

Comments of the World Intellectual Property Organization

on the

“Intellectual Property Laws Amendment Bill, 2010”

September 15, 2011

I. INTRODUCTION

1. The present comments have been prepared in response to a request received on September 13, 2011 from the Portfolio Committee on Trade and Industry of the South African Parliament. The comments are based on our understanding of the draft “Intellectual Property Laws Amendment Bill, 2010” (the 2010 Bill) that was communicated to us on September 13, 2011. The comments build on and supplement our previous comments of September 17, 2009 on the “Policy Framework for the Protection of Indigenous Traditional Knowledge through the Intellectual Property System” and the “Intellectual Property Laws Amendment Bill, 2008”. For the sake of clarity, the same structure and general approach will be taken as in our comments of 2009. Where applicable, new comments will be made as the text of the Bill has evolved since 2008. These comments have been prepared by the Secretariat of the World Intellectual Property Organization (WIPO) and they do not necessarily represent the views of any of the Member States of the Organization.

II. GENERAL COMMENTS

2. The interface between intellectual property (IP) and the protection of indigenous knowledge (IK) is complex, and discussions and negotiations at international, regional and national levels, are ongoing and evolving.
3. WIPO commends the efforts made by the Government of South Africa in having developed the 2010 Bill. This is an important initiative, and while it is national in scope, the 2010 Bill will certainly be of great interest to other countries from the region and around the world. In our view, the rationales set out in the Preamble appropriately recognize that IK is IP and that the generation and fair distribution of economic benefits should lie at the heart of any dispensation for the protection of IK.
4. The national experience acquired in the wake of the 2010 Bill, should it be enacted, will be a contribution to the international norm-building process taking place in the WIPO Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore (the IGC), particularly in light of its proposed mandate for the 2012-2013 biennium and a possible Diplomatic Conference that the General Assembly of WIPO may decide to convene in September 2012. A copy of the proposed new mandate of the IGC for the 2012-2013 biennium will be made available separately to the Portfolio Committee.
5. South Africa has long taken a leading role in the negotiations within the IGC, and the experience acquired in drafting the 2010 Bill will also provide a solid basis for South Africa’s continued contribution to these negotiations.
6. We suggest that it is in the interest of any country to take into account developments within its region and internationally, in particular where countries would like to protect

IK abroad. For this reason, we recommend that the possible development of an international legal instrument within WIPO be followed closely. This is a complex multilateral initiative, but policy-makers and legislators considering national legislation tend to follow it closely. Copies of the current draft provisions being negotiated at the IGC will be made available separately to the Portfolio Committee.

7. The 2010 Bill, as did its 2008 predecessor, proposes the assimilation of IK into existing IP systems. For example, "traditional works" would be eligible for copyright protection. This is a novel and unusual approach in relation to the experience of other countries, particularly as many forms of IK are already protected by existing IP systems and the trend is rather towards creating, where necessary, tailored specific measures which respond to the specific nature of IK and which fill gaps in existing systems. While this assimilation approach could be a legitimate policy choice, it may not fully respond to the specific characteristics of IK and may introduce unwelcome uncertainty in the interpretation and implementation of existing IP legislation.
8. In any legislative instrument on the protection of IK, the key concepts of protected subject matter, authorship, ownership and the scope of protection (and exceptions thereto) should be very clearly defined. This is particularly so in the case of IK, where the boundaries between IK and contemporary tradition-based innovations and creations, which are protected by conventional IP systems, may be blurred. For example, with respect to protected subject matter, the 2010 Bill refers to "indigenous works", "derivative indigenous works", "indigenous cultural expressions or knowledge" and "traditional works". With respect, on some of these seminal concepts, we find that the 2010 Bill is unclear, and this may cause uncertainty in its interpretation and implementation, should it be enacted in its current form. That said, we understand and appreciate the basic framework of the 2010 Bill and what it is trying to achieve. We appreciate that any lack of drafting clarity might simply be the result of there having been successive drafts of the Bill.
9. We would like to point out that the present comments address only the IK issues in the 2010 Bill, and not other amendments to existing IP legislation that might be included, and, in the time available, they focus on larger policy issues. We remain available to comment on specific points as the drafting of the Bill moves forward.
10. As there is as yet no internationally agreed standard with respect to the protection of IK, our comments are merely intended to offer some general guidance based on the experiences of other countries and the ongoing negotiations within the IGC. While we might suggest some amendments or raise certain questions, we do not in any way suggest that the Bill's approach is "correct" or "incorrect".

III. SPECIFIC COMMENTS ON THE 2010 BILL

11. The present comments will mainly refer to the amendments to the Copyright Act, 1978, as these comments will apply *mutatis mutandis* to the proposed amendments to the other statutes referred to. Where there are comments specific to any of the other statutes, we will mention them.
12. As previously, in reviewing the 2010 Bill, we were guided by the key issues that have been identified internationally as relevant to the establishment of a policy, law or other legal mechanism for the protection of IK. Adapted for present purposes, these are essentially:
 - a) How should one describe or define the IK that ought to be protected?
 - b) Who should benefit from any such protection and/or who should hold the rights to protectable IK?

- c) What objective is sought to be achieved through according IP protection (economic rights, moral rights)?
- d) What forms of behavior in relation to the protectable IK should be considered unacceptable/illegal?
- e) Should there be any exceptions or limitations to rights attaching to protectable IK?
- f) For how long should protection be accorded?
- g) Which, if any, formalities ought to apply?
- h) What sanctions or penalties should apply to behavior or acts considered to unacceptable/illegal?
- i) How should foreign rights holders/beneficiaries be treated?

13. In reviewing the proposed amendments to the Copyright Act, 1978 in the draft 2010 Bill, we noted the following questions and comments.

Subject matter of protection and eligibility for protection

14. In 2009, we made some comments on definitions, in particular, the notions of “traditional work” and “indigenous community”. We note that the definition of “traditional work” has been amended to include a “derivative indigenous work” and an “indigenous work” and that definitions have been provided for those terms. We also note that the definition of “indigenous community” has been narrowed down. However, definitions for “indigenous” and “traditional” are still missing and absence of clarity on these terms may cause uncertainty. The terms “indigenous” and “traditional” are central to the understanding of the Bill and it would be useful to define them.
15. Our 2009 comments raised issues in relation to the fact that protection was limited to “works” which are understood in Section 2(1) and (2) of the Copyright Act, 1978 to mean “copyright works”, in other words, works that are “original” and fixed in some material form. However, the very nature of IK is often that it is not “original” in the copyright sense and that it is often maintained, developed and transmitted orally. On fixation, Section 28B(2) of the 2010 Bill provides that “a traditional work shall not be eligible for copyright unless it has been written down, recorded, represented in digital data or signals, or otherwise reduced to a material form or is capable of substantiation from the collective memory of the relevant indigenous community”. We are unclear what “capable of substantiation from the collective memory of the relevant indigenous community” means and how this would be applied in practice. This is a good example of a novel and unusual criterion introduced in the 2010 Bill. Clarification on this would be useful.
16. In 2009, we were concerned about the fact that according to Section 3(1A) of the Bill at that time, only relatively recently created “traditional works” would be protected, those being works created essentially within the last 50 or so years. We note that this is not the case any more, especially in relation to indigenous works, which are protected without restriction (Section 28B(3)(b)). In relation to derivative indigenous works, however, we note that such works will only be protected if they were created on or after the date of commencement of the Intellectual Property Laws Amendment Act, 2010 (Section 28B(3)(a)).

Ownership of rights and beneficiaries

17. We note that the draft Bill has been amended so that according to Section 28D(2) "the ownership of any copyright conferred by sections 3 and 28B on any traditional work shall vest in the author". Sub-section (3) further provides that ownership will only vest in the National Trust if the author (i) cannot be determined, (ii) is an indigenous community which is no longer in existence, or if (iii) the authorship cannot be shared between more than one indigenous community claiming authorship.
18. "Author" is defined in Section 3(a)(j) and (k) to be, for indigenous works, "the indigenous community from which the work originated and acquired its traditional character", and for derivative indigenous works, "the person who first made or created the work". We understand this to mean that any person can be the author and owner of a derivative indigenous work. In other words, such author is the creator of the derivative work, whether he or she is a member of the relevant community or not.

Nature of rights granted and exceptions and limitations

19. In Section 28E of the 2010 Bill, traditional works are afforded exclusive economic property rights, entitling the owner of the traditional works, if they so wish, to deny the right to undertake any of the acts listed or charge a fee or royalty. As in 2009, we would like to point out that there is some doubt internationally that exclusive property rights are suitable, serve goals usually identified in respect of IK protection and advance other policy goals such as maintaining a rich and accessible public domain, stimulating creativity, promoting cultural diversity and safeguarding freedom of expression. Other forms of protection, such as a right of remuneration, a "right to prevent", moral rights (such as rights of divulgation, integrity and attribution) or a tiered approach could also be considered.
20. We note that an adaptation right is granted to traditional works (comprising both indigenous works and derivative indigenous works). Granting an adaptation right would prevent the creation of derivative works based on traditional works (without the authority of the holder of the copyright in the traditional work). It has been argued internationally that such a right could stifle creativity and artistic freedom.
21. Moral rights are not mentioned in the 2010 Bill, and it is still unclear whether they apply to IK. Section 28A provides that "the provisions of this Act shall, except as in otherwise provided in the said chapter, and in so far as they can be applied, apply to traditional works", so it can be assumed that Section 20 of the Copyright Act, 1978 on moral rights also applies to IK. However, we note that economic rights are specifically listed and detailed in Section 28E, so for clarity, moral rights, if any, should be listed as well.
22. Regarding exceptions and limitations, we suggest that it may be useful to include a general provision in Section 28G, to the effect that measures for the protection of traditional works should not restrict the creation, customary use, transmission, exchange and development of traditional works by indigenous communities.
23. Further on exceptions, we see that Section 28G(1) imports the exceptions and limitations applicable to copyright works, *mutatis mutandis*. Section 28G (7), however, states that certain "uses" of indigenous works "without prior consent" would be permitted, and the Section proceeds to list such uses. The uses listed are similar to the uses permitted by Section 28G(1). This might be a good example of lack of drafting clarity that could cause uncertainty.

Formalities

24. In relation to the database for traditional knowledge, we understand that this database is kept for the purpose of recording ownership of IK or for identification or representation within an indigenous community, and that registration is not a requirement for protection, which arises automatically (upon creation), as for copyright works. Such databases could also be useful for other purposes, such as preservation, repatriation, promotion, research and development, revitalization, education and awareness-raising, resource management, and access and benefit-sharing. We could also point out, however, that some other countries and communities have expressed concerns about documentation of IK.
25. It is still not clear under the proposed Section 28C whether “information” regarding a manifestation of an indigenous cultural expression or knowledge or the indigenous cultural expressions or knowledge themselves would be recorded in the database.
26. We note that Section 28C(14) of the 2010 Bill gives the opportunity to indigenous communities to indicate, through a “community protocol”, that some information is sacred or must be kept in confidence. However, it seems to be up to the Commission to take this into account or not.
27. We are not clear as the effect of Section 28B(4). This Section states that rights in derivative indigenous works may not be registered if requirements related to prior informed consent, disclosure and benefit-sharing have not been met. However, as registration does not seem to be an obligation, we are not sure as to how prior and informed consent, disclosure and benefit-sharing would be enforced. In addition, these do not seem to be requirements stated anywhere else in the 2010 Bill – for example, prior and informed consent, disclosure and benefit-sharing do not appear in the Section dealing with the rights granted in traditional works. This might be a good example of a lack of drafting or conceptual clarity that may make the 2010 Bill difficult to interpret and apply in practice.

Duration of protection

28. We note that the term of protection for derivative indigenous works has been aligned with that of other copyright works in the Act and that indigenous works are now protected in perpetuity.
29. Prior rights are treated in several places in the 2010 Bill, and we found some inconsistency in this regard. See, for example, Sections 28E(2), 28G(2)(a) and (3).

Relationship with conventional IP systems

30. We would like to reiterate a general comment, in that subsuming IK within the copyright legislation as simply another form of copyright might negate the very features of IK that distinguish it from conventional IP and might cause unwelcome uncertainty as to what truly constitutes a “traditional” work as opposed to a “conventional” work. Some overlap between the protections provided for the two forms of works is therefore to be anticipated. The trend internationally is to craft special measures which take into account the specific character and nature of IK – such as its oral character and that it often has no “author” as understood in copyright. As contemporary versions and renditions of IK are already protected by conventional copyright, it may be asked whether the kind of protection envisaged for “traditional works” in the 2010 Bill is necessary, given its closeness to the protection afforded to copyright works. The Bill implicitly and in our view correctly recognizes this. The larger question perhaps is rather whether truly *sui generis* protection for IK is needed,

beyond that provided by the conventional IP system. There are varying views on this question – in our view, tailored and specific *sui generis* measures may be needed to address certain gaps within existing IP systems, depending on how IK is defined, what specific objectives are sought to be advanced and national law. We would be pleased to discuss these matters further with the South African authorities.

Protection of foreign IK and protection of South African IK abroad

31. Section 28N(1) provides that “the Minister may, subject to the Constitution, enter into multinational agreements, international treaties, conventions or other international agreements with other states whereby arrangements are made with that state for reciprocity in matters regarding traditional performances for the commercial benefit of indigenous communities”. We note that this section only applies to traditional performances. However, sub-section (3)(b) then refers to “traditional works” more generally.

IV. COMMENTS ON PERFORMERS RIGHTS, TRADE MARKS AND DESIGNS

Amendments to the Performers' Protection Act, 1967

32. It seems from the current draft Bill that the provisions amending the Performer's Protection Act, 1967 are still being formulated.

Amendments to the Trade Marks Act, 1993

33. Further to our 2009 comments, we note that some definitions have been amended. However, we find that some of the terms and definitions need further clarification. In particular, “derivative indigenous term or expression” and “indigenous term or expression” should be reformulated for clarity. For example, “indigenous term or expression” is defined to “mean a literary, artistic or musical term or expression (...)”, but we note that the type of terminology used is more appropriate in the context of copyright than trade marks.
34. We note that the term “collective society” is now defined.
35. We still find Section 43B a little confusing. Sub-section (1) provides that “a traditional term or expression shall not be capable of constituting a trade mark”. We take this to mean that it shall not be registrable as a trade mark. Sub-section (2) provides that “a traditional term or expression shall be capable of constituting (a) a certification trade mark or a collective trade mark; or (b) a geographical indication”. This sub-section does not mention regular trade marks. On the other hand, Section 43C provides that some traditional trade marks are unregistrable, which means that some others must be registrable. A lack of drafting clarity on what is registrable and who is entitled to register could cause uncertainty.
36. We point out that it might be necessary to consider how an outright prohibition on registering a certain category of terms and expressions as trade marks might relate to generally accepted principles of trade mark law.
37. Even though the general sections on trade marks deal with grounds for refusal to registration generally, it could be considered to have an express provision to prohibit the registration of marks that are offensive to indigenous communities or that are deceptive and suggest, for example, that goods originate from an indigenous community.

- a) For example in relation to offensive marks, Section 17(1)(b)(ii) of the New Zealand Trade Marks Act, 2002 states, as an absolute ground for not registering a trade mark, that: "[...] The Commissioner considers that its use or registration would be likely to offend a significant section of the community, including Maori."
38. Section 43E(2) provides that the term of protection in the case of indigenous terms or expressions shall be in perpetuity. However, it is hard to reconcile this with the requirement that registered trade marks need to be used in the course of trade (see for example potential conflict with Section 27 of the Trade Marks Act in relation to removal from the register on ground of non-use).
39. The proposed amendments only deal with the protection of "traditional terms or expressions". Protection under the Trade Marks Act, 1993 could also cover traditional symbols or other traditional signs. For example, in New Zealand Maori have used trade mark law to protect symbols such as a koru (fern frond symbolizing life) or a moko (traditional tattoo).
40. The registration of geographical indications seems to only be open to indigenous communities under the Act. There seems to be a gap here as it may be of interest to other applicants as well to register geographical indications as collective or certification marks. In addition, it would probably be best if the protection of traditional terms and expressions, on the one hand, and the protection of geographical indications, on the other, are dealt with in separate parts of the Act.
41. Section 43F(8) sets out exceptions to infringement. This may not be necessary as these uses are not "in a trade mark sense", that is, to provide information about the trade origin of the goods, but rather, descriptive uses, and would therefore not infringe the trade mark anyway.

Amendments to the Designs Act, 1993

42. We note that the definitions of "derivative indigenous design" and "indigenous design" have been amended.
43. We note that the word "proprietor" has been replaced by "author" in Section 53B.
44. It is still not clear if the requirement of "novelty" also applies to indigenous designs.
45. In Section 53(E)(1) there seems to be some confusion with the terms used. We take this section to mean that the duration of registration of a derivative indigenous design (instead of traditional design) shall be 15 years, whereas the duration of registration of an indigenous design shall be in perpetuity.

V. CONCLUSIONS

46. We hope that these comments are of assistance. If we have misunderstood any aspect of the current legislation in South Africa or the 2010 Bill, please advise us. In any event, we remain available at any time to amplify or clarify these comments in writing or through a meeting with the relevant officials at their convenience.