

Draft Protection, Promotion, Development and Management of Indigenous Knowledge Bill, 2014

These comments are submitted pursuant to the invitation extended by the Minister of Science and Technology on the publication of the Protection, Promotion, Development and Management of Indigenous Knowledge Systems Bill, 2014 (the “IKS Bill”) as Notice 243 of 2015 (GG 38574, 20 March 2015).

Submitted by

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1 Introduction to commentary

The IKS Bill seeks to provide special (*sui generis*) protection for indigenous/traditional knowledge (“TK”). The Bill is silent on the impact it has on, or whether it recalls, the Intellectual Property Laws Amendment Act, 2013 (the “IPLA Act”) aimed at protecting TK under existing IP laws. Although there may be some merit in the argument that the laws of trademarks, copyright and geographical indications may be appropriate forms of protection for some products based on traditional knowledge, the requirements for patentability and design law protection with respect to novelty and inventive step do not fit the bill. Furthermore providing exclusive rights of any kind for an unlimited period of time would seem to go against the principle that intellectual property can be awarded only for a limited period of time, thus ensuring the return of intellectual property to the public domain for others to use.

The commentary provided herein is specifically to address what I perceive to be shortcomings, ambiguous statements or where further clarity is required. I strongly support *sui generis* protection for TK by legislation which has specifically been drafted to deal with its unique nature but there are some concerns in the IKS Bill which require addressing before it is enacted into law. The *sui generis* approach represents the sensible, and preferred, approach to protecting indigenous knowledge.

2 General framework of the IKS Bill

Defining TK is not a simple task. Defining forms of protection for TK is even more of a challenge. Fundamentally, intellectual property rights are monopoly rights given to individuals or legal persons who can prove that the inventions or innovations they made are novel, innovative and capable of industrial application for the purpose of commercial exploitation for a limited period whereafter they are free for use to the

public. Indigenous knowledge is essentially cultural heritage, usually collectively evolved, and owned passed on from generation to generation with the advantage to the community without the commercial benefit for a specific owner. Legislators have to be careful not to create a protection mechanism which will cause the disintegration of communal values and practices, or infighting between indigenous communities over who has ownership over a particular knowledge or innovation.

It would be beneficial in the pre-ambble if the legislator could address how the law intends to impact on the existing (non-formal) “systems” within traditional communities to generate, use, manage and control their own knowledge and whether there is any form of reference needed that refers to or appreciates different communities. It may be advisable to consider some form of classification system that addresses the complexity of this.

The general framework of the IKS Bill should clarify the protection of TK and the co-existence of other forms of intellectual property rights such as patents, designs, copyrights and trademarks. For example, an item protected under TK may by further development and research very well qualify as novel and inventive subject matter protectable by patent law. It is not clear from the IKS Bill how such IP will be protected, if at all, apart from the reference to the prior informed consent requirement. By the nature of patent law for example, prior informed consent may be problematic. Thus would the registration of certain TK disqualify potential inventors from developing a new and innovative solution/product and filing a patent application without prior informed consent and would the invention be treated as an infringement? The IKS Bill should include provisions to address this scenario.

The Act is completely silent on the Registration process and mechanism. Instead the Act provides in detail for accreditation and certification to provide for a system of recognising an individual who qualifies to facilitate the process of recognising and protecting TK, but there is no provision as to how the registration of TK will be managed, recorded and accessed. A Chapter to address this should be included.

3 Protection and ownership

As alluded to earlier, it is not clear from the IKS Bill if there will be differentiation or classification for TK from different indigenous groups and different species of TK? It is not clear if the systems within traditional communities to generate, use, manage and control their own knowledge will now be replaced by the more formal structure proposed by legislation in the form of NIKSO.

The criteria for registration of TK by different communities for the same or similar form of right appears not to be addressed? Could the reference to “register of designation” in the definition for “registration” be applying a classification for registration? It is not clear as the definition appears to be limited to the classification of those certified to classify and record entries for the TK database. The registration system needs to be defined in detail. Who, where, how, form, etc. of the registration and certification system need to be defined and addressed inclusive of access to registration systems. From the definition of “registers” these appear to cover a paper based system and a databank (“official documents including databanks”); is it meant to be an electronic database with access and e-registration possible in addition to a paper replica?

It is further not clear if TK is only protected if it is registered through NIKSO. Is TK used in communities who choose not to register the TK not protected, or is the intention to approach traditional communities to identify and record TK in the different groups?

There is no provision for publication for the purpose of opposition by other communities who may have a same or “earlier” right to the same or similar TK.

In defining the offences (or infringement of a TK right) there seem to be a discrepancy between obtaining prior informed consent and obtaining authorization

from NIKSO. Are both required or is one or the other consent sufficient? It is not clear.

4 Technical drafting issues

Definitions (Section 2)

It is proposed that the complete definition section been taken under review. There are too many definitions that incorporate confusing cross referencing, or discrepancies in meaning.

“access”: The term is used in the act to address both the ability to obtain information about registrations, as well as use of the registered TK. This is confusing. Either the definition is to be adapted to have this clarified or alternative terminology should be incorporated in the definition section. What is use....and what is access? My proposal is that access should mean what it says, access to the register of TK, availability to TK etc. Whereas use of TK by a third party should be addressed as such.

“beneficiary”: The term is defined in the definition section and then re-defined in section 14 under “Beneficiary of Rights”. This creates confusion. It is suggested that the definition be replaced with the definition as set out in Section 14(1).

Definitions for “indigenous knowledge” and “indigenous community” should rather take the form of more internationally used and accepted definitions. Particularly, why should the definition make any reference to the Intellectual Property Laws Amendment Act, 2013?

The definition “indigenous knowledge” should incorporate “indigenous cultural expressions” and indigenous knowledge associated with the utilisation of natural

resources so as to include this form of protection throughout the Act. However, only “indigenous knowledge” is mentioned but are “indigenous culture expressions” and/or indigenous knowledge associated with the utilisation of natural resources meant to be included?

“prior art”: The use of this defined term in the context of the draft bill (once only) is aimed at validity of patents and designs and not intellectual property in general. The definition should be amended to be limited to prior art assessment of patent claims or inventions and design applications. However, as the South African Patent Law, at present, does not provide for examination of novelty, this definition may in fact be deleted. Another term is “sacred information” which is referred to twice but not used in context of the law.

“prior informed consent”: This term should read informed consent – how it is applied is addressed in the Act. The definition is broader than “prior” consent

“registration”: The definition does not seem to refer to registration of TK. What does “an individual’s demonstration of specific competencies and compliance” refer to? This appears to relate rather to the certification process for qualifying certain individuals to certify and classify TK. It is rather confusing especially as the immediately following definition of “registers” refers to the TK records without having any defined relation to “registration” whatsoever.

Application of the Act (Chapter 2 – Section 2)

Should the correct term in Section 3(2) not be “indigenous knowledge systems” as opposed to “indigenous knowledge resources?”

Objectives of the Act (Chapter 2 - Section 4)

Sub-Section (b) provides:

- (b) acknowledge prior art in the examination of the novelty and inventiveness of patents granted for inventions made or developed on the basis of the knowledge of the indigenous communities of the Republic;

At the moment the examination system is not yet in existence for a South African patent application. This should be reworded to state that the objective is to acknowledge the existing knowledge of indigenous communities as prior art in applying for patent and design protection. If phrased in this manner future examination will be covered but the present situation will be addressed as well.

A further aspect that the Act needs to address, whether in the IKS or by amendment of the Patents and Designs Act, is what the effect on validity of existing and granted patent and design rights would be having regard to TK now being considered prior art. It could have quite an effect on validity.

NIKSO – Chapter 6

Functions and duties of NIKSO (Section 6)

A function of the NIKSO should include developing a criterion for qualified TK to be protectable considering various categories. The Act refers to works eligible for protection, but the definition as to when a TK work is eligible for protection is rather broadly defined in Section 11 of the Act so that there is no clarity. NIKSO should develop guidelines and/or regulations interpreting Section 11.

It is not clear if NIKSO will provide the registration “facilities” for TK? It would appear that there is a decentralized “management” through certified indigenous knowledge practitioners rather than a “centralised databank” for TK managed by NIKSO. So it is not clear what the mechanism of protection is, which affects the viability of an enforcement system.

Establishment of Advisory Panel (Section 8)

Who are the “institutional members”? The traditional community leaders? Who would be those qualified to serve?

Chapter 4 (Protection of TK)

Subject Matter for protection (Section 10)

It is proposed that the definition of “indigenous work” stemming from existing “traditional knowledge” and “new” indigenous knowledge definition should be introduced and that these have clearly defined different meanings.

This is necessary to clarify how the legislator intends to deal with existing TK and potentially existing forms of IP that are, or may be, based on TK as opposed to newly created TK (if traditional knowledge can be considered to be “new”).

Eligibility criteria for protection (Section 11)

Criteria is to be set to clarify when indigenous work is eligible for protection if it falls within the scope of these definitions. There should be a materiality threshold to the extent that an indigenous work qualifies for protection.

There should further be a materiality threshold to the extent that an indigenous work is still maintained, used, or developed.

Scope of protection (Section 12)

As indicated, it is recommended that protection be afforded on the basis of a centralised managed registration system. The system should provide for classification of the type of TK, effective date of TK, and the form of TK protection the work is eligible for.

The scope of protection expressed in exclusionary (a negative right) is granted to beneficiaries; should this not rather be to the indigenous knowledge holders? It is not clear how the benefit will be enforced, by whom and how profit sharing

mechanisms will be implemented. This creates legal uncertainty. Surely the intention is not that an alleged infringing party should face enforcement from multiple sources!

The Act should provide for a specialised enforcement panel/body/court and set out clearly who may institute action where there is infringement of a registered right.

The exclusive right as defined in 12(1) (c) should be deleted from this section. This is a commercial provision that should not be an absolute right but be addressed under the benefit sharing section of the Act.

Subsections (d) to (f) do not address exclusive rights but rather the enforcement of rights. It would be more appropriate to provide for a section on “enforcement” under Chapter 8 of the Act.

Term of protection (Section 13)

This provision entails an evergreen right. In the absence of provisions in the Act for opposition or possible “expungement” from the register this probably carries merit. However what is the situation when an indigenous work no longer satisfies the eligibility criteria and who makes a determination whether an indigenous work no longer satisfies the eligibility criteria?

These aspects should be considered and the Act adapted accordingly.

Beneficiaries of rights (Section 14)

Section 14(1) is in fact a definition and as per my comments earlier should be deleted and replace the beneficiary definition currently in the Act.

This clause should define who the beneficiaries of rights are, i.e. it will be the indigenous knowledge holders and in the absence of being able to identify the owner it would be NIKSO as custodian. “The state” is not an appropriate term in the present context, and, given the role of NIKSO, the most appropriate custodian would be NIKSO. (See the Copyright Act in which works owned by the state are administered and managed by the Government Printer)

Application for accreditation and certification of indigenous knowledge holders and indigenous knowledge practitioners (Sections 16 and 17)

“South African Qualifications Authority” in Section 17(1)(c) should be replaced with “SAQA”.

NIPKO should develop criteria for protection of the different forms of TK.

Documentation, Recording and Management of Indigenous knowledge (Chapter 18)

This chapter should set out the complete process and system for the registration and recording of TK. Although the heading of Section 18 alludes to documentation and recording, it refers to the obligations of NIKSO rather than setting out the process or mechanism for registration. Although it is appreciated that the implementation will be done by means of regulations and forms, the Act is completely silent as to mechanism and specifically unclear on the actual system. The term “registration” as used in the Act is in fact not related to the recording of the indigenous knowledge, but rather practitioners accredited and certified. Chapter 18 requires considerable rework.

Product development, commercialization, services and processes (Section 19)

Section 19(1) refers to coordination of indigenous knowledge systems activities related to indigenous knowledge products, services and processes, all being new terms introduced. It is suggested that clause 19.1 simply states that “where requested by interested parties (which can be defined as any third party wanting

access to commercial use of TK; or any certified indigenous knowledge practitioner or owner) NIKSO shall on application by such interested party facilitate and coordinate any negotiations or access to relevant indigenous knowledge systems”.

Access to indigenous knowledge systems (Section 20)

This section refers to access for use....to differentiate this from access for information or other purposes, the term commercial or other use should be used rather than “to have access to”.

Sub-section 20(1) (2) – should be indigenous holders not “relevant indigenous community”.

Benefit sharing (Section 21)

It should be clarified what “benefit” sharing means. It is vague and open ended and could have significant consequences, this applies especially to a phrase such as “equitable distribution of any benefits”.

Mediation Committee (Section 22)

I concur with the commentary made by Prof. Sadulla Karjiker, Faculty of Law, at Stellenbosch University which I repeat *verbatim* below for ease of reference.

The dispute resolution provisions in Section 22 are wholly inadequate, and its process is also fundamentally flawed. First, although the process *prima facie* refers to a mediation, the “mediation committee” is meant to give a binding decision on the dispute concerning access to indigenous works. There is no clarity on whether the process amounts to an arbitration or an expert determination, which would affect the basis on which the decision may be challenged on appeal. Second, given the fact that the process is not a mediation in the ordinary sense of the word, why should the committee consist of NIKSO and members of the relevant communities? NIKSO

already appears to be acting as agent (or custodian) of the relevant communities. Thus, there appears to be no attempt to ensure impartiality on the part of the mediation committee, which has the power to make a binding decision. Third, there appears to be a number of other issues which could result in disputes or seek to be challenged, and a comprehensive dispute resolution mechanism needs to be provided for in the IKS Bill. For example, there may be: competing ownership, or disputed beneficiary, claims to indigenous works; disputes concerning the validity (or continuing validity) of indigenous work; disputes concerning the certification of (or refusal to certify) someone as an “indigenous knowledge holder” or an “indigenous knowledge practitioners”; challenges to “compliance notices” issued pursuant to Section 26(a); and, if the concept is to be retained, the determination of what constitutes “sacred information.” Fourth, consideration has to be given to who has the right (that is, who can be considered to be an interested party) to bring dispute proceedings. Fifth, are cost orders allowed by the mediation committee, or sanctions for malicious or vexatious claims made for protection of indigenous works?

Exceptions and limitations relating to the access of the indigenous knowledge resources (Section 24)

It is proposed that more open ended language is used in 24(1) to refer to fair dealing with the listed examples as non-limiting.

Offences and complaints (Section 25)

The term “guilty” in section 25(1) is inappropriate. The preamble should read “Any of the following acts shall be deemed an infringement of the rights of an indigenous holder:” with the necessary grammatical corrections to accommodate this change. If in fact there are two forms of breach, i.e. civil infringement and criminal infringement, the necessary differentiation should be made with the two different forms of damages and penalties appropriately addressed. As now drafted it seems to be in complete disarray.

Section 25(2) uses the term “indigenous communities possessing collective knowledge”; it is suggested to simply replace this with the defined term “communities of practice”?

As drafted now it appears that a multiplicity of actions can be brought. Is this the intent? If so, there needs to be more comprehensive provisions about who can institute infringement proceedings and whether class actions are allowable and under which conditions.

Section 25(3), I assume, intends to refer to the availability of an interdict by way of motion on application and not to an action on “imminent danger of violation of rights”?

Sub-section (4) is vague. Is the “registration over intellectual property right on indigenous resources” referring to a “licensed use of the indigenous knowledge” or does it refer to the right of use of indigenous knowledge in obtaining an intellectual property right such as patent, design, plant breeder or trade mark right? If the former, the provision should be reconsidered as section 25(1) already covers these aspects; if the latter, the section is problematic as the legislation that provides for patent, design, plant breeder or trade mark protection already includes appropriate provisions for invalidation of these rights. The wording should rather be amended to add a ground for revocation in terms of the IKS Bill. At the same time appropriate corresponding amendments to the patent, design, trademark and plant breeders’ rights legislation should be made.

Penalties (Section 26)

As mentioned in my commentary on section 25 there may be a need to provide for penalties and/or damages. Section 26 is poorly drafted and includes a few items which would be within the inherent powers of the court or the NIKSO. This section needs some more consideration

Transitional arrangements (Section 28)

I concur with the commentary made by Prof. Sadulla Karjiker, Faculty of Law, Stellenbosch University, which I repeat *verbatim* below for ease of reference.

The retrospective application of the IKS Bill (when it is enacted) may be unconstitutional. If protection is based on a registration system, it may be better to provide for interim protection from the time of an application for protection. However, the existing provision appears to be unduly invasive to prior rights, given the fact that it would generally be very difficult for third parties to establish when something would constitute an indigenous work (particularly if there is no registration system).

5 In conclusion

It is recommended that the interaction between the protection of indigenous works and the recognised types of intellectual property, such as, copyright, patents, designs and trade marks be addressed in the IKS Bill before it is enacted. Specifically, as mentioned in my commentary, the impact on existing rights, whether to apply for the right, maintain the right or have it revoked. The IKS Bill should address the co-existence, or not, of intellectual property such as copyright, patents, designs, plant breeders rights and trademarks with indigenous works, especially given that the mentioned IP rights protect the underlying works only for a limited period as they are intended to form part of the public domain after such protected period, whereas the rights granted in terms of the IKS Bill are evergreen

Finally, it is recommended that the IKS Bill should upon promulgation repeal the IPLA Act. The two separate systems of protection for IK provided for in these two pieces of legislation cannot co-exist.

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