Copyright Amendment Act, 1983

Protection of industrial and technical works

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The Copyright Amendment Act 66 of 1983, that amends the Copyright Act 98 of 1978, and relates mainly to the question of the copyright protection enjoyed by works or articles of an industrial or technical nature, has been passed. Although the Amendment Act has passed through Parliament it has not yet come into force, but it is expected to do so very shortly, at least in part. The Amendment Act in fact makes provision for separate provisions to come into operation at different times.

Under the Copyright Act 63 of 1965, where the subject matter of drawings or other artistic works were capable of registration as designs under the Designs Act 62 of 1963, and were either so registered or were commercially exploited as designs, that part of the copyright protection which those works enjoyed which would have overlapped with protection afforded under the Designs Act (assuming a registration had been obtained) was effectively extinguished. On the other hand, if the subject matter of a drawing or another form of artistic work was not inherently registrable as a design under the Designs Act as a result of the design being of a purely functional nature and having no aesthetic qualities, the copyright in such work was entirely unaffected by commercial exploitation as a design. This situation was an anomaly and led to functional designs enjoying copyright protection for the full term of copyright, ie the lifetime of the author of the work plus fifty years, while aesthetic designs were capable of a maximum period of protection of fifteen years, provided they were registered as designs.

The Copyright Act, 1978, repealed the Copyright Act, 1965, and contained no equivalent provision to that of the earlier Act which provided for the effective forfeiture of the copyright in drawings and other artistic works the subject matter of which were capable of registration as designs. This meant that there was a complete overlap in the protection offered to industrial or technical articles under copyright law and design law.

The position under the Copyright Act, 1978, was the cause of considerable controversy and it was felt by many people that industrial or technical articles should not enjoy any protection under copyright. Others felt that no distinction should be drawn between, for instance, a complex technical drawing and a painting of considerable artistic merit as an equivalent amount of intellectual effort and expertise went into the making of both types of works. Proponents of the first-mentioned school of thought tried to argue that it was the intention of the legislature that technical drawings or works should not in fact enjoy any copyright protection and that a proper interpretation of the Copyright Act, 1978, led to this conclusion. Proponents of the second school of thought opposed this view and moreover contended that a change in the description of "works of artistic craftsmanship" which had been brought about in the Copyright Act, 1978, as compared with the Copyright Act, 1965, had shown an intention on the part of the legislature to grant copyright protection not only to technical drawings but also to three-dimensional original technical works, ie prototypes.

One of the major reasons for the controversy which raged was the fact that British courts had interpreted equivalent provisions of British copyright law so as to provide that the copyright in a technical drawing is infringed by making a three-dimensional reproduction of the subject matter of the drawing, not only from the drawing itself or a copy of the drawing, but also from an article which the copyright owner and himself made from his drawing, ie from an intermediate three-dimensional reproduction of the drawing. This meant effectively that products on the market made from drawings could be protected by means of copyright against being copied by competitors. The duration of such protection was for a period of at least fifty years and for possibly as long as a hundred years. It was not until a very late stage of the controversy that this point came up for decision by a South African court and when this happened the South African court followed the approach of the British court.

A compromise between the two opposed views on the question of whether industrial drawings and articles ought to enjoy protection under copyright, namely that such works should enjoy protection for a limited period, suggested itself. It was felt by some that the relevant provisions of the Copyright Act, 1965, should be re-introduced into the Copyright Act, 1978. On the other hand, as pointed out above, those provisions embodied a substantial anomaly and it was suggested that a different approach should be adopted in achieving a compromise. The Amendment Act introduces a situation which is in fact a compromise between the two opposing view points. The provisions and implications of the Amendment Act are set out briefly below under separate headings.

Clarification and extension of artistic works protected under the Copyright Act

The Amendment Act clarifies the term "drawing" as originally used in the Copyright Act, 1978, by including within its meaning drawings of a technical nature. The doubt which existed in some quarters as to whether this was the case has now been entirely dispelled.

The concept of "works of artistic craftsmanship", which is one of the categories of works enjoying copyright as an artistic work under the Copyright Act, 1978, has been clarified and probably expanded so as to include "works of craftsmanship of a technical nature". Under the Copyright Act, 1978, there was considerable doubt as to whether works of a technical nature could qualify as "works of artistic craftsmanship". The position has now been clarified. In terms of the Amendment Act, it will now be possible to claim copyright in a prototype of a technical article or object and it will not always be necessary, as was the case in the past, to show that a three-dimensional article was derived from a drawing in order to claim protection in that three-dimensional article.

The doubt concerning the question as to whether or not a reproduction of a work made from an article or object which is itself a reproduction of an original work can be an infringing copy of that original work (ie a so-called "indirect copy" of a work) has been resolved in the Amendment Act by a provision to the effect that the concept "reproduction" includes "a reproduction made from a reproduction of that work". In other words, it has been made quite clear that an indirect copy of a work can be an infringing copy of work provided the other requirements for copyright infringement are met. This principle has major relevance to the issue of copyright protection in industrial articles as unauthorised reproductions of industrial articles are almost invariably made from reproductions and not from the original work.

Limitation of protection enjoyed by industrial articles or works under the Copyright Act

The effect in principle of the Copyright Act, 1978, read together with those amendments brought about by the Amendment Act is that technical works whether in the form of drawings or prototypes enjoy full copyright protection irrespective of industrial and commercial exploitation or of the registration of a corresponding design. The copyright in these works in infringed, *inter alia*, by reproducing and distributing such reproductions without the authority of the copyright owner irrespective of whether the reproductions are made from intermediate reproductions or from the original works themselves.

Further provisions of the Amendment Act, however, water down the position set out in the preceding paragraph substantially.

Where a work has been exploited anywhere in the world by or with the authority of the copyright owner in that articles corresponding with that work have been distributed commercially, and more than 10 years have elapsed since the exploitation began, the copyright in that work will not be infringed by the making of unauthorised three-dimensonal reproduction of that work provided that:

(a) the articles produced by or with the authority of the copyright owner primarily have a utilitarian purpose,

(b) such articles are made by industrial process, and

(c) the unauthorised reproductions of the work are made from an intermediate reproducton of the work and not from the work itself or from a two-dimensional reproduction of that work.

In other words, after the lapse of ten years subsequent to the commercial exploitation of an industrial product trade competitors, or anyone else for that matter, may make indirect copies of three-dimensional versions of that product without exposing themselves to the risk of a claim of copyright infringement. Viewed from the side of the copyright owner, after he has exploited his industrial product commercially for ten years he can no longer, under copyright law, prevent others from copying the products traded in by him but he can continue to restrain the reproduction of his original work (ie the drawing or the prototype). The aforegoing provisions are subject to a saving provision which is discussed below.

Marking of products

The date of the commencement of the commercial or industrial exploitaton of a technical work protected by copyright has, in terms of the amendment, become an important issue. The effective partial loss of copyright protection as set out under the preceding heading commences from the end of the calendar year in which exploitation commenced. It is in the public interest that there should be as much clarity as possible in regard to the year of first exploitation. An incentive is provided in the Amendment Act for copyright owners or licensees under such copyright to mark their goods. The incentive is purely optional and non-compliance with it does not carry any penalties. The approach is rather to confer upon a copyright owner or an exclusive licensee certain benefits from marking the products.

In terms of the Amendment Act, if a copyright owner or exclusive licensee marks goods in which he trades to the effect that–

(a) copyright exists in the original work from which the industrial goods were made,

(b) that he is the copyright owner or exclusive licensee under the copyright in that work, and

(c) that productions of the original work (ie goods) were first made available to the public in a specified year

(these claims may be indicated by means of the symbol (C) in conjunction with the name of the copyright owner or exclusive licensee and the relevant year, eg (C) John Smith 1980) then a rebuttable presumption is created in favour of the copyright owner or exclusive licensee that the product was first exploited in the year specified and that a potential infringer had knowledge of the facts stated in the marking at all relevant times.

The aforementioned presumption can be of considerable benefit to a plaintiff in proceedings for the infringement of copyright in technical works as it will make it extremely difficult for a defendant to avoid a claim for damages by alleging that he did not know that copyright subsisted in the work which is the subject of the proceedings and had no reasonable grounds for suspecting that copyright subsisted in such work. In terms of the Copyright Act, 1978, it is possible to avoid a claim for damages by substantiating such an allegation.

Compulsory Licences

The Amendment Act extends the instances in which a form of compulsory licence can be granted so as to include artistic works and therefore technical works. The Amendment Act permits for the minister of industries, commerce and tourism to make regulations regarding situations in which compulsory licences for the reproduction of artistic works can be granted subject to the payment by a licensee of an appropriate royalty which can be determined by arbitration in the absence of agreement being reached between the interested parties.

Retrospective effect, transitory arrangements and coming into operation of the Amendment Act

The Copyright Act, 1978, provides that it applies to works made before it came into operation in the same way as it applies to works made after it comes into operation. It thus follows that any amendment will have the same effect because the amended Act will then apply to works made before the main Act came into operation in the same way as it applies to works made after the main Act came into operation.

The prima facie effect of the provisions of the Amendment Act relating to the limitation of the copyright in technical works would in normal circumstances take effect as soon as the Amendment Act comes into operation. This would mean that works which had been exploited for ten years or more prior to the coming into operaton of the Amendment Act would immediately undergo a partial loss of copyright protection. The Amendment Act, however, caters for this situation and provides that works exploited commercially before the Amendment Act comes into operation will be deemed to have been exploited commercially for the first time at the date of the coming into operation of the Amendment Act. In other words, notwithstanding the coming into operation of the Amendment Act, no works will effectively forfeit part of their copyright until the lapse of ten years hence.

At the outset it was stated that the Act provides for separate provisions to come into operation at different times. It is considered unlikely that the provisions relating to the granting of compulsory licenses will come into effect at the the same time as the remainder of the Amendment Act. In all probability that particular provision will only be brought into operation when and if it becomes necessary. This would be in conformity with existing provisions of the Copyright Act, 1978, that provides for the granting of compulsory licences in comparable situations. □

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