

# BARTER OF TECHNOLOGY – II

## Copyright protection as a literary or artistic work

By

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**I**n my previous article<sup>1</sup> I discussed in broad terms the suitability of copyright law as a means of protecting technology internationally. The classes under which technology falls are, in the main, literary works and artistic works, and I turn now to consider the extent to which it may be protected under them.

Section 1(1) of the Copyright Act 98 of 1978 defines a 'literary work' to include, 'irrespective of literary quality and in whatever mode or form expressed —

- (a) novels, stories and poetical works;
- (b) dramatic works, stage directions, cinematograph film scenarios, and broadcasting scripts;
- (c) textbooks, treatises, histories, biographies, essays and articles;
- (d) encyclopaedias and dictionaries;
- (e) letters, reports and memoranda;
- (f) lectures, addresses and sermons; and
- (g) written tables and compilations'.

The term 'literary work' is something of a misnomer and the description 'written work' would probably convey a more accurate impression, for what is meant by 'literary work' in the Copyright Act is any combination of letters and/or numerals that embodies the results of intellectual effort or skill.<sup>2</sup> Mere sentences or slogans, however mundane, therefore qualify as literary works under the Act.<sup>3</sup> It follows that books, journal articles, manuals and written instructions embody a host of separate literary works — each paragraph, or even each sentence or phrase of the whole. Computer programs have been held by courts both in South Africa and overseas to be protected as literary works.<sup>4</sup> Like all other works eligible for protection under the Act, however, a computer

program must be reduced to writing<sup>5</sup> or some other material form (for example a series of signals recorded on a tape or stored on a microchip) for copyright to vest in it.

An 'artistic work' is defined in s 1(1) of the Copyright Act to mean, 'irrespective of [their] artistic quality . . .

- (a) paintings, sculptures, drawings, engravings and photographs;
- (b) works of architecture, being either buildings or models of buildings; or
- (c) works of artistic craftsmanship, or works or craftsmanship of a technical nature, not falling within either paragraph (a) or [paragraph] (b)'.<sup>6</sup>

Some of the terms used here are in turn defined in s 1(1). A 'drawing' includes 'any drawing of

<sup>1</sup> See (1992) 21 BML 111.

<sup>2</sup> *Northern Office Micro Computers (Pty) Ltd v Rosenstein* 1981 (4) SA 123 (C) at 129B–E, *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* 1987 (2) SA 1 (A) at 21D–I.

<sup>3</sup> *Exxon Corporation v Exxon Insurance Consultants International Ltd* [1982] RPC 69 (CA). There the word 'Exxon' was held not to constitute an 'original literary . . . work' under s 2(1) of the English Copyright Act, 1956 because, although 'Exxon' was an original word, it was not intended to convey information, instruction or pleasure in the form of literary enjoyment.

<sup>4</sup> See, for example, *Northern Office Micro Computers (Pty) Ltd v Rosenstein* (note 2 above). On the position that will apply after the enactment of the recent draft bill to amend the Copyright Act, see Owen H Dean 'Innovations in Copyright' (1991) 21 BML 67.

<sup>5</sup> '[W]riting' is defined in s 1(1) of the Act to include 'any form of notation, whether by hand or by printing, typewriting or any similar process'. Further on this requirement, see the text to n14 below.

<sup>6</sup> The Act uses the term 'craftmanship', a typographical error for 'craftsmanship'.



a technical nature or any diagram, map, chart or plan' while a 'photograph' is 'any product of photography or of any process analogous to photography', excluding, however, 'any part of a cinematograph film'.

As in the case of the expression 'literary work', the term 'artistic work' is a misnomer, for included in the description are visual representations in a material form of ideas or the results of intellectual effort.<sup>7</sup>

An important subcategory of artistic works from the point of view of technology is 'works of craftsmanship of a technical nature'; to date our courts have held the glass-fibre hull of a boat,<sup>8</sup> the prototype of a motor-car silencer,<sup>9</sup> a wooden model of a kitchen appliance<sup>10</sup> and a valve used in mining equipment<sup>11</sup> to fall within it.

Apart from the requirement that the work be made by a subject of a Berne Convention country<sup>12</sup> or first published in a Berne Convention country,<sup>13</sup> there are two conditions that a literary or artistic work must meet in order to qualify for copyright protection:

First, the work must exist in writing or some other material form, for example a recording on a tape.<sup>14</sup> A theory, for instance, will not qualify for copyright while it is only in the form of an idea, even though its originator may communicate it to other people. This principle is sometimes expressed by saying that there is no copyright in ideas: it is the material form of expression of an idea that is the subject of copyright.<sup>15</sup> Once it exists in that form, however, an idea becomes an integral part of the work and copying of the idea itself may constitute an infringement of copyright even without any reproduction of the actual words in which it is expressed. (It is often a question of degree whether an idea per se or the material expression of it is copied, a conundrum known as the 'idea/expression dichotomy'.) Copyright can, for example, subsist in an author's selection and compilation of ideas or facts.<sup>16</sup>

Secondly, in terms of s 2(1) of the Act, the work must be original. This does not mean that it must be unique or inventive, merely that it should be the product of the author's or maker's own labours and endeavours, and not copied from another source.<sup>17</sup> A work may thus be original even though it has been based on an earlier work, provided that skill and effort have been expended in creating it: it is original to the extent of the new matter.<sup>18</sup>

Generally, the author of a work is the initial owner of copyright in it.<sup>19</sup> But there are exceptions to this rule: for example, when a work is made in the course of the author's employment by another person, copyright vests initially in the employer, not the author;<sup>20</sup> and when someone commissions, say, the taking of a photograph or the painting of a portrait, the person giving the commission is the copyright owner, not the photographer or artist.<sup>21</sup> The legal position in these exceptional cases can, however, be varied by written agreement.<sup>22</sup>

Copyright is transmissible by assignment.<sup>23</sup> When this occurs the assignor divests himself entirely of his copyright, which is transferred to the assignee. An agreement to assign copyright can be limited so as to apply to only some of the acts that the copyright owner may control, to part only of the term of the copyright and to a restricted geographical area.<sup>24</sup> An assignment is, however, of no effect unless it is in writing and signed by the assignor.<sup>25</sup>

The owner of copyright may licence a third party to exercise one or more of the rights encompassed in the copyright.<sup>26</sup> A non-exclusive licensee cannot enforce his rights against third parties, but the Act grants exclusive licensees (and sublicensees) the same right to sue for infringement as a copyright owner has.<sup>27</sup> A 'Copyright Tribunal' is empowered in certain circumstances to grant compulsory licences when a copyright holder unreasonably refuses a request for a licence.<sup>28</sup>

<sup>7</sup> See Hugh Laddie, Peter Prescott & Mary Vitoria *The Modern Law of Copyright* (1980) §§ 3.12, 3.13 and 3.23; cf *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* (note 2 above) at 19–22.

<sup>8</sup> *Butt v Schultz* 1984 (3) SA 568 (E), *Schultz v Butt* 1986 (3) SA 667 (A).

<sup>9</sup> *Bosal Afrika (Pty) Ltd v Grapnel (Pty) Ltd* 1985 (4) SA 882 (C).

<sup>10</sup> *Kambrook Distributing v Haz Products* (WLD case no 21810/84, unreported).

<sup>11</sup> *Insamcor (Pty) Ltd v Maschienenfabriek Sidler Stalder AG t/a Sistag* 1987 (4) SA 660 (W).

<sup>12</sup> Section 3 read with s 37 of the Copyright Act and General Notice 136 *Government Gazette* 11718 of 3 March 1989.

<sup>13</sup> Section 4 read with s 37 of the Copyright Act and General Notice 136 *Government Gazette* 11718 of 3 March 1989.

<sup>14</sup> Sections 2(2) and 44 of the Copyright Act.

<sup>15</sup> *Galago Publishers (Pty) Ltd v Erasmus* 1989 (1) SA 276 (A) at 283I–284E.

<sup>16</sup> *Galago Publishers (Pty) Ltd v Erasmus* (note 15 above) at 293G, *Fax Directories (Pty) Ltd v SA Fax Listings CC* 1990 (2) SA 164 (D).

<sup>17</sup> See, for example, *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* (note 2 above).

<sup>18</sup> *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* (note 2 above), *Adonis Knitwear Holdings Ltd v OK Bazaars (1929) Ltd* (WLD case no 1708/89, unreported), *Bress Designs (Pty) Ltd v G Y Lounge Suite Manufacturers (Pty) Ltd* 1991 (2) SA 455 (W).

<sup>19</sup> Section 21(1)(a) of the Copyright Act. The author is the person responsible for creating the material form of the work, and need not be the originator of the idea embodied in it. For a person to qualify as an author, however, he must apply independent intellectual effort or skill, not merely perform a mechanical task such as the transcription of notes in shorthand. Two or more persons may together create a work in a material form and will then be recognized as joint authors.

<sup>20</sup> Section 21(1)(d) of the Copyright Act.

<sup>21</sup> Section 21(1)(c) of the Copyright Act.

<sup>22</sup> Section 21(1)(e) of the Copyright Act.

<sup>23</sup> Section 22(1) of the Copyright Act. In terms of s 22(5) even a copyright that has not yet come into existence may be assigned.

<sup>24</sup> Section 22(2) of the Copyright Act.

<sup>25</sup> Section 22(3) of the Copyright Act.

<sup>26</sup> Section 22(3) and (4) of the Copyright Act. An exclusive licence must be in writing, although a non-exclusive one need not be.

<sup>27</sup> Section 25 of the Copyright Act.

<sup>28</sup> The Copyright Tribunal is dealt with in ss 29–36.



Copyright confers on the owner the exclusive right to do or authorize certain 'restricted acts', including, in the case of literary and artistic works, reproducing or publishing the work or an adaptation of it and making an adaptation.<sup>29</sup>

The Act distinguishes between primary (or direct) infringement and secondary (or indirect) infringement.

Primary infringement occurs when a person without the authority of the copyright owner performs any of the restricted acts in relation to the work or any substantial part of it.<sup>30</sup> The test of what constitutes a substantial part of a protected work is qualitative, not quantitative: even a small portion of the work may constitute a substantial part.<sup>31</sup>

For infringement by means of reproduction to occur, actual copying must take place: a similar or even identical work will not infringe copyright if it is produced, not by copying, but independently.<sup>32</sup> Copyright is concerned to prevent copying of the outwardly perceptible form of a work, not the idea or concept embodied in it. But it may be difficult to decide whether the idea or its expression has been copied, and when the two are indistinguishable the courts are generally slow to find that infringement has occurred since there is a danger that a monopoly may otherwise be conferred on an idea, free of the conditions and limitations imposed by patent law.<sup>33</sup> Direct infringement can, however, take place innocently, for knowledge of wrongdoing is not an element of it.<sup>34</sup>

The copyright in a two-dimensional artistic work can be infringed by making a three-dimensional reproduction of it and, conversely, copyright in a three-dimensional artistic work can be infringed by making a reproduction of it in two dimensions. Generally speaking, an infringement will occur not only when a copy is made from the original work but also when an intervening reproduction is copied, a practice known as 'indirect copying'.<sup>35</sup>

Secondary infringement, on the other hand, occurs when a person without the authority of the copyright owner imports into or distributes in South Africa an article the making of which to his knowledge constituted an infringement of copyright, or would have constituted an infringement had the article been made in South Africa.<sup>36</sup> So-called guilty knowledge is thus a prerequisite for indirect copyright infringement.<sup>37</sup>

When copyright is infringed the copyright owner is entitled to an interdict and delivery up of infringing copies and plates used in making them.<sup>38</sup> Damages are available except when the defendant can show that he was not aware and had no reasonable grounds for suspecting that copyright subsisted in the work in question.<sup>39</sup> In certain circumstances additional damages, sometimes referred to as 'penal damages', may be awarded.<sup>40</sup>

This brings me to the shortcomings of copyright as a means of protecting technology.

Generally speaking, copyright subsists automatically in technological works and is internationally recognized. But these advantages are watered down by the fact that copyright protects the manner of expression of ideas and concepts rather than the ideas and concepts themselves. There is nothing to prevent someone from studying a copyrighted work, digesting the information embodied in it and then making his own independent work incorporating that information.

So, while the law of copyright can confer on products of the mind the status of intellectual property and thus render them tradeable commodities, it is not a panacea for all the ills besetting commercial transactions in technology.

Technology is best safeguarded by embodying it in a patent, a registered design and a copyrighted work, in combination. Only in that way can flaws in the individual forms of available legal protection be eliminated. None the less, the law of copyright is better suited than the law of either patents or designs to fulfil the function of protecting technology against improper exploitation, mainly because copyright vests automatically and is easily available.

Copyright will almost invariably subsist in some, if not all, of the elements of technology traded by means of barter or a similar transaction. The delivery of the technology to a trading partner should therefore take the form of, or be accompanied by, an assignment of copyright in works embodying the technology, or a licence to do the restricted acts listed in ss 6 and 7 of the Copyright Act.<sup>41</sup>

The assignment of copyright or grant of a licence should form part of the barter transaction, and items of intellectual property embodying the technology in material form should be dealt with by the parties in their agreement. For without transfer in the proper legal form, the delivery of technology will be defective and incomplete.

<sup>29</sup> Section 23(1) read with ss 6 and 7 of the Copyright Act.

<sup>30</sup> Section 23(1) read with s 1(2A) of the Copyright Act.

<sup>31</sup> *Galago Publishers (Pty) Ltd v Erasmus* (note 15 above).

<sup>32</sup> *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* (note 2 above), *Galago Publishers (Pty) Ltd v Erasmus* (note 15 above).

<sup>33</sup> *Kambrook Distributing v Haz Products* (note 10 above), *Galago Publishers (Pty) Ltd v Erasmus* (note 15 above).

<sup>34</sup> *Hallmark Cards Inc v Prima Toys (Pty) Ltd* (TPD case no 17039/85, unreported).

<sup>35</sup> Paragraphs (b) and (c) of the definition of 'reproduction' in s 1(1) of the Copyright Act.

<sup>36</sup> Section 23(2) of the Copyright Act.

<sup>37</sup> *Twentieth Century Fox Film Corporation v Anthony Black Films (Pty) Ltd* 1982 (3) SA 582 (W).

<sup>38</sup> Section 24(1) of the Copyright Act.

<sup>39</sup> Section 24(2) of the Copyright Act.

<sup>40</sup> Section 24(3) of the Copyright Act.

<sup>41</sup> See the text to n29 above.