

**SYNOPSIS OF THE PROTECTION OF TRADITIONAL KNOWLEDGE  
BILL**

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## SYNOPSIS OF PROTECTION OF TRADITIONAL KNOWLEDGE BILL

### INTRODUCTION

1. The Bill creates a new category of intellectual property called "*Traditional Knowledge*". This broad category comprises three species of property, namely traditional works, traditional designs and traditional marks.
2. The cornerstone of the Bill is the "*traditional community*". This term is defined to mean a "*natural, indigenous and homogenous grouping of people that have a common language and customs, which exists in the Republic within an organised structure, and is generally recognised as having a separate and individual character*"(Section 1).
3. The traditional community is both the origin and the beneficiary of protected traditional knowledge.
4. The objective of the Draft Bill is to protect traditional knowledge and to enable traditional communities to exploit it commercially for their own gain. To this end the Bill creates rights of property in traditional knowledge. The property is constituted by the traditional knowledge right and its component rights, namely the traditional work right, the traditional design right and the traditional mark right.
5. The traditional community from which an item of traditional knowledge emanates, and which stands to benefit from the commercial exploitation of the item, is the community in which the item evolved, or from which it originated, and is referred to as the "*originating traditional community*". This term is defined to mean "*the traditional community in which an item of traditional knowledge evolved, or from which it originated*" (Section 1).

### PROPERTY ELIGIBLE FOR PROTECTION

6. The Bill creates three separate categories of subject matter eligible for protection as indigenous knowledge, each of which will in turn be described below.

7. A *“traditional work”* is defined to mean *“a literary, musical or artistic work as defined in Section 1 of the Copyright Act, which evolved in, or originated from, a traditional community, and in respect of which no individual maker is known”* (Section 1).
8. A *“traditional design”* is defined to mean *“any design applied to any article, whether for the pattern, or the shape or the configuration thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality, which evolved in, or originated from a traditional community, and in respect of which no individual maker is known”* (Section 1).
9. A *“traditional mark”* is defined as a certification trade mark, a collective mark or a trade mark as defined in the Trade Marks Act, which evolved in, or originated from a traditional community (Section 1).

#### CONDITIONS FOR SUBSISTENCE OF PROTECTION

10. In order to qualify for protection under the Bill, a traditional work must be reduced to a material form (see the definition of this term in Section 1 by or on behalf of the originating traditional community and it must be recognised as being derived from, and characteristic of, that community by persons outside that community (Section 2). A traditional work which meets these conditions is referred to as a *“protected traditional work”*. (see the definition in Section 1). The foregoing must, however, be read in conjunction with paragraph 25 below.
11. In order to qualify for protection under the Bill, a traditional design must be reduced to a material form, by or on behalf of the originating traditional community, and be recognised as being derived from, and characteristic of, that community by persons outside that community (Section 8). A traditional design which meets these conditions is referred to as a *“protected traditional design”* (see the definition in Section 1).
12. In order to qualify for protection under the Bill, a traditional mark must be represented graphically by or on behalf of the originating traditional community, and must be recognised as being derived from, and characteristic of, that community by persons

outside the community (Section 13). A traditional mark which meets these conditions is referred to as a “*protected traditional mark*” (see the definition in Section 1).

#### OWNERSHIP OF TRADITIONAL KNOWLEDGE RIGHT

13. In the case of each species of traditional knowledge there subsists a right of property (in essence a “*bundle of rights*”, as detailed below in paragraphs 19-21) which is susceptible to ownership by a person. The originating traditional community is generally, however, not a juristic person and therefore cannot hold rights of ownership. In order that there might be a person in whom the right of ownership in an item of traditional knowledge can vest, the Bill makes provision for a traditional community to designate, by whatever process or means is appropriate to that community, an individual who can, and will, hold the ownership of the traditional knowledge right in a representative capacity (the designated person may, for instance, be the Chief, or some other functionary). The Bill refers to this person as the “*community proxy*” and defines this term to mean “*a person that is duly delegated from time to time to represent, and to act and to own a traditional knowledge right for and on behalf of, a particular traditional community*” (Section 1). The community proxy of the originating community in respect of an item of traditional knowledge is vested with the ownership of the right in that item in a representative capacity (Section 40(1)), and it is not capable of being assigned (Section 40(1)). In the event that the holder of the position of “community proxy” should change from time to time in accordance with the rules and practices of the originating traditional community, the ownership of the traditional knowledge right passes automatically to the new incumbent of the position (Section 40(2)).

#### DURATION OF TRADITIONAL KNOWLEDGE RIGHT

14. Subject to paragraph 17 below, where a protected traditional work and a protected traditional design have been published, the term of protection is a period of, respectively, 50 years, or 15 years, from the date of first publication, or the date on which the Act came into operation, whichever is the later (Sections 5(1) and 11(1)). Publication for purposes of the Bill takes place when copies of the work or the design have been issued to the public with the consent of the relevant community proxy in sufficient quantities to reasonably meet the needs of the public, having regard to the nature of the work. (see the definition of “*publish*” in Section 1).

15. The traditional mark right, and the traditional work right and the traditional design right in respect of unpublished items of traditional knowledge, endure indefinitely (Sections 5(2), 11(2), and 15). The terms of protection of the latter two rights are, however, subject to paragraph 17 below.
16. The Bill applies in relation to an item of traditional knowledge made before the Act comes into operation as it applies in relation to such an item made thereafter. This means that, no matter how long ago an item of traditional knowledge came into existence, the traditional knowledge right will endure until the lapse of the relevant number of years after the item is first published; if it remains unpublished, the right will endure indefinitely. See also paragraph 25 below in regard to the enforcement of the traditional knowledge right in longstanding items. In the case of a traditional mark there is no qualification of the indefinite duration of the right (Section 45(1)).
17. The traditional work right lapses and ceases to have any force or effect when a person who is a member of the originating community pursues a claim of copyright infringement in respect of that work under the Copyright Act with the consent of the community proxy, notwithstanding the fact that the full term of the protection of the right has in principle not yet expired (Section 7). The same applies when a traditional design is registered as a design under the Designs Act by or with the authority of the owner of the traditional design right; the traditional design right likewise lapses and ceases to have to force or effect (Section 12). The purpose of this limitation is to avoid there being an effective overlap in the protection granted, on the one hand, by the traditional knowledge right, and, on the other hand, copyright and a registered design. The traditional knowledge right is thus complementary to the other intellectual property rights.

#### NATURE AND SCOPE OF TRADITIONAL KNOWLEDGE RIGHT

18. In the case of each species of traditional knowledge right, i.e. the traditional work right, the traditional design right and the traditional mark right, that right comprises a bundle of component rights, which bundles vary from species to species. They will be detailed below and will be referred to as the “restricted acts”.

19. The right in and to a protected traditional work comprises the exclusive right to do, or to authorize the doing of, various acts (i.e. the restricted acts) in the Republic in relation to a work or a substantial part of it. These restricted acts include reproduction, publication, performance in public, broadcasting, transmission in a diffusion service, making of adaptations and distributing copies of the work (see Section 3(1)).
20. The right in and to a traditional design comprises the exclusive right of making, importing, using or disposing of, any article embodying the protected design, or a design not substantially different from the protected design (i.e. the restricted acts) (Section 9(1)).
21. The right in and to a protected traditional mark comprises the exclusive right to register that mark as a certification mark, a collective mark or a trade mark under the Trade Marks Act (Section 14(1)) (i.e. the restricted acts). In addition, for purposes of the common law related to passing-off and unlawful competition, a protected traditional mark is deemed to be well-known and to enjoy a repute amongst a substantial number of persons (Section 17(1)). This enables a traditional mark in principle to enjoy the common law remedies of passing-off and unlawful competition.

#### ENFORCEMENT OF TRADITIONAL KNOWLEDGE RIGHT

22. The traditional work right and the traditional design right are infringed by the performance by someone, who is neither the owner nor a licensee, of any of the restricted acts comprised in that right (Sections 3(2) and 9(2)). This means that, for example, the traditional work right is infringed by the making of an unauthorised reproduction of the protected traditional work, while the traditional design right is infringed by someone who makes an article embodying the protected traditional design without the authority of the right owner.
23. It is, however, required that, before the traditional work right and the traditional design right can be infringed, the persons performing the contentious act must know that the item in question is protected by a traditional knowledge right and that he has not been authorised by the right owner to perform that act. So-called “*guilty knowledge*” is thus a requirement before conduct in relation to the subject of a traditional work right or a traditional design right can constitute an infringement of that right. Likewise in the case

of claiming passing-off or unlawful competition in respect of a protected traditional mark, it is necessary that an alleged transgressor must be shown to know that at the time of the commission of the offending act that is the subject matter of the claim that the protected traditional mark was such a mark and that he knew that he committed the act without the authority of the owner of the protected traditional mark (Section 17(2)). In the context of guilty knowledge, registration of an item of traditional knowledge as discussed in paragraphs 34-37 below can be of considerable significance (see especially paragraph 37 below).

24. In the case of a traditional design right, for infringement to take place, it is further required that the alleged infringing design must be copied from the protected traditional design, i.e. there must be a casual connection between the protected traditional design and the alleged infringing design (Section 9(1)). Similar considerations apply to the unauthorised reproduction or adaptation of an item of protected traditional knowledge work due to the inherent meanings of the terms “reproduction” and “adaptation”.
25. It is a condition for the subsistence of protection in a traditional work that it should be reduced to a material form. However, once the work has been reduced to a material form, the protection extends back to the corresponding prior inchoate state of the work. In other words, if a traditional story which has been handed down from generation to generation by oral tradition is reduced to a material form, the protection of that story as embodied in the material form covers the time when the story only existed in a non-material form and the performance of an unauthorised restricted act in respect of the work in its non-material form can be covered in infringement proceedings founded on the material form of the work (see the proviso to Section 2).
26. Action for the infringement or enforcement of a traditional knowledge right can be brought by the owner of the right and in such proceedings relief by way of an interdict, delivery up of offending articles, and damages, or alternatively the standard licence fee (see paragraphs 32-3 below), can be claimed (Section 42).
27. The owner of the traditional knowledge right may delegate his right of action in respect of infringement of that right to a State agency prescribed by the Minister of Trade and Industry in regulations, in the manner so prescribed. In this event the State agency steps into the shoes of the right owner and can enforce the right as if it were the owner

(Section 42(2)). The Enforcement Division of the Department of Trade and Industries would seem to be well-suited for this function.

28. Moral rights subsist in protected traditional knowledge. The owner of the traditional knowledge right is entitled to claim that an item comprises traditional knowledge and to require acknowledgement of the situation, and to object to any distortion, mutilation or other modification of traditional knowledge where such action is prejudicial to the honour or public esteem of the originating traditional community. An infringement of the moral rights can be pursued under the Copyright Act as though it was an infringement of copyright in the traditional knowledge in question (Section 43).
29. The provisions of Section 28 of the Copyright Act dealing with seizure of infringing copies of copyright works are made applicable to copies of items of traditional knowledge and traditional designs (Section 44). The Customs authorities are thus enabled to seize goods which infringe a traditional work right or a traditional design right.
30. There are exemptions or exclusions from the protection afforded to traditional works (see Section 4) and traditional designs (see Section 10). In general, conduct which is exempted under Sections 12 and 14 of the Copyright Act from constituting copyright infringement respect of literary, musical or artistic works are exempted from constituting infringement of the traditional work right (Section 4), while conduct which is exempted or excluded from constituting infringement of a registered design under the Designs Act are in effect exempted or excluded from constituting infringement of the traditional design right (Section 10). In addition, there is an exemption in respect of any act by a member of the originating community which is in accordance with the customs and traditional practices of that community.

#### LICENSING OF TRADITIONAL KNOWLEDGE

31. The traditional work right and the traditional design right may be freely licensed and any such licence may be limited so as to apply to some only of the restricted acts, or to part with the term of the right, or to a specified geographical area. A licence may be written or oral, or may be inferred from conduct, and it may be revoked at any time. Provision is made for sub-licensing (Section 40).



32. As an alternative to a contractual licence, provision is made for payment of a standard licence fee which is in effect a compulsory statutory licence (Section 40(6)).
33. The standard licence fee is determined by the Minister of Trade and Industry after consultation with interested parties and the amount and the method and procedure for its payment will be prescribed by the Minister in regulations published in the Government Gazette. The standard licence fee will be paid into the National Trust Fund for Traditional Knowledge, for which provision is made in the Bill and which will be discussed below (see paragraphs 39-43 below). Where a standard licence fee is paid to the Fund, the restricted act to which it relates when performed by the person making payment is deemed to have been done with the authority of the rights owner (see Section 41). There is a precedent for this form of licensing in the licence granted under Section 14 of the Copyright Act.

#### REGISTER OF TRADITIONAL KNOWLEDGE

34. A Register of Traditional Knowledge is established at the Registration Office for Traditional Knowledge and is under the control of the Registrar of Traditional Knowledge, who is a State official. The Register is open to public inspection and the Registrar is obliged to furnish information contained in the Register to third parties upon request (see Sections 18-22).
35. Any traditional knowledge can be registered in the Register by its owner, upon application. The particulars required for registration will be prescribed in Regulations (Section 25).
36. After the Registrar has examined an application and has satisfied himself that it has been properly made, he registers the traditional knowledge and publishes details of the registration in the Patent Journal. The Registrar must issue a certificate of registration to the owner of the traditional knowledge and they also issue certificates evidencing other matters in the Register. He is entitled to rectify the Register in certain circumstances and, if in infringement proceedings placing reliance on a registration, the court orders that a registration should be amended or cancelled, the Registrar must implement such a direction (Sections 26-29 and 31).

37. The Register provides constructive knowledge of the existence of an item of protected traditional knowledge and gives rise to a rebuttable presumption that an alleged infringing act was performed without the authority of the owner of the traditional knowledge (Section 30). These effects of registration are of considerable significance in infringement proceedings in which guilty knowledge on the part of the defendant must be proved. Infringement proceedings can be brought on the basis of unregistered traditional knowledge, but in such proceedings the owner of the traditional knowledge will bear the onus of proving guilty knowledge on the part of the defendant.

#### NATIONAL COUNCIL FOR TRADITIONAL KNOWLEDGE

38. The Bill makes provision for the establishment of the National Council of Traditional Knowledge and sets out its required composition, operation and its function. These functions include advising the Registrar on any matters regarding registration of traditional knowledge, undertaking the promotion and preservation of traditional knowledge and in particular the commercial exploitation of such traditional knowledge for the purposes of generating income, and supervising and controlling the administration of the National Trust Fund for Traditional Knowledge established in terms of the Bill (see Sections 33-5).

#### NATIONAL TRUST FUND FOR TRADITIONAL KNOWLEDGE

39. The Bill establishes the National Trust Fund for Traditional Knowledge and appoints the Administrator for the National Trust Fund for Traditional Knowledge to control and administer the Fund. The Fund is required to operate a bank account (see Sections 36-38).
40. The function of the Fund is to receive the proceeds of all licence fees, including the standard licence fee, in respect of the use of any item of traditional knowledge. After deduction of the administration fee prescribed by the Minister in Regulations, the administrator is required to pay the proceeds arising out of the use of a particular item of traditional knowledge to the community proxy of the originating community in respect of that item of traditional knowledge (see Section 39).

41. The Administrator is authorised to delegate the operation and administration of the Fund to a private body, subject to the approval of the Council, and that private body shall for the duration of its appointment have the powers and duties which the Administrator confers on it (Section 39(5)-(6)). In terms of this provision the Administrator would be entitled to appoint a collecting society to carry out the *de facto* operation of the Fund. However, notwithstanding a delegation of the Administrator's functions to a private body, he remains fully responsible for the operation and administration of the Fund (Section 39(7)).
42. In effect, the Fund is an integral part of the operation of the standard licence fee system.
43. What is envisaged is that a person requiring a statutory compulsory licence will give the prescribed notice to the Fund and make payment of the standard licence fee to the Fund. The Fund will in turn deduct its prescribed operational charges from the amounts collected and pay the balance to the originating traditional community.

#### APPLICATION OF BILL TO FOREIGN COUNTRIES

44. As it stands, the Bill makes provision only for the protection of traditional knowledge emanating from traditional communities based in the Republic. Provision is made, however, for the Minister to make the provisions of the legislation applicable to traditional knowledge emanating from foreign countries and to grant such traditional knowledge the same protection as is granted to South African traditional knowledge. This can be done by the Minister placing a notice in the Government Gazette (Section 46(1)).
45. The granting of international protection is, however, premised on reciprocity and before the Minister can designate a country as the recipient of traditional knowledge benefits under the legislation, that country must either be a party along with South Africa to an international convention providing for international protection of traditional knowledge, or he must be satisfied that the country in question will grant sufficient protection to South African traditional works on a bilateral or some other appropriate basis (Section 46(2)).

## REGULATIONS

46. The Minister of Trade and Industry is empowered to make Regulations for publication in the Government Gazette dealing with a variety of issues including the composition, administration, operation of the Fund, the Register and the Council, as well as any matters intended to be dealt with by Regulation under the Act (Section 47).

## PERFORMERS PROTECTION

47. It is provided that performers' performances of traditional knowledge works will be protected under the Performers Protection Act in the same was as are performances of literary and musical works. (section 6)

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