

The old and the new: A concise overview of the Intellectual Property Laws Amendment Act

By André van der Merwe

The Intellectual Property Laws Amendment Act 28 of 2013 (the Act) will come into operation on a date to be fixed by the President by proclamation.

The Act in effect creates new forms of Intellectual Property (IP) and these and their protection can be viewed as *res nova* because no protection has previously existed for these particular forms of IP. However, these new forms of IP and their protection may be problematic in respect of interpretation for both practitioners and the courts in due course.

Flowing from the Indigenous Knowledge Systems (IKS) Policy (this policy did not prescribe the exact form of protection) accepted by Cabinet in 2005, the Department of Trade and Industry (DTI) drafted and published the Intellectual Property Laws Amendment Bill (IPLAB) in December 2007 for comment. The IPLAB adopted the general approach of creating new forms of IP (namely, indigenous or traditional IP of various kinds) by amendment of certain IP Acts – as opposed to *sui generis* legislation.

The IPLAB was subjected to wide and strenuous criticism by the legal profession, especially by IP legal practitioners (as well as a judge of the Supreme Court of Appeal). The fundamental reason for this criticism was that the IPLAB aimed to provide protection for manifestations of indigenous or traditional cultural expressions (TCEs) as various species of IP. This would be achieved by introducing such new species of IP into South Africa's well-established IP Acts by amendment of such Acts, which new species did not rightly belong in, or properly fit into these IP Acts.

These critics had consistently proposed that the proper form of protection for traditional knowledge (TK) and TCEs would be *sui generis* legislation (as opposed to IP law-based legislation), *inter alia*, because TK and TCEs cannot always meet the requirements set by the relevant IP Acts.

Another reason was that TK/TCEs have been created or developed for community, cultural and heritage reasons and not primarily for commercial use. These have been in existence for many years (even centuries) and may last in perpetuity – in contrast to IPRs that generally have a limited lifetime. The concept of 'protection' in indigenous communities implies safeguarding the continued existence and development of TK/TCEs in a cultural, community and spiritual context. IPR systems protect not only 'property' but also 'private' property which is a concept that often clashes fundamentally with concepts held by indigenous communities – who hold that TK/TCEs are part of a community heritage that cannot readily be owned by one person and that certainly cannot be bought or sold, *inter alia*, because it is part of their culture.

From an international perspective, South Africa is supportive of the developing countries' positions at the World Intellectual Property Organisation (WIPO), namely that the preferred form of protection should be *sui generis* legislation. This is based on the above-mentioned rationale – in contrast to IP law-based legislation as supported by the developed nations. To date, WIPO has not reached consensus on this dichotomy; nor agreed to full and proper definitions of these concepts.

In respect of nomenclature, WIPO and the international community have accepted the clear distinction between TK, on the one hand, that includes aspects of technical knowledge or technology residing in indigenous communities (eg, plants and plant-based medications) and TCEs, on the other hand (eg, literary, musical, artistic, dramatic and spiritual expressions/works that are part of the cultural life and heritage of indigenous communities). This distinction has not always been properly understood or applied in South Africa, or in the IPLAB. Accordingly in the Act, these terms are used rather loosely and interchangeably. It is assumed that the intention of the Act is not to protect TK *per se* because the IP Acts that are amended do not protect knowledge or concepts *per se* (such as in the Patents Act), but instead provide protection for TCEs such as performances, copyright works, (registered) designs and trademarks, respectively.

Notable events leading to the IPLAB

The IPLAB was subjected to three procedures during the course of its legislative passage, namely:

- Regulatory Impact Assessment (RIA) –

This investigation was carried out in 2011 by an independent private sector body to determine the impact that the IPLAB would have if passed into law. The RIA report concluded that the costs of implementing the provisions of the IPLAB would outweigh the benefits.

- Consultation with the National House of Traditional Leaders (NHTL) – This consultation was carried out in 2013. However, the NHTL refused to receive any submissions from interested parties, and accepted and approved the IPLAB without any comment or reservation(s).
- Approval by the National Council of Provinces – This procedure required a sitting of a select committee of each of the nine provincial legislatures. At the Gauteng Provincial Economic Committee, for example, about 15 reasoned submissions were made in opposition to the IPLAB, and only one (unreasoned) submission in favour thereof. In spite of this, the Gauteng Provincial Legislature came to the conclusion that it was in favour of the IPLAB.
- ARIPO 2010 Swakopmund Protocol – During 2010, the member states of the African Regional Intellectual Property Organisation (ARIPO) adopted this Protocol. This Protocol is a *sui generis* legal document for protecting TK and TCEs separately, namely without reference to any legislative Act.

It provides an excellent basis for *sui generis* legislation, on the one hand, and on the other hand, shows that South Africa will now, by virtue of the Act – and unfortunately – be completely out of line with all its neighbouring states in protecting its TK/TCEs.

- ‘Wilmot’ Private Member’s Bill – In 2013, an opposition member of the National Assembly, Dr Wilmot James, of the Democratic Alliance, tabled a Private Member’s Bill based on a *sui generis* model, but the DTI Portfolio Committee decided that it could not entertain two simultaneous and conflicting Bills of this kind, and removed it from its agenda.

The Act and its various aspects

The Act, by way of summary, includes amendments to the following IP Acts, *inter alia*, for the protection and commercialising or licensing of various manifestations of indigenous knowledge (IK) as a species of IP:

- Performers’ Protection Act 11 of 1967 – to provide for the recognition and protection of performances of traditional works.
- Copyright Act 98 of 1978 – to provide for the recognition and protection of indigenous works, and to provide for recording IK and indigenous works.
- Trade Marks Act 194 of 1993 – to provide for the recognition and registration of indigenous terms and expressions as trade marks; to provide for the recording of indigenous terms and expressions, and for this purpose to provide a further part of the trade marks register; and to provide for further protection of geographical indications.
- Designs Act 195 of 1993 – to provide for the recognition and registration of indigenous designs; to create for this purpose a further part of the designs register.

- To establish a National Council for IK; national databases for recording of IK and indigenous works; a national trust for IK and a national trust fund for IK for purposes of commercialising and licensing of IK and for receiving royalties or benefit sharing.

In further detail, the amendments to these IP Acts (mainly appearing in the Copyright Act) are based largely on the introduction of new definitions and concepts of which the most relevant are set out below (generally using the precise wording of the Act):

Amendments to the Performers' Protection Act

Amendments to this Act include the introduction and/or amendment of existing definitions in respect of the Copyright Act, noting that certain works are capable of being performed, and include musical, dramatic, dramatico-musical works and traditional works.

Notable sections are the following:

- Section 8A – provides that the provisions of this Act shall, except as otherwise provided, apply to a performance of a traditional work. Nothing in the excepted provisions shall be construed as conferring any rights to any person in respect of intellectual property which is not a performance of a traditional work.
- Section 8B – provides that the Commission for Intellectual Property and Companies (CIPC) must accredit institutions which have the necessary capacity to adjudicate any dispute arising from this Act and in respect of the performance of traditional works. Such adjudication must take into account existing customary dispute resolution mechanisms.
- Section 8C – provides that the National Council for Indigenous Knowledge shall function as the council for performances of traditional works under this Act.

Amendments to the Copyright Act

This Act has been amended more extensively than the others, and its amendments in various respects apply to the other Acts either directly or *pari passu*.

Important definitions to note: The first and fundamental definition to note is that of 'indigenous community' which is 'any recognisable community of people originated in or historically settled in a geographic area or areas located within the borders of the republic, as such borders existed at the date of commencement of this Act, characterised by social, cultural and economic conditions that distinguish them from other sections of the national community, and who identify themselves and are recognised by other groups as a distinct collective'

This definition also appears in the amended Trademarks Act and the amended Designs Act, but it does not appear in the amended Performers' Protection Act.

Although unintended, would other South African cultural groups such as Afrikaner people, for example, qualify within the scope of this definition? If so, would they be able to obtain protection in terms of the Act for particular cultural terms, songs and literature dating back many years?

Another question is whether a foreign indigenous community, such as the New Zealand Maori people, for example, apply for protection of its HAKA wording and performance? It appears from this definition that, because of its limitation to communities within the borders of South Africa, foreign communities would be excluded. Would this place South Africa in breach of its obligations under the Paris and Berne Conventions, respectively, and in respect of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)? Such obligations include the obligation on the State to grant to nationals of other member countries the same rights as granted to South African nationals. However, the Minister may, in terms of s 28N provide that any provision of the Act may apply to a specified country. Until and unless the Minister has made such provisions applicable to all the relevant member countries, South Africa will be in breach of these international obligations.

- For more definitions see ‘*Know your jargon*’ at the end of the article.

Sections to note:

- Section 28A – The provisions of this Act shall, except as otherwise provided, insofar as they can be applied, apply to traditional works.
- Section 28B – Reference is made to *registration* of a right in respect of a derivative indigenous work (my emphasis).
- Section 28C – Provision is made for databases to be kept in the offices of the registrars of *patents*, copyright, trade marks and designs for indigenous knowledge as part of existing intellectual property registers, where applicable (my emphasis).
- Section 28D – An indigenous community is deemed to be a juristic person.
- Section 28E – The nature of copyright in traditional works, and hence the infringing acts, are set out in this section (and are otherwise as set out in the Copyright Act before its amendment), subject to any rights in respect of the traditional work acquired by any person prior to the commencement of this Act.
- Section 28F – The term of copyright, for a derivative indigenous work, shall be 50 years from the end of the year in which the work was first communicated to the public with the consent of the author, or the date of the death of the author or all authors concerned, whichever term expires last. The term of copyright for an indigenous work shall be in perpetuity (as will the term of copyright for any work vesting in the state in terms of the provisions of this Act).
- Section 28G – Any person who intends to acquire rights in respect of an indigenous work (corresponding to the acts listed in s 28E) must comply with s 28B(4) and conclude a benefit-sharing agreement with the indigenous community. This section also lists acts that are considered not to be acts of infringement, namely use without obtaining prior consent of the copyright owner, if it is for the purpose of –
 - ‘(a) private study or private use;
 - (b) professional criticism or review;
 - (c) reporting on current events;
 - (d) education;
 - (e) scientific research;
 - (f) legal proceedings; or
 - (g) the making of recordings and other reproductions of indigenous cultural expressions or knowledge for purposes of their inclusion in an archive, inventory, dissemination, for non-commercial cultural heritage safeguarding purposes and incidental uses: Provided that only such excerpts or portions as reasonably required are used and that the copyright owner’s name is acknowledged’.
- Section 28I – A National Trust for Indigenous Knowledge is established that shall establish a National Trust Fund for Indigenous Knowledge. The trust shall be responsible for the promotion and preservation of indigenous cultural expressions and knowledge including awareness and training thereof, as well as commercialisation and exploitation.
- Section 28J – Copyright shall not be transmissible by assignment, testamentary disposition or operation of law; except in certain limited circumstances.
- Section 28K – The CIPC shall accredit institutions to adjudicate disputes arising from this Act in the first instance, and such adjudications shall take into account existing customary dispute resolution mechanisms. An appeal to the High Court shall be possible in respect of a decision arising from such adjudication (as if it were a decision of a single judge).
- Section 28L – The Minister of Trade and Industry shall establish a National Council for Indigenous Knowledge, *inter alia*, to advise him or her on any matter concerning indigenous cultural expressions or knowledge; and to advise the Registrars of Patents, Copyright, Trade Marks and Designs on any related matter.
- Section 28N – The Minister shall have the power to comply with international agreements, by notice in the *Government Gazette* to provide that any provisions of this Act may apply to a specified country either in a general or a limited manner.
- Section 39A – The Minister shall have the power to provide so-called guidelines on any aspect of the IPLAA. He or she already has the power to provide regulations under these (four) IP Acts.

The ownership of copyright in respect of a derivative indigenous work shall vest in the author, while ownership of copyright in respect of an indigenous work shall vest in the relevant indigenous community(-ies). However, in certain circumstances, it may vest in the national trust to be administered for the benefit of the relevant indigenous community(-ies).

Amendments to the Trade Marks Act

Notable definitions are: 'Indigenous community' and 'indigenous cultural expressions or knowledge' that have the identical definitions as set out in the Copyright Act.

“Indigenous term or expression” means a literary, artistic or musical term or expression with an indigenous or traditional origin and a traditional character, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which is regarded as part of the heritage of the community’.

“Derivative indigenous term or expression” means any term or expression forming the subject of this Act, applied to any form of indigenous term or expression, recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous term or expression was derived before or after the commencement of this Act’.

“Traditional term or expression’ includes an indigenous term or expression and a derivative term or expression’ (these latter three definitions are *pari passu* parallel with the corresponding definitions set out above in the Copyright Act).

- For other definitions see ‘*Know your jargon*’ at the end of the article.

Sections to note are:

- Section 43B(1) – A traditional term or expression shall be capable of constituting a certification mark or a collective trade mark, or a geographical indication.
- Section 43B(3) – In order to be registrable as a certification or collective trade mark, a traditional term or expression must meet the ‘capable of distinguishing’ criterion.
- Section 43B(8) – A traditional term or expression or geographical indication shall be registrable only
 - (a) if it is a derivative indigenous term of expression or geographical indication and it was created on or after the commencement of this Act; or
 - (b) the traditional term or expression or geographical indication was passed down from a previous generation.
- Section 43E – The term of protection of derivative indigenous terms or expression and geographical indications shall be ten years (renewable); and for an indigenous term or expression and geographical indications shall be in perpetuity.

Amendments to the Designs Act

Notable definitions are: ‘Community protocol’ – see the definition set out above in the Copyright Act – here it refers to indigenous cultural expressions or knowledge and indigenous designs. “Indigenous community” is identical to the definition set out above in the Copyright Act. ‘Indigenous design’ means an aesthetic or functional design with an indigenous or traditional origin and a traditional character, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which design is regarded as part of the heritage of the community’.

“Derivative indigenous design” means any aesthetic or functional design forming the subject of this Act, applied to any form of indigenous design recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous design was derived before or after the commencement of this Act’.

‘Traditional design’ definition (these latter three definitions are *pari passu* parallel with the corresponding definitions set out above in the Copyright Act).

Sections to note include the following:

- Section 53B(3) – No right in respect of a derivative indigenous term or expression or knowledge, or a derivative indigenous design, shall be eligible for registration unless prior informed consent has been obtained from the relevant authority or indigenous community, disclosure of the relevant term or expression has been made to the Commission, and a benefit-sharing agreement has been concluded.
- Section 53B(2) – A derivative indigenous design shall be registrable if it is new, namely, if it does not form part of the state of the art. However, if it is subject to a release date, application for registration needs to be made within two years of the release date.
- Section 53E – The maximum term of protection of an aesthetic derivative indigenous design shall be 15 years and for a functional derivative indigenous design the term of protection shall be ten years. The term of protection of an indigenous design shall be in perpetuity.

Concluding remarks

South Africa has taken a bold and complex step in a particular direction that has been strongly opposed by the majority of IP attorneys and jurists in South Africa. It will be difficult to implement the provisions of the Act and such implementations will come at considerable cost to the taxpayer and to indigenous communities.

Whether such a complex Act is required will continue to puzzle attorneys and jurists for years to come especially when practitioners and the courts have to grapple with its provisions and its new forms of IP. Whether indigenous communities will use the provisions of the Act to a large extent is also a question. One view is that no amendment whatsoever of any IP Act was required for indigenous communities to protect and commercialise their TK/TCEs.

It is a pity that the Government, after much debate and argument, has seen fit to stay with its IP law-based approach in protecting TCEs, in effect creating new forms of IP that may not be readily recognised by the courts especially when it comes to enforcement of these rights (or in opposition/validity litigation). In addition, South Africa has decided to provide relatively short terms of protection for so-called derivative indigenous works, terms or designs – as opposed to the longer terms that *sui generis* legislation could provide instead of the IP law-based approach. Substantively and procedurally some of the aspects or steps taken by the government in bringing this Act into law may be challenged constitutionally. This would be embarrassing – to say the least – after all the submissions and warnings in response to the IPLAB.

The question finally is whether South Africa would be prepared in future to step away from the Act if it proves unworkable or unsuccessful; and whether it will be prepared, in principle, to follow a *sui generis* legal approach in years to come?

The entire book on this topic has yet to be written. It is understood that the Department of Science and Technology is engaged in preparing *sui generis* legislation for protecting TK, no doubt in respect of the technology aspects.

It remains to be seen where South Africa will be heading in this legal field, and how the application of the Act will unfold. It is to be hoped that *sui generis* legislation in respect of TCEs may yet be a possibility.

- See also 2014 (June) DR 23.

Know your jargon – definitions pertaining to the Copyright Act

- “Community protocol” means a protocol developed by an indigenous community that describes the structure of the indigenous community and its claims to indigenous cultural expressions or knowledge and indigenous works, and provides procedures for prospective users of such indigenous cultural expressions or knowledge or indigenous works, to seek the community’s prior informed consent, negotiate mutually agreed terms and benefit-sharing agreements’. This definition also appears in the amended Trade Marks Act and the amended Designs Act.

- “Indigenous cultural expressions or knowledge” means any form, tangible or intangible, or a combination thereof, in which traditional culture and knowledge are embodied, passed on between generations, and tangible or intangible forms of creativity of indigenous communities, including, but not limited to –

- (a) phonetic or verbal expressions, such as stories, epics, legends, poetry, riddles and other narratives, words, signs, names or symbols;

- (b) musical or sound expressions, such as songs, rhythms, or instrumental music, the sounds which are the expressions of rituals;

- (c) expressions by actions, such as dances, plays, ceremonies, rituals, expressions of spirituality or religion, sports, traditional games, puppet performances, and other performances, whether fixed or unfixed; or

- (d) tangible expressions, such as material expression of art, handicrafts, architecture, or tangible spiritual forms, or expressions of sacred places’.

This definition also appears in the amended Trade Marks Act and the amended Designs Act.

- “Indigenous work” means a literary, artistic or musical work with an indigenous or traditional origin, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which literary, artistic or musical work is regarded as part of the heritage of such indigenous community’.

- “Derivative indigenous work” means any work forming the subject of this Act, applied to any form of indigenous work recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which, was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous work was derived before or after the date of commencement of this Act’.

- ‘Traditional work’ includes an indigenous work and a derivative indigenous work.

- “Author” of an indigenous work means the indigenous community from which the work originated and acquired its traditional character’.

- **“Author” of a derivative indigenous work means the person who first made or created the work, a substantial part of which was derived from an indigenous work’.**

Definitions pertaining to the Trade Marks Act

- “Geographical indication” – In as far as it relates to indigenous cultural expressions or knowledge, means an indication that identifies goods or services as originating in the territory of the Republic or in a region or locality in that territory, and where a particular quality, reputation or other characteristic of the goods or services is attributable to geographical origin of the goods or services, including natural and human factors’.

- ‘Community protocol’ – See the definition set out above in the Copyright Act but here it refers to ‘indigenous cultural expressions or knowledge and indigenous terms or expressions or geographical indications’.

- 'Council' – Identical to the definition set out above in the Copyright Act.

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