Sound recordings in South Africa: the Cinderella of the copyright family

Owen Dean, attorney, Spoor and Fisher, Pretoria

Sound recordings as a class of work deserving of protection under the regime of intellectual property law are to a certain extent the stepchild of South African copyright law to which they must look for that protection. Of all the classes of works eligible for copyright, sound recordings are perhaps the works whose livelihood is most threatened by technology and technological development. The strides which technology has made in developing new methods and media for fixing recorded sounds and delivering them to the consumer, and providing easy means of reproducing the fixations, have made it very difficult for law-makers around the world to keep up with providing adequate protection. This situation, which has obtained internationally, has applied in South Africa, but in South Africa the problem has been compounded by extraneous factors which have made their impact. In this article the past, present and likely future protection enjoyed, or to be enjoyed, by sound recordings in South Africa will be discussed.

Sound recordings as musical works

Modern South African copyright law commenced with the Patents, Designs, Trade Marks and Copyright Act 9 of 1916. This Act, as its name suggests, was a compendium Act dealing with all of the recognized branches of intellectual property law. Chapter 4 of that Act dealt with copyright. This chapter consisted of but a few sections and it implemented the application of schedule III to the Act in South Africa. Schedule III consisted of the entire text of the British Copyright Act of 1911, the so-called "Imperial Copyright Act", which thus was incorporated holus-bolus into South African law subject to certain variations dealt with in ch 4. In essence the British Copyright Act of 1911 became law in South Africa. As South Africa was at the time a Dominion within the British Empire the nomenclature "Imperial Copyright Act" was apt.

Section 19(1) of the Imperial Copyright Act in effect made provision for sound recordings and it read:

> "[C]opyright shall subsist in sounds, perforated rolls and other contrivances by means of which sounds may be mechanically reproduced."

These "sound recordings" were, in terms of the section, protected "in like manner as if such contrivances were musical works".

Under the Imperial Copyright Act the copyright in a sound recording comprised the rights of production, reproduction, public performance, publication and translation (s 1(2) of the Imperial Copyright Act). No known cases relating to the infringement of copyright in "sound recordings" came before the South African courts during the time when the Imperial Copyright

Owen Dean *BA LLD (Stell)*

Act was in force in South Africa. During this time South Africa became a signatory in its own right to the Berne Convention in 1928 and it acceded to the Brussels text of that convention in 1951.

Although it was not binding on the South African court, the judgment of the British Court in *Gramophone Co Ltd v Stephen Cawardine & Co* (1934) Ch 450 had significance in South Africa, particularly in later years. In that case it was held that the owner of the copyright in a "sound recording" had the sole right to use that recording for public performance. The copyright in a "sound recording" was recognized as being in addition to, and independent of, copyright subsisting in a musical work carried by the recording. In that case, Maughan J said:

> "It is not in dispute that skill, both of a technical and of a musical kind, is needed for the making of such a record as the one in question. The arrangement of the recording instruments in the building where the record is to be made, the building itself, the timing to fit the record, the production of the artistic effects, and, perhaps above all, the person who plays the instruments, not forgetting the conductor, combine together to make an artistic record, which is very far from the mere production of a piece of music. It is hardly necessary to say that the performance by such an orchestra as that which I have mentioned is widely different from a performance by street musicians or by the persons who give concerts on the sands at the seaside ... ."

In the aftermath of the above-mentioned case the International Federation of the Phonographic Industry (IFPI) commenced collecting royalties for the public performance and broadcasting of sound recordings in South Africa. Practical recognition was therefore given to the enjoyment by "sound recordings" of public performance and broadcasting rights.

International developments

From the late 1940s onwards South Africa began to fall into increasing international opprobrium as a result of its racial policies. This process began relatively slowly but accelerated in the sixties and seventies and reached its peak in the 1980s when many forms of sanctions, including those in the cultural and entertainment field were visited on the country. During this period a number of international treaties and instruments in the intellectual property field were entered into, including the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organization of 1961 (Rome Convention) and the Convention for Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms (Geneva Convention). The Berne Convention was revised at Stockholm in 1967 and Paris in 1971. In addition, the Universal Convention came into being. South Africa did not accede to any of these treaties, save that it adopted the administrative provisions of the Paris text of the Berne Convention. South Africa's political ostracization undoubtedly played a significant role in the country's non-accession to these treaties. However, despite not becoming a party to the Rome Convention, South Africa passed the Performance Protection Act 11 of 1967. This Act embodied the provisions of the Rome Convention and placed South Africa in a position to accede to that convention.

In the meantime, Britain repealed the Imperial Copyright Act and adopted the Copyright Act of 1956. This Copyright Act recognized sound recordings as a *sui generis* category of work eligible for copyright and provided that a sound recording should, inter alia, be the subject of exclusive rights, vesting in the copyright owner the right to

1 make a record embodying the recording;
2 cause the recording to be heard in public; and
3 broadcast the recording (s 12(5)).

The Rome Convention, which followed some five years later, also made provision for the rights mentioned in **2** and **3**, albeit on a voluntary basis (art 12 read together with art 16 of the Rome Convention. The Convention provides for the rights to be granted but enables parties to it to reserve the right to refrain from granting such rights.) However, it established the norm.

Specific recognition of sound recordings as works eligible for copyright

In 1965 the South African legislature adopted the Copyright Act 63 of 1965. This Act repealed and superseded the Imperial Copyright Act. It was closely based on the British Act of 1956. Unlike the Imperial Copyright Act, the British Copyright Act did not become law in South Africa - it was adapted to become the South African Act of 1965.

The 1965 Act, like its model, also recognized sound recordings as a *sui generis* category of work eligible for copyright and, as originally drafted, it conferred upon sound recordings the same protection as was granted to sound recordings under the British Act. However, when the Bill which gave rise to the Act came before parliament for debate and approval, the provisions granting broadcasting and public performance rights to sound recordings were, on the floor of parliament, deleted from the Bill and the subsequent Act. At the time the sole broadcaster in South Africa was the South African Broadcasting Corporation (SABC), a State corporation. It emerged during the parliamentary debates that the SABC was strongly opposed to paying record companies royalties for broadcasting sound recordings in addition to the royalties which they were paying for broadcasting music embodied in sound recordings. It would appear that the SABC effectively used its lobbying capabilities with the government, and the outcome was that performing and broadcasting rights for sound

recordings were consigned to the scrap-heap by parliament in which the government enjoyed a substantial majority.

In justifying the amendment to the Bill, the Minister of Economic Affairs said the following in parliament:

"Actually, the old British Act of 1911, which still applies in the Republic, did provide for those rights, but it was only in 1934 that the record manufacturers became aware of the existence of these rights and commenced to enforce them. The result was that if any person played a record in public, he would have to pay two licences - one to the author of the music contained in the record and the other to the maker of the record. I am convinced that this was never the original intention. Subclause (4) of clause 13, as revised, gives the manufacturer the right to prevent anyone from copying his record *and this is all the protection he needs*. He makes his profits from the sale of records and, as I have said, I am convinced that it was never the intention to permit him to charge fees for the playing of his record in public." (My italics.)

The minister adopted the classic approach of the Dickensian stepfather. It is not known on what basis the minister claimed that he was convinced that granting a broadcasting and a public performance right to the copyright owners in respect of "sound recordings" under the Imperial Copyright Act was never intended by the British legislature - no authority was advanced by him for this proposition - because if the intentions of the British legislature were gauged by the 1956 British Act there could have been no doubt that it was desired that sound recordings should have public performance and broadcasting rights since the later British Act specifically granted these rights in respect of such works. Be that as it may, since 1965 and up to the present time, sound recordings have not enjoyed, and do not enjoy, a public performance or a broadcasting right. Throughout the thirteen-year life span of the 1965 Copyright Act, sound-recording copyright owners were forced to content themselves with a reproduction right and nothing more as their full scope of protection.

Foreign sound-recording copyright owners have, however, had a further limitation to the protection which their works enjoyed in South Africa. The international provisions of the 1965 copyright legislation precluded a foreign sound recording from enjoying any wider protection in South Africa than was enjoyed by a South African sound recording in the country of origin of the foreign work. Copyright in a foreign sound recording indeed subsisted only to the extent that protection in the nature of, or related to, copyright was granted to a South African sound recording in the country of origin of a foreign work. This strict reciprocity obviously stemmed from South Africa's lack of adherence to the Rome Convention; the effect of these provisions was to provide very little protection to foreign sound recordings because there were a limited number of foreign countries which protected South African sound recordings in the absence of common membership of a treaty.

Sound recordings under current law

The current Copyright Act 98 of 1978 repealed and replaced the 1965 Copyright Act with effect from 1 January 1979. Although descended from the 1965 Copyright Act and thus still having a British derivation, albeit indirect, this Act is to a significant extent a South African product. It is apparent from a reading of it that it is designed to bring South African copyright law into conformity with the Paris text of the Berne Convention and thus presumably to make adoption of the Paris text possible. It continues to treat sound recordings as a *sui generis* category of work eligible for copyright. Like its predecessor, it does not grant a public performance or broadcasting right to sound recordings. It grants the standard reproduction right to sound recordings but in addition has from time to time granted further forms of protection to such works. This additional protection has, however, in the years since 1979, undergone remarkable fluctuations. The same qualification regarding protection of foreign works applies as existed under the 1965 Copyright Act.

Commencing in 1916 South African copyright law has afforded all types of works protection from so-called "secondary" or "indirect" infringements. This form of infringement occurs when various activities such as importation, sale, rental and distribution of infringing copies of a work take place in the knowledge that the copies in question are of an infringing nature. In this context "infringing copies" include copies the making of which abroad would have constituted copyright infringement if they had hypothetically been made in South Africa by the original manufacturer. These provisions relating to secondary infringement of copyright have enabled copyright owners to curtail trading in parallel imports to some extent.

In the form in which the 1978 Act was passed by parliament and came into operation, sound-recording copyright owners enjoyed the exclusive right of importing *and* distributing copies of sound recordings directly or indirectly to the public. For infringement to take place both the activities of importation and sale had to take place without appropriate authority. Unlike in the case of secondary or indirect infringement of copyright it was not necessary that the importation and sale should involve infringing copies of a sound recording - sale and distribution of legitimate copies without appropriate authority could constitute copyright infringement. This importation and distribution right was altered by an amendment to the Act in 1984. The effect of this amendment was to broaden the scope of the exclusive right of importation and distribution so as to extend it to importing, selling, hiring out *or* distributing copies, including legitimate copies, of a sound recording without appropriate authority. In effect the secondary acts of copyright infringement were in the case of sound recordings elevated to become primary acts of copyright

infringement with the resulting difference that it was not necessary that the copies should be infringing copies or obviously that the infringer should have so-called "guilty knowledge" that he was dealing with infringing copies. From a practical point of view both selling or reselling and hiring out legitimate copies of sound recordings fell within the exclusive rights afforded to a sound-recording copyright owner.

The 1984 amendment for the first time created a rental right in legitimate copies of sound recordings. There were in existence at that time a large number of record libraries which were conducting flourishing businesses hiring out records. The possibility of their business activities suddenly being outlawed caused an outcry among record libraries and after representations were made to the government it was decided that the relevant amendment changing the importation and distribution right should come into force only five years after the adoption of the amendment. In other words, a moratorium of five years was created during which record libraries were afforded the opportunity of phasing out their rental business and converting their businesses into retail selling operations. The 1984 amendment would have taken effect on 1 April 1989. In the meantime the original provision continued in force. However, on 31 March 1989, before it could take effect, the 1984 amendment was cancelled and instead the original importation and distribution right was, by means of the Copyright Amendment Act of 1989, replaced by the exclusive right of (s 9(b), as amended)

"letting, or offering or exposing for hire by way of trade, directly or indirectly, a reproduction of a sound recording".

To sum up, an exclusive right which related to both importation and distribution of legitimate copies was in principle amended to an exclusive right in respect of importing, selling, hiring out or distributing legitimate copies. The substituted right, however, never took effect and has instead been replaced by a purely rental right. Importation and distribution by means other than rental are now controllable only as a secondary act of copyright infringement which requires that the articles being dealt in must to the knowledge of the infringer be infringing copies.

The view into the future

Sound-recording copyright owners in South Africa find the situation in the 1990s very different from what has gone before. The changed and ever-changing political circumstances in South Africa, more particularly the systematic abolition of the "apartheid" society, have brought about a dramatic thawing in South Africa's international trade and political relations and have ushered in an era of normality. New markets have opened up to South African products and South Africa has established trading relations with hitherto estranged countries, especially in Africa. South Africa's standing in international organizations and its international relations generally are such that whatever obstructions there were to the country acceding to international treaties, including copyright and other international intellectual property treaties, have disappeared. In short, South Africa is in a position to rejoin the world. At the same time technology in the sound-recording field has developed to such an extent that the threats to the viability of the record industry have increased dramatically. It has become increasingly difficult for the record industry to be profitable purely through the sale of copies of sound recordings, which is essentially the only manner of exploitation of sound recordings catered for in the South African Copyright Act.

The changed circumstances have caused the South African record industry to look afresh at broadening the base of the protection enjoyed by its works under the Copyright Act and thereby obtaining additional means of commercial exploitation of its products. Piracy of sound recordings is eradicated or counteracted by recourse to the court alone with difficulty. Huge losses are being suffered by the record industry as a result of piracy fuelled by advanced technology.

Against this background the Association of the South African Music Industry (ASAMI), which is the representative body of the South African record industry, made representations to the government with a view to reintroducing a broadcasting and a public performance right for sound recordings and creating a levy on the sale of blank tapes or other carriers of recorded music with a view to allowing the making of reproductions of sound recordings for purposes of private domestic use. Viewed from an international perspective there is of course nothing new in these proposals, but in the context of South African copyright law they are somewhat radical. The government reacted to these representations by publishing a draft Copyright Amendment Bill intended for adoption in 1993 and inviting interested parties to comment on it.

The draft Copyright Amendment Bill, 1993 makes provision for the following:

1 The amendment of the exclusive rights accorded to a sound-recording copyright owner by the addition of the following restricted acts:

1.1 Causing the sound recording to be heard in public.

1.2 Broadcasting the sound recording.

1.3 Causing the sound recording to be transmitted in a diffusion service, unless such service transmits a lawful broadcast, including the sound recording, and is operated by the original broadcaster (s 2 of the Copyright Amendment Bill).

2 Exemption of the reproduction of a literary or musical work or a sound recording on a tape on which a levy has been paid from copyright infringement, if such

reproduction is for the purposes of research or private study by the person making the reproduction (ss 3 and 4 of the Copyright Amendment Bill).

3 Empowerment of the Minister of Trade and Industry to issue regulations creating a system for the imposition of a levy on the sale of blank tapes and for the distribution of the royalties collected in this manner to relevant copyright owners (s 39 of the Copyright Amendment Bill).

Perhaps understandably the draft Bill has encountered considerable opposition, mainly from the quarter of broadcasters. Broadcasters have had a period of close to thirty years during which they have been free to utilize sound recordings in broadcasting music without paying any royalty to sound-recording copyright owners and the prospect of this happy situation coming to an end is not at all appealing to them. No significant objections have, however, been raised against the institution of a public performance right for sound recordings (as distinct from a broadcasting right) or a blank-tape levy on the sale of blank tapes. It has, however, been suggested that a levy payable on the sale of tapes alone is too narrow and that all forms of blank carriers of sound should be included within the scope of the system. There has been no suggestion that a levy should be imposed on the sale of recording equipment. The decision of the government on the draft amendment is awaited.

There is a strong body of opinion which holds that South Africa should now accede to the major international intellectual property conventions which were not accessible to it in the isolation period. These treaties would include the Rome Convention, the Geneva Convention and the Paris text of the Berne Convention among others. There is a strong move afoot to make up for lost time and to bring South African intellectual property law into line with the modern trends in this field in developed countries and in particular in the European community. If this course of action is adopted (and there is no reason to suppose that it will not be) there ought to be every reason why South Africa would also wish to accede to future treaties and international instruments. Accession to the sound-recording conventions would make the limitations placed on the protection enjoyed by foreign sound recordings in South Africa unnecessary, at least in the case of co-signatories.

In the context of considering a protocol to the Berne Convention, a Committee of Experts of the World Intellectual Property Organization (WIPO) has prepared a report in the form of a memorandum on a possible instrument on the protection of the rights of performers and producers of phonograms (document INR/CE/1/2 12-3-1993).

A section of this report deals with the economic rights of performers in their performances fixed in phonograms and of producers of phonograms in their phonograms (14 et seq of the memorandum). In the memorandum it is proposed that sound-recording copyright owners should have, inter alia, the exclusive rights to authorize the following acts:

1 The distribution of copies of phonograms through sale or other transfer of ownership or through rental, public lending or other transfer of possessions.

2 The importation of copies of phonograms irrespective of whether the imported copies were made with or without authorization, into a territory.

3 The communication of the phonogram to the public.

4 The public performance of the phonogram (para 56 of the memorandum).

The aforegoing rights are in certain instances subject to qualifications. Unlike under the Rome Convention, it would be obligatory for member states to provide for a public performance right and a broadcasting right.

The memorandum also proposes that countries have an obligation to provide for a right of remuneration to those producers of phonograms whose products have been the subject of private reproduction for personal purposes, by means of a payment on reproduction equipment or on blank recording materials, or both.

It will be apparent that there is a measure of conformity between the draft South African Copyright Amendment Bill and the proposals of the WIPO Committee of Experts. In the event that the proposed new international instrument should come to fruition and South Africa should wish to become a party to it, it will be obligatory for South Africa to provide the measures currently under contemplation in the draft Copyright Amendment Bill. This ought to be an inducement to the South African Government to proceed with the draft Copyright Amendment Bill. Ironically, however, should South Africa wish to accede to the new international instrument under contemplation it will have further to amend the protection enjoyed by sound recordings so as to include an exclusive right to authorize the importation, sale, rental or distribution of legitimate copies of sound recordings. It will indeed be obliged to revert to the amendment in this regard which was passed in 1984, remained on the statute book for five years, never came into operation and was repealed in 1989. Copyright legislation in sound recordings will have become a circular process!

Sound recordings, the stepchild of the South African copyright family, have received erratic and sometimes harsh treatment over the years. Broadcasting and public performance rights were granted, then taken away and now are possibly going to be granted once more; importation and sale rights of legitimate copies have been dangled before sound-recording copyright owners and, when within their reach, have been snatched away possibly to be granted once again only in the future. It is time that the stepchild was brought properly into the family and treated equally and with the same degree of care as the other more fortunate children in the family. Perhaps at last the shoe will be fitted to Cinderella's foot and she will receive her just deserts. ❑