARIPO, trademark rights are regulated by the Banjul Protocol on Marks 1993 which is a principal legal instrument for registration and administration.²⁷ Uganda acceded to the Banjul protocol on 1st November 2000 but the same has not yet been domesticated but it can be designated for purposes of trademark registration using the ARIPO trademark system.²⁸ The case of *Anglo Fabrics (Bolton) & Anor V African Queen Ltd & Anor*,²⁹ demonstrates how the Ugandan court enforced the trademark 'Mekako' which had been registered under the Banjul protocol.

At the EAC level, the East African Community Common Market protocol (EACCM) was adopted in 2010 by

member states as a robust response to address infringement and counterfeiting of trademarks within the region. It calls upon member states to put in place measures to prevent infringement, misuse, and abuse of intellectual property rights.³⁰ Additionally, the East African Community Customs Management Act was assented to on 31st December 2004 and came into force on 1st January 2005,³¹ to prohibit the importation of counterfeit goods of all kinds into any of the member states.³² The Act makes the importation of counterfeit goods an offense that attracts imprisonment for a term of five years or a fine that is equivalent to 50% of the double value of goods involved or both.³³ The provisions of EACCMA take precedence over the partner states' laws concerning any matter to which its provisions relate.³⁴ The rationale for such provisions is to curb the vice of counterfeits within the EAC with a view of protecting the public from being misled and confused given the porous borders within the region

Trademark legislation in Uganda is derived from international and regional conventions and it has been said that Uganda trademark law is TRIPS' compliant.³⁵ However, the Trademarks Act 2010 is the main legislation on trademarks in Uganda. It consolidated the law relating to trademarks and repealed and replaced the Trademarks Act cap 217 of 1953.³⁶ The Act provides formal requirements that must be complied with before trademark rights can be legally recognized and enforced. The law grants exclusive rights to a registered trademark owner upon registration.³⁷ The use of a registered trademark without the consent of the registered owner amounts to infringement.³⁸ The trademark owner who suspects that his rights are being infringed can seek legal redress which may include civil proceedings against the infringer to stop the infringement.³⁹

In Uganda, a trademark owner who proves his case of infringement is availed with civil remedies which include a grant of an order of injunction to prevent the infringement or its continuation,⁴⁰ an order for the inspection and removal of the infringing materials from the infringer's

²¹ <https://www.wipo.int.>details> accessed on 24/June 2024.

²² Vicent Feliu, International trademark law-the Madrid system accessed at <https://www.nyulawglobal.org/globalex/international-trademarklaw-html>. On 23/5/2024.

²³ <https://www.wto.org.>legal-e>27-trips-01-e>.

²⁴ <https://www.wto/english/thewto-e/what-is-e/tif-e-agrm7-e.htm.accessed> on 22/June 2024.

²⁵ Agreement establishing ARIPO article 1.

²⁶ aripo.org/success-stories/why-you-should-make-your-ip-registration-with-aripo-9359.

²⁷ <https://www.aripo.org>success-stories>understanding-a...accessed> on 22/June 2024.

²⁸ Ibid.

²⁹ High Court Civil Suit No. 0632 of 2006, *ibid*.

³⁰ *Ibid*. article 43(3)

³¹ East African Community Customs Management Act, 2004.p.1.

³² *Ibid* section 18 and section 1 (12) of part A of the second schedule to the Act.

³³ *Ibid* section 200

³⁴ *Ibid* section 253.

³⁵ Anthony C. Kakooza *ibid*.

³⁶ Trademarks Act, *ibid* long title.

³⁷ *ibid* section 36.

³⁸ *Ibid* section 36(2).

³⁹ *Ibid* section 79(1).

⁴⁰ *ibid* section 79(1)

premises,⁴¹ a claim for damages to compensate the trademark owner and reinstate him in the position he would have been in had the infringement not been committed.⁴² It is upon the trademark owner to produce the necessary evidence that can assist the court in arriving at a reasonable figure of general damages.⁴³ The law also grants the remedy of account for profits,⁴⁴ an order prohibiting the infringer from removing infringing materials from the jurisdiction of the court if they are needed to satisfy the plaintiff's claim if he succeeds,⁴⁵ and an order directing that all infringing materials be forfeited and disposed of.⁴⁶ The trademark owner who successfully proves his case against an infringer has a right to be awarded the costs of the suit based on the principle that costs follow the event.⁴⁷ Such costs can only be denied by the court to the successful party upon good reasons.⁴⁸

Apart from civil remedies, the law provides criminal remedies to a trademark owner.⁴⁹ The Trademarks Act forbids forging or counterfeiting a trademark. A person who commits that offense is liable for a fine not exceeding forty-eight currency points or imprisonment not exceeding two years or both upon conviction.⁵⁰ Counterfeit trademark goods means that counterfeited goods resemble the trademarked ones in essential aspects to the extent that they can hardly be differentiated which infringes on the rights of the registered owner.⁵¹ For the complainant to succeed under this provision, all the ingredients of the offense must be proved beyond reasonable doubt. That is the existence of a valid trademark, forgery, or counterfeit of the valid trademark, with intent to defraud and participation of the infringer or the accused.⁵² Once the court is satisfied that a trademark has been forged or

counterfeited, an order can be made directing infringing items to be destroyed and the counterfeit trademark be removed from the register of trademarks. In *Colgate Palmolive Company Limited v Sombe Supermarket Limited*,⁵³ where the defendant placed in his supermarket for sale toothbrushes bearing the mark 'Colage double action', the court found that the mark 'Colage double action' was an infringement to the plaintiff mark 'Colgate double action' as it was similar and identical to that of the plaintiff as likely to deceive or cause confusion that the goods sold were those of the plaintiff. Court noted that, the word 'Colgate' was counterfeited by the word 'Colage'. An order for the destruction of the infringing materials was made. This provision of the law serves to guard against dishonest dealings in commercial transactions and aims to protect the public from being misled that the goods originate from a genuine manufacturer whereas not.

More so, falsely representing a trademark as registered whereas not is an offence and it attracts a fine not exceeding one hundred currency points or imprisonment not exceeding five years or both upon conviction.⁵⁴ This calls for trademark owners to register their trademarks to be able to enjoy the rights conferred by trademark registration. By doing that, the government also gets revenue through the fees collected. It also aims at protecting brand reputation and goodwill. Additionally, falsely applying for a registered trademark on goods that are to be dealt with in the course of trade well knowing that the trademark is registered is an offense. A person who commits that offense is liable to a fine not exceeding one hundred and twenty currency points or imprisonment not exceeding five years or both upon conviction.⁵⁵ This provision guards against deception and serves to protect consumers from buying inferior goods under the mistaken belief that they originate from the true source. In *Tecno Telecom Limited v Kigalo Investments*,⁵⁶ the court ordered the removal of trademark "Tecno" from the register of trademarks on the ground that the defendant's acts of importing into Uganda unmarked phones and marking them with the plaintiff's trademark "Tecno" amounted to counterfeiting and was illegal as it contravened the provisions of the Trademarks Act.

In a bid to harness the economic benefits of trademarks, the Trademark Act makes it an offense to intentionally sell, expose goods for sale, or have infringing goods in possession well knowing that a falsified trademark has been applied to them or a registered trademark has been unlawfully removed from them. A person who commits

⁴¹ Ibid section 79(2)

⁴² ibid section 79(3)

⁴³ *Guangzhou Tiger head Battery Group Co. Ltd V Milly Nakanjako & Anor*, Commercial Division High Court Civil Suit No.0516 of 2012 delivered on 24/4/2014 By Henry Peter Odonyo at p.10

⁴⁴ Trademarks Act ibid section 81(1)

⁴⁵ ibid section 81(b)

⁴⁶ Ibid section 81(4).

⁴⁷ Civil Procedure Act Laws of Uganda Cap 71, section 27.

⁴⁸ *Guangzhou Tiger head Battery Group Co. Ltd V Milly Nakanjako & Anor*, Ibid.

⁴⁹ Trademarks Act, ibid part VIII

⁵⁰ ibid section 71.

⁵¹ The TRIPS Agreement page 25 Footnote 14(a).

⁵² *Bedi Joseph v Uganda*, High Court Criminal Appeal No. 41 of 2021 arising from Buganda Road Magistrates Court case No. 1222 of 2019 by Hon MR. Justice Michael Elubu at p.4.

⁵³ *Colgate Palmolive Company Limited v Sombe supermarket limited* HC CS No. 689 of 2016.

⁵⁴ Trademarks Act Ibid section 73.

⁵⁵ Ibid section 74&75.

⁵⁶ *Tecno telecom limited v kigalo investments ltd* ibid .p.2

that offense is liable on conviction to a fine not exceeding forty-eight currency points or imprisonment not exceeding two years or both upon conviction.⁵⁷ More so, exportation from or importation to Uganda of any infringing goods is forbidden and a person who commits that offense is liable to a fine not exceeding forty-eight currency points or imprisonment not exceeding two years or both upon conviction and the goods may be forfeited by order of the court.⁵⁸ This protects the public from accessing counterfeit goods. It creates an environment that is conducive to innovation and creativity as investors will be willing to invest in an environment where their rights would be protected.

For effective enforcement of trademark rights, a rights owner bears the responsibility to keep constant monitoring of the market and competitors to identify any infringing actions.⁵⁹ Once an infringement is detected, a trademark owner is required to exploit the available means to enforce his rights by filing a civil case of infringement in the High Court of Uganda or lodge his complaint with the relevant authority most preferably the police to investigate the matter and prosecute the offender. Trademark rights holders prefer civil procedures to criminal procedures because the remedies provided for injunction and damages are more useful to them than criminal punishments.⁶⁰

Whereas Uganda has several institutions that are responsible for enforcing trademark rights, URSB bears the overall responsibility for enforcement of IP legislation.⁶¹ Others like the Uganda National Bureau of Standards (UNBS) facilitate Trademark enforcement by providing product certification and market surveillance for IPR-infringing products, Uganda Revenue Authority (URA) customs department also helps in enforcing trademark rights by prohibiting the entry of trademarks infringing products at the national border points, the Judiciary helps in prosecuting cases of trademarks infringement and passing off, and the Police helps in apprehending trademark counterfeiters and infringers in addition to carrying out investigations upon a suspicion that a trademark offense has been committed.⁶²

⁵⁷ *ibid* section 77.

⁵⁸ *ibid* section 78.

⁵⁹ Your guide to IP commercialization. The European IP help desk accessed at [https://intellectual-property-helpdesk.ec.europa.eu/system/files/2021-02/EU-IPR-Guide-commercialisation-EN\(3\)-pdf-7/11/2023](https://intellectual-property-helpdesk.ec.europa.eu/system/files/2021-02/EU-IPR-Guide-commercialisation-EN(3)-pdf-7/11/2023).

⁶⁰ Biadgleng, E.T. and Munoz Tellez, V., "The Changing Structure and Governance of Intellectual Property Enforcement" (2008) *South Centre Research Paper*, (15).

⁶¹ Uganda Ministry of Justice & Constitutional Affairs National IP Policy 2019 p.19

⁶² *Ibid*.

The economic benefits of trademarks

Strict enforcement of trademark rights has a huge contribution to the economic growth of a country as it promotes innovation and creativity.⁶³ This depends on the amount of resources countries devote to creating intellectual property assets.⁶⁴ The TRIPS Agreement, as an international instrument, encourages the use of trademarks as an asset of IP to foster social and economic welfare.⁶⁵ Anthony C K. Kakooza, states that enforcing trademark rights has a direct link to economic development.⁶⁶ A trademark is an IP asset that deals with property rights in intangible things like business reputation and goodwill.⁶⁷ Upon registration, a trademark owner acquires an exclusive right to use the trademark on the goods or services in the product class in which it is registered.⁶⁸ This ensures honesty in commercial transactions as competitors are prevented from using the same sign or mark without the owner's consent.⁶⁹ The buying public is enabled to identify the source of goods or services by distinguishing the products of one undertaking from those of other undertakings without being confused.⁷⁰ Registration of trademarks also creates a set of legally binding enforceable rights and puts in place measures to guard against violations of these rights.⁷¹ For example, the Trademarks Act makes it an offense to forge or counterfeit a trademark.⁷² This protects parties to commercial transactions against unscrupulous dealing and guards against counterfeits.⁷³ Enforcing this right creates an environment in which innovation and creativity can flourish and generate future growth and prosperity.⁷⁴

⁶³ Alka Chaudhary, "The role of IPRs in economic development" international journal of creative research thoughts. Vol.10 issue 7 July 22 2320-2882.

⁶⁴ Rod Salvey Neil Foster & David Greenaway, IP and economic growth, research paper series 2004/12.

⁶⁵ WTO TRIPS Agreement, article 7.

⁶⁶ Anthony C K. Kakooza, *ibid*.

⁶⁷ WIPO national seminar on the protection of trademarks and geographical indications organized by WIPO march 17-19 2003.

⁶⁸ Trademarks Act, *ibid* section 36(1)

⁶⁹ *ibid* section 36(2)

⁷⁰ Barnes, D. W., "A new economics of trademarks", 2006, *Nw. J. Tech. & Intell. Prop.*, 5, 22.

⁷¹ *Ibid* section 36 &37

⁷² *Ibid* section 71.

⁷³ Nathan Associates Inc. briefing paper, TCB project, Dec, 2003.

⁷⁴ International Chamber of Commerce, IP: powerhouse for innovation and economic growth. Accessed at <https://iccboe.org> on 23/June 2024.

Without trademarks, competitors would free-ride on the established reputation and goodwill of genuine providers hence creating confusion among the purchasing public. Therefore, the rules that are created enable consumers to rely on quality products made by the original manufacturers when counterfeit goods are prevented from entering the market.⁷⁵ The rights conferred act as incentives allowing firms to implement more modern forms of commerce such as franchising and brand extension hence economic growth.⁷⁶

With globalization, goods and services originate from different sources and flow to a common market. Trademarks play a role in differentiating the products of one manufacturer from those of other manufacturers.⁷⁷ In doing that consumer search costs are lowered by providing accurate market information which the consumer relies on to buy desired products.⁷⁸ The presence of adequate market information about the quality of products promotes the markets because consumers often attach status value to products bearing a well-known brand name.⁷⁹ With well-known brands, like Apple for computers, Coca-Cola, Pepsi-Cola, Rwenzori for beverages, and Nike for clothing, among others, consumer search costs are reduced. This saves consumers' time which can be used to do other productive activities that can lead to economic development.⁸⁰ If all products were the same, consumers would be confused as it would not be easy for them to tell which products are of high or low quality. Without a trademark enforcement system, there would be inaccurate market information where a producer would free-ride on another's established reputation and goodwill and there would be counterfeits hence no taxes and no government revenue. Confusion would be created amongst the consumers in making their choices due to the absence of innovative products hence no development.⁸¹ However due to innovation and creativity that are encouraged by trademarks, consumers are enabled to make correct choices between the various goods and services that are available on the market, the owners of trademarks are encouraged to

invest in quality to keep the consumers and this stimulates economic progress.⁸²

The exclusive right which is acquired as a result of trademark registration acts as an incentive to trademark owners to invest in products of high quality. This enables firms to commercialize and monetize their innovations.⁸³ Innovation can be defined as the production of high-quality products that can have an enhanced commercial value in the market economy. It involves significant changes in the way a product works, looks in design and packaging, new marketing methods, and changes in business practices, among others.⁸⁴ Trademark commercialisation refers to the process of using a trademark to generate profit through various ways like licensing in abide to bring into the market economy new products.⁸⁵ As firms commercialize and monetize their innovations, consumers, and society stand to gain as new products are brought to the market to address the socio-economic challenges that a country may be facing.⁸⁶ The basic needs of the population are satisfied, the social welfare is improved hence the socio-economic development of a country. In Uganda for example, trademarks are the most IP asset that is utilized by companies based on the local registrations in the financial year 2022/2023 which stood at 44% compared to copyright which stood at 5%.⁸⁷ This implies that new products are introduced into the market providing customers with a wide range of products. At the same time, these trademark owners have to pay filing fees which fees contribute to government revenue hence economic development.⁸⁸

Robust enforcement of the law requires an administrative infrastructure with fully equipped trademark offices and trained staff. This creates employment opportunities,⁸⁹ for people like lawyers and other professionals to work as examiners, registrars, or administrators in those offices and

⁷⁵ European Union IPO observatory promoting and supporting IP value. Accessed at <https://www.euipo.europa.eu> on 1/5/2024.

⁷⁶ Stefano Comico and Fabio Maria Manenti, *ibid*.

⁷⁷ Trademarks Act *ibid* Section 1

⁷⁸ Miresi cela, "the importance of trademarks and a review of empirical studies" 2015 European journal of sustainable development, 4, 3, 125-134.

⁷⁹ Carsten Fink, enforcing IPR: an economic perspective. The global debate on the enforcement of IPR and developing countries (2008).

⁸⁰ William O. Hennessey, *ibid*.

⁸¹ Carsten Fink, Enforcing IPR, *ibid*.

⁸² WIPO IP handbook, policy law and use. WIPO publications No.489 (E) 2004 second edition.P.78.

⁸³ WIPO Magazine, October 2019.

⁸⁴ Nirmalya Syam, (et al) *ibid*.

⁸⁵ United Nations economic commission for Europe: IP commercialization, policy options and practical instruments, UN 2011.

⁸⁶ Stefano Comico and Fiabio Maria Manenti, JRC science and policy report, IP and innovation in information and communication technology (ICT), 2015.

⁸⁷ URSB annual report 2022/2023 accessed at <https://ursb.go.ug/storage/publications/downloads/ursb-annual-report-202223-1707207432.pff>.

⁸⁸ Mendonça, S., Pereira, T.S. and Godinho, M.M., Trademarks as an indicator of innovation and industrial change. *Research policy*, 2004 33(9), pp.1385-1404.

⁸⁹ WIPO magazine October 2019. *Ibid*.

this creates a bigger tax base where government revenue can be generated to foster development.⁹⁰ Uganda has both institutional and legal frameworks that regulate trademarks.⁹¹ These institutions employ several people from different professions starting from the sweeper to the Registrar General. It is estimated that URSB employs over 253 workers.⁹² This leads to sustainable wealth creation which promotes the social economic development of a country. Additionally, the reputation and goodwill that are created require consistent advertising to be maintained. As such, the advertising industry is promoted, and as it supports other economic activities in the market economy, development sets in, as jobs are created and the tax base is widened.⁹³ As a result of advertising, the firm obtains greater profits due to repeated purchases as consumers are willing to pay higher prices for lowered search costs and greater assurance of consistent quality.⁹⁴ With trademark protection, consumers are enabled to identify a better product and the better product enjoys greater sales. Manufacturers are motivated to make more quality products, hence leading to economic development.⁹⁵ As put by WIPO, without trademarks, copyright and patent protection would be of relatively lesser economic value.⁹⁶ Enforcing trademark rights impacts tax revenue.⁹⁷ In Uganda, it is a mandatory requirement of the law to search the trademark register to ascertain whether the proposed trademark is already owned upon payment of a prescribed fee.⁹⁸ The law also allows opposition and renewal procedures which also attract a prescribed fee.⁹⁹ All these add to government revenue. Additionally, by enforcing court orders on infringement cases, revenue is raised. For example, during the financial year 2022/2023, the Uganda Registration Services Bureau through its operations raised 25.03 million shillings through the payment of fines and this boosted government revenue.¹⁰⁰ The revenue collected is used to fund other sectors of the economy hence economic development.

The overall linkage between international, regional, and national intellectual property systems facilitates IP-related capacity-building initiatives like sustainable technology transfer, diffusion and commercial exploitation, and

adoption of internationally benchmarked IP-related best practices. This can be achieved through proactive efforts to fully align and utilize existing international IP alliances as well as accession to other important international IP treaties that best complement national development objectives and strategies hence leading to the socioeconomic development of a country.¹⁰¹ As already discussed, Uganda is a signatory to several regional and international trademark-related agreements, treaties, and protocols. As a result, Uganda has tapped the tangible benefits that accrue to the national intellectual property system, like technical assistance. For example, there was a WIPO technical assistance advanced to Uganda between 1st to 2nd May 2019 on the implementation of the bilateral project on appropriate technology in Uganda, where a national and international expert Dr. Doug Sanyahumbi was assigned to take consultations with stakeholders of the project to identify two national development needs for which appropriate technologies were required. He provided technical expertise and knowledge on issues relating to technology transfer including management and utilization of technical and scientific information for the achievement of development objectives.¹⁰² Therefore, the linkage created by trademarks carries with it several benefits like technical assistance which assistance can be utilized for economic development.

RESULTS/FINDINGS OF THE STUDY

The study found that Uganda's legal provisions on trademarks enforcement mechanisms are derived from international and regional treaties. The Trademarks Act which is the main legislation on trademarks is TRIPS compliant on provisions relating to trademark enforcement as it has both civil, criminal, and border measures and provides remedies to the trademark owner in cases of infringement and counterfeiting. However, criminal enforcement provisions have weak sanctions that are incapable of deterring infringement. They also leave room for judicial discretion which has often been abused by judicial officers.

The Act lacks a precise definition of what a counterfeit means and how counterfeit products should be dealt with. The powers of the registrar and trademark inspectors are not elaborate concerning entry and seizure of any suspected counterfeit items and are silent on how to handle infringing perishable goods in light of the lengthy court processes and on who bears the cost of storage and destruction of infringing materials.

The study established that trademark rights can be enforced either in a civil court and obtain civil remedies or in a criminal court and obtain criminal court remedies. It was established that trademark owners prefer civil enforcement

⁹⁰ Michael Blakeney *ibid*.

⁹¹ Uganda National IP policy, 2019 *ibid* p.2.

⁹² <https://www.zoominfo.com> pic

⁹³ William O. Hennessey, *ibid*.

⁹⁴ *Ibid*.

⁹⁵ William O. Hennessey, *ibid*.

⁹⁶ WIPO: Economic importance of trademarks and geographical indications and their use in commerce. *Ibid*.

⁹⁷ Carsten F *ibid*.p.16.

⁹⁸ Trademarks Act *ibid* section 5.

⁹⁹ *Ibid* section 12.

¹⁰⁰ URSB annual report 2022/2023 *ibid*.p21.

¹⁰¹ Nirmalya Syam (et al *ibid*).

¹⁰² <https://www.wipo.int-activity...>

to criminal enforcement because the remedies that are granted under civil litigation benefit trademark owners more than criminal sanctions which have lenient penalties. Whereas courts are enjoined to award general damages, there is no precise formula to be used by courts in assessing damages in cases of infringement. It was established that, while in some cases a high quantum is granted, in other cases a small quantum is granted and that even in some cases, general damages are awarded even when there is no proof of the same. Also, civil cases take long to be disposed of.

The study found that enforcing trademark rights creates an environment in which innovation and creativity can flourish. With trademark registration, tax revenue is generated information on fees and fines which can be used by the government to fund other sectors of the economy, new products are brought into the market to address socio-economic challenges that are prevalent in a country since investors are willing to invest in a country where they are assured of the protection of their rights.

CONCLUSION

Through analysis of empirical literature, it was found that Uganda has an adequate legal and institutional framework for enforcing trademark rights. However, the legal framework has weak penalties which are incapable of deterring trademark counterfeiting and infringement. Several institutions were found to be responsible for enforcing trademark rights with URSB bearing the overall responsibility. The findings of the study indicate that effective enforcement of trademark rights leads to the maximization of its economic benefits as it creates an environment where innovation and creativity can flourish as counterfeiting and infringement are controlled, thus, fostering economic development.

RECOMMENDATIONS

The authors recommend that the Trademark Act be amended to provide sentences that are deterrent in nature by increasing the fine and the term of imprisonment. This will deter the would-be counterfeiters in Uganda. The amendment should also consider the domestication of Banjul protocol on marks to create a uniform enforcement system. The meaning of counterfeit should be made clear since it's a serious crime that affects trademarks not only in Uganda but globally, provisions on how to deal with counterfeit goods both perishable and non-perishable, and

machinery used to make counterfeits should be indicated and the law should come up with a precise formula for assessing general damages in case of trademark infringement. This will create uniformity in the precedents and it will ease the work of the judicial officers while presiding over trademark infringement cases.

Additionally, the existing trademark enforcement Agencies should be empowered by the government through their budgets to enable them to carry out their duties effectively which may include continued training of personnel and creating public awareness of trademark rights. More so, administrative enforcement of trademark rights should be elaborate given the case backlog that engulfs the judicial system. This will enable trademark owners to secure quick remedies in cases of infringement.

At the regional level, there is a need for a uniform law on trademarks and a regional IP office within the East African Community. A uniform law will enable relevant authorities to trace infringing materials and prosecute the infringers given the porous borders within the community. This will curb the vice of trademark counterfeiting and infringement.

LIMITATIONS

The researcher faced financial constraints since she is self-sponsored.

ACKNOWLEDGEMENT

I acknowledge the authors of all the literature read and reviewed and referenced the same in the study.

REGISTRATION AND PROTOCOL

The researcher obtained ethical clearance from Bishop Stuart University Research and Ethics Committee under BSU-REC-2024-321.

FUNDING

This study was self-funded to fulfill the academic requirements.

CONFLICT OF INTEREST

There was no conflict of interest from the start to the end of this study.

PUBLISHER DETAILS

SJC PUBLISHERS COMPANY LIMITED



Category: Non Government & Non profit Organisation

Contact: +256 775 434 261 (WhatsApp)

Email: info@sjpublisher.org or studentsjournal2020@gmail.com

Website: <https://sjpublisher.org>

Location: Scholar's Summit Nakigalala, P. O. Box 701432, Entebbe Uganda, East Africa