

REPUBLIC OF SOUTH AFRICA

INTELLECTUAL PROPERTY LAWS AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of
Bill published in Government Gazette No. of) (The English text is the official text
of the Bill)*

(MINISTER OF TRADE AND INDUSTRY)

[B - 2009]

GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
- _____ Words underlined with a solid line indicate insertions in existing enactments.
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To amend the -

- **Performers' Protection Act, 1967, so as to amend certain definitions and insert new definitions; to provide for the recognition and protection of traditional performances having an indigenous origin and a traditional character; to provide for the payment of royalty in respect of such performances; and to provide for the recordal of traditional performances;**
- **Copyright Act, 1978, so as to amend certain definitions and insert new definitions; to provide for the recognition and protection of copyright works of a traditional character; to provide for the establishment of a National Council in respect of traditional intellectual property; to provide for a national database for the recordal of traditional intellectual property; and to provide for the establishment of a national trust and a trust fund in respect of traditional intellectual property;**
- **Trade Marks Act, 1993, so as to amend certain definitions and insert new definitions; to provide for further protection of geographical indications; to provide for the recognition of terms and expressions of indigenous origin**

and for the registration of such terms and expressions as trade marks; and to provide for the recordal of traditional terms and expressions;

- Designs Act, 1993, so as to amend certain definitions and insert new definitions; to provide for the recognition and registration of traditional designs of indigenous origin; to create for this purpose a further part of the designs register; and to provide for the recordal of traditional designs; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa as follows:—

Amendment of section 1 of Act 11 of 1967, as amended by section 19 of Act 38 of 1997 and section 1 of Act 8 of 2002

1. Section 1 of the Performers' Protection Act, 1967 (Act No.11 of 1967) is hereby amended—

- (a) by the insertion in subsection (1) after the definition of "**collecting society**" of the following definitions:

"**Council**" means the National Council for Traditional Performances contemplated in section 13A ;

'**database**' means the database of traditional performances contemplated in section 13B ;

'**film**' means any fixation of images, or of images and sounds, of a performance with or without other images or sounds;"

- (b) by the substitution in subsection (1) for the definition of "**fixation**" of the following definition:

" **'fixation'** includes storage of—

- (a) sounds or images or both sounds and images; or
- (b) data or signals representing sounds or images or both sounds and images,

in any manner or on any medium so as to be capable of being reproduced or performed;";

- (c) by the insertion in subsection (1) after the definition of "**fixation**" of the following definitions:

" **'fund'** means the National Trust Fund for Traditional Intellectual Property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);

'indigenous community' means the indigenous community as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);";

- (d) by the substitution in subsection (1) for the definition of "**literary and artistic works**" of the following definition:

" **'literary and artistic works'** [includes musical, dramatic and] have the meaning assigned to them in the Copyright Act, 1978 (Act No. 98 of 1978), insofar as such works are capable of being performed, and include musical, traditional and dramatico-musical works and expressions of folklore;";

- (e) by the insertion in subsection (1) after the definition of "**literary and artistic works**" of the following definition:

" **'performance'** means any mode of visual or acoustic presentation of a literary, musical, artistic or traditional work including acting, singing, delivering, declaiming, playing or otherwise performing such work, and includes any such presentation by the operation of a loudspeaker, but excluding such performance by the use of a phonogram, a radio or television

broadcast, or by the exhibition of a film, and 'perform' has a corresponding meaning;"

- (f) by the substitution in subsection (1) for the definition of "**performer**" of the following definition:

" '**performer**' means an actor, singer, musician, dancer or other person who acts, sings, delivers, declaims, plays in or otherwise performs, literary, musical, [or] artistic or traditional works;" and

- (g) by the addition in subsection (1) of the following definition:

" '**traditional performance**' means a performance which is recognised by an indigenous community as a performance having an indigenous origin and a traditional character;"

Amendment of section 6 of Act 11 of 1967

2. Section 6 of the Performers' Protection Act, 1967 (Act No. 11 of 1967) is hereby amended by the addition of the following subsection:

"(3) (a) Where the performance contemplated in subsection (2) is a traditional performance recorded in the database contemplated in section 13B and a commercial benefit is derived from such performance, a royalty shall be paid to the fund by the person or persons receiving the commercial benefit.

(b) The amount of the royalty contemplated in paragraph (a) shall be determined by agreement between the performer or performers or the person or persons receiving the commercial benefit and the fund.

(c) In the absence of agreement, amount of the royalty shall be determined by—

- (i) one or more collecting societies representing either or both of these parties;
 - (ii) the Copyright Tribunal contemplated in subsection (2); or
 - (iii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).
- (4) Any payment made in respect of traditional performances shall be paid into the fund and used for the benefit of indigenous communities in the prescribed manner."

Substitution of section 7 of Act 11 of 1967

3. The following section is hereby substituted for Section 7 of the Performers' Protection Act, 1967 (Act No.11 of 1967):

"Term of protection

7. The prohibition against the use of a performance as provided for in section 5, shall commence **[upon the day when] -**

- (a) on the date the performance first took place [,] ; or
- (b) if incorporated in a phonogram or film, when it was first fixed on such phonogram or film,

and shall continue for a period of 50 years calculated from the end of the calendar year in which the performance took place or was incorporated in a phonogram or film, as the case may be."

Insertion of sections 13A and 13B in Act 11 of 1967

4. The following sections are hereby inserted in the Performers' Protection Act, 1967 (Act No. 11 of 1967) after section 13:

"Traditional performances

13A. (1) The Council shall constitute and function as the Council for traditional performances under this Act.

(2) When a traditional performance is performance is performed by several performance as a group, as contemplated in section 6, the Council shall function as a collecting society, in the absence of another specifically designated authority.

National database

13B. (1) The database shall function as the database of traditional performances under this Act.

(2) Any indigenous community, or any person acting on behalf of an indigenous community, may submit to the Council a request, together with the appropriate information, for a traditional performance to be recorded in the database."

Amendment of section 1 of Act 98 of 1978, as amended by section 1 of Act 66 of 1983, section 1 of Act 52 of 1984, section 1 of Act 13 of 1988, section 1 of Act 125 of 1992, section 50 of Act 38 of 1997 and section 1 of Act 9 of 2002

5. Section 1 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended—

(a) by the addition to the definition of "**author**" of the following paragraph after paragraph (i):

"(j) a traditional work, means the work which originated and acquired traditional character from an indigenous community;"

(b) by the insertion in subsection (1) after the definition of "**copyright**" of the following definition:

" '**Council**' means the National Council for Traditional Intellectual Property contemplated in section 40A;"

(c) by the insertion in subsection (1) after the definition of 'country' of the following definition:

" '**database**' means the national database for traditional intellectual property contemplated in section 40C;"

(d) by the insertion in subsection (1) after the definition of "**exclusive licence**" of the following definitions:

" '**fund**' means the National Trust Fund for Traditional Intellectual Property established in terms of section 40D;

'indigenous community' means any community of people living within the borders of the Republic, or which historically lived in the geographic area located within the borders of the Republic;"

- (e) by the substitution in subsection (1) for paragraph (a) of the definition of **"infringing copy"** of the following paragraph:

"(a) a literary, musical or artistic work or a published edition or a traditional work, means a copy thereof;"

- (f) by the substitution in subsection (1) for paragraphs (a) and (b) of the definition of **"reproduction"** of the following paragraphs, respectively:

"(a) a literary or musical work or a broadcast or a traditional work, includes a reproduction in the form of a record or a cinematograph film;

(b) an artistic work or a traditional work, includes a version produced by converting the work into a three-dimensional form or, if it is three-dimensions, by converting it into a two-dimensional form;" and

- (g) by the addition in subsection (1) after the definition of **"this Act"** of the following definitions:

" **'traditional intellectual property'** means an intellectual property that has an indigenous origin and is owned or could be owned by an indigenous community as determined by the Registrar;

'traditional work' means a literary work, an artistic work or a musical work which is recognised by an indigenous community as a work having an indigenous origin and a traditional character;"

Amendment of section 2 of Act 98 of 1978, as amended by section 2 of Act 56 of 1980, section 2 of Act 52 of 1984, section 2 of Act 125 of 1992 and section 51 of Act 38 of 1997

6. Section 2 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended:

(a) by the addition in subsection (1) of the following paragraph after paragraph (i) :

"(j) traditional works.";

(b) by the substitution for subsection (2) of the following subsection:

"(2) A work, except a broadcast, programme-carrying signal or a traditional work, shall not be eligible for copyright unless the work has been written down, recorded, represented in digital data or signals or otherwise reduced to a material form."; and

(c) by the insertion after subsection (2A) of the following subsection:

"(2B) 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 communicated to the public.".

Amendment of section 3 of Act 98 of 1978, as amended by section 3 of Act 52 of 1984, section 3 of Act 125 of 1992 and section 52 of Act 38 of 1997

7. Section 3 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended—

(a) by the insertion after subsection (1) of the following subsection:

"(1A) Copyright shall be conferred on a traditional work if:

(a) the work was created—

(i) on or after the date of commencement of the Intellectual

Property Laws Amendment Act, 2008; or

(ii) within a period of 50 years preceding the date contemplated in

subparagraph (i); and

(b) the community from which the work or a substantial part thereof

originated is or was an indigenous community when the work was

created."; and

(b) by the addition in subsection (2) of the following paragraph:

"(g) traditional works, 50 years from the end of the year in which—

(i) the Intellectual Property Laws Amendment Act, 2008 came into

operation; or

(ii) the work was first communicated to the public with the consent

of the authors,

whichever term expires last."

Amendment of section 9A of Act 98 of 1978

8. Section 9A of the Copyright Act, 1978 (Act 98 of 1978) is hereby amended by the substitution in subsection (1) for paragraph (b) of the following paragraph:

"(b) The amount of any royalty contemplated in paragraph (a) shall be determined by an agreement between—

- (i) the user of the sound recording, the performer and the owner of the copyright;
- (ii) the user of literary works and the author of the copyright;
- (iii) the user of artistic works and the author of the copyright;
- (iv) the user of cinematographic films and the author of the copyright;
- (v) the user of broadcasts and the author of the copyright;
- (vi) the user of programme-carrying signals and the author of present copyright;
- (vii) the user of published editions, the author of the work, and the publisher of the work;
- (viii) the user of computer programs and the owner of the computer programs;
and
- (ix) the user of traditional works and the owner of the traditional work,
or between their representative collecting societies."

Insertion of section 11C in Act 98 of 1978

9. The following section is hereby inserted in the Copyright Act, 1978 (Act No. 98 of 1978) after section 11B:

"Nature of copyright in traditional works

11C. (1) Copyright in a traditional work vests the exclusive right to do or to authorise the doing of any of the following acts in the Republic:

- (a) reproducing the work in any manner or form;
- (b) publishing the work if it was hitherto unpublished;
- (c) in the case of a work of a literary or musical nature, performing the work in public and broadcasting the work;
- (d) in the case of a work of a musical or artistic nature, or a literary work in the form of a dramatic work, including the work in a cinematograph film or a television broadcast;
- (e) causing the work, or a television or other programme which incorporates the work, to be transmitted in a diffusion service, unless such service transmits a lawful broadcast including the work and is operated by the original broadcaster;
- (f) making an adaptation of the work; and
- (g) doing in relation to an adaptation of the work, any of the acts specified in paragraphs (a) to (g).

(2) The exclusive right vested under subsection (1) shall be exercised subject to—

- (a) any rights in respect of the traditional work acquired by any person prior to the commencement of the Intellectual Property Laws Amendment Act, 2008;
- and
- (b) the rights of an indigenous community or any one of its members."

Insertion of section 19C in Act 98 of 1978

10. The following section is hereby inserted in the Copyright Act, 1978 (Act No. 98 of 1978) after section 19B:

"General exceptions regarding protection of traditional works

19C. (1) Sections 12(1), (2), (3), (4), (5), (9), (11), (12) and (13) shall, with the necessary changes, apply with reference to traditional works, in so far as they can be applied to the specific work.

(2) The indigenous community from which the work originated, or any of its members, shall be entitled to perform any of the acts referred to in section 11C.

(3) If any commercial benefit is derived from any act contemplated in subsection (2), the person or persons who derived such benefit shall pay a royalty to the fund as the owner of the copyright.

(4) The amount of the royalty contemplated in subsection (3) shall be determined—

(a) by agreement between the community or person as the user of the traditional work and the fund as the owner of the copyright;

(b) by one or more collecting societies representing either or both of these parties; or

(c) in the absence of agreement by—

(i) the Copyright Tribunal referred to in section 29(1); or

(ii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).".

Amendment of section 21 of Act 98 of 1978, as amended by section 9 of Act 56 of 1980

11. Section 21 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended by the addition in subsection (1) of the following paragraph:

"(f) If the work is a traditional work, the ownership of any copyright conferred by section 3, shall vest in the fund."

Amendment of section 22 of Act 98 of 1978

12. Section 22 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended by the insertion after subsection (2) of the following subsection:

"(2A) The copyright in a traditional work shall not be transmissible by assignment, testamentary disposition or operation of law, but the commission of an act which is the subject of the copyright may be licensed."

Amendment of section 23 of Act 98 of 1978, as amended by section 20 of Act 125 of 1992

13. Section 23 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended by the addition of the following subsection:

"(5) (a) The copyright in a traditional work shall not be infringed by the doing of any acts referred to in section 11C by the indigenous community"

from which a traditional work originated, or by any one of its members, in the circumstances contemplated in section 19C(2) and (3).

(b) The copyright in a traditional work shall not be infringed by a person if that person –

(i) has acquired rights in respect of that work by doing any of the acts referred to in section 11C prior to the commencement of the Intellectual Property Laws Amendment Act, 2007; and

(ii) continues to commit such act or acts:

Provided that, if any commercial benefit is derived from any such act, a royalty shall be paid by that person to the trust as the owner of the copyright in respect of such continued act or acts.

(c) The amount of the royalty contemplated in paragraph (b) shall be determined:

(i) by agreement between the person as the user of the traditional work and the trust as the owner of the copyright;

(ii) by one or more collecting societies representing either or both of these parties; or

(iii) in the absence of agreement, by:

(aa) the Copyright Tribunal referred to in section 29(1); or

(bb) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).".

Amendment of section 39 of Act 98 of 1978, as amended by section 4 of Act 9 of 2002

14. Section 39 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended by the substitution for paragraph (c) of the following paragraph:

"(c) in consultation with the Minister of Finance, prescribing the remuneration and allowances of members of the advisory committee referred to in section 40, the Council, and of **[its]** their subcommittees, and the conditions upon which such members shall be appointed; and "

Amendment of section 40 of Act, 98 of 1978, as amended by section 4 of Act 61 of 1989

15. Section 40 of the Copyright Act, 1978 (Act No. 98 of 1978) is hereby amended by the substitution for subsection (6) of the following subsection:

"(6) The registrar shall be responsible for the administration of the advisory committee, the Council, and **[the]** their subcommittees."

Insertion of sections 40A, 40B, 40C and 40D in Act 98 of 1978

16. The following sections are hereby inserted in the Copyright Act, 1978 (Act No. 98 of 1978) after section 40:

"National Council for Traditional Intellectual Property

40A. (1) The Minister shall establish a National Council for Traditional Intellectual Property.

(2) The Council shall consist of not more than 12 members, appointed by the Minister.

(3) The Minister shall designate one of the members of the Council as the Chairperson of the Council.

(4) In appointing the members of the Council, the Minister may consult—

(a) the ministers responsible for—

(i) agriculture;

(ii) arts and culture;

(iii) environmental affairs; and

(iv) science and technology;

(b) organised local government;

(c) association of traditional healers; or

(d) any other relevant body or institution.

(5) The Council shall—

(a) be broadly representative of the different cultures within the Republic; and

(b) at all times have as members—

(i) at least two persons with extensive knowledge in and patronage of traditional cultures and values of indigenous communities;

(ii) at least two persons with extensive knowledge in and patronage of traditional artistic, literary, musical and performing arts; and

(iii) at least two persons with extensive knowledge and expertise in intellectual property law;

(6) A member of the Council shall hold office for a period of three years and may be reappointed, upon the expiry of that period, for a further period of three years.

(7) For the sake of continuity, at least five members of the Council shall at all times, be reappointed members of the Council.

(8) The Minister may, subject to the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) remove a member of the Council for –

(a) non-performance;

(b) serious misconduct; or

(c) conduct that undermines the integrity or objective of the Council.

Functions of Council

40B. (1) The Council shall—

(a) advise the Minister on any matter concerning traditional knowledge relating to copyright ;

(b) advise the registrars of patents, copyright, trade marks, traditional terms and expressions, and designs on any matter relating to the registration of intellectual property as against traditional knowledge;

(c) advise the Minister on matters relating to traditional performances;

(d) advise on the integrity of a database of intellectual property in relation to traditional knowledge relating to copyright;

(e) perform such further functions as provided for in the:

(i) Patents Act, 1978 (Act No. 57 of 1978);

(ii) Trade Marks Act, 1993 (Act No. 194 of 1993);

(iii) Designs Act, 1993 (Act No. 195 of 1993); and

(iv) Performers' Protection Act, 1967 (Act No. 11 of 1967); and

(f) carry out such tasks as assigned to it from time to time by the Minister.

(2) The Council may—

(a) appoint any person to assist the Council with the performance of any specific act, task or assignment, or to investigate any matter relating to its functions;

(b) constitute and maintain such committees as it may deem necessary;

(c) appoint as members of the committees any of its members and any other persons for such periods of time as the council may determine; or

(d) refer to such committees any tasks or matters as may be necessary to enable the Council to carry out its functions.

(3) The Minister may, in consultation with the Minister of Finance, prescribe the tariff of fees payable for—

(a) any work performed or services rendered by any person at the specific request or instruction of the Council;

(b) access by any person to the results of, or other information in connection with any research performed or information collected by the Council; or

(c) access by any person to the database contemplated in section 40C.

(4) The Council may recommend to the Minister appropriate measures to ensure the effective implementation of the Act in relation to all matters pertaining to traditional knowledge relating to copyright.

National database

40C. (1) There shall be kept at the offices of the registrars of patents, copyright, trade marks and designs, a database for traditional intellectual property in the prescribed manner.

(2) All information regarding—

- (a) traditional innovations;
- (b) traditional copyright works;
- (c) traditional terms and expressions;
- (d) traditional designs; and
- (e) traditional performances.

shall be recorded in the database in the prescribed manner.

(3) The database may be kept in an electronic format, and shall be open for inspection by the public during office hours, upon payment of the prescribed fee.

(4) The registrars of patents, copyright, trade marks and designs may request any person, institution, body or agency to provide them with such information as they may require in order to maintain the database.

(5) Any—

- (a) indigenous community;
- (b) person acting on behalf of an indigenous community; or

(c) other person, institution, body or agency,
may submit to the registrar of copyright a request together with the appropriate
information for a traditional copyright work to be recorded in the database.

National Trust Fund for Traditional Intellectual Property

40D. (1) There is hereby established a fund to be known as the National
Trust Fund for Traditional Intellectual Property.

(2) The fund shall be made up of separate sub-funds which shall
vest in and be administered by the registrars of patents, copyright, trade marks and
designs, respectively.

(3) The registrars of patents, copyright, trade marks and designs
shall be responsible for the promotion and preservation of the traditional intellectual
property, including the commercialisation and exploitation of such traditional
intellectual property for the purpose of generating income.

(4) Income derived from the use of the such traditional intellectual
property, including all royalties payable to the fund as provided for in –

(a) this Act; and

(b) the legislation referred to in section 40B(1)(d), shall be paid into the fund, to
be applied for the benefit of indigenous communities, in the prescribed
manner.

(5) All monies paid into the fund shall be allocated to the
respective sub-funds to be held in trust for the purposes contemplated in
subsection (3).

(6) The registrars of patents, copyright, trade marks and designs shall submit an annual report to the Minister in respect of the administration of the fund.

(7) Notwithstanding the provisions of this section, any indigenous community may establish a legal entity, business or any other enterprise to promote or exploit traditional intellectual property."

Amendment of section 1 of Act 194 of 1993, as amended by section 65 of Act 38 of 1997

17. Section 1 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the insertion after the heading "**Part XII Certification Trade Marks and Collective Trade Marks section 42 and 43**)" of the following heading:

"Part XIIA

Council, database and fund for traditional terms and expressions (sections 43A to 43C)"

Amendment of section 2 of Act 194 of 1993

18. Section 2 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended—

(a) by the insertion in subsection (1) after the definition of "**certification trade mark**" of the following definition:

" 'collecting society' means a collecting society established under the Copyright Act, 1978 (Act No. 98 of 1978);

- (b) by the insertion in subsection (1) after the definition of '**convention country**' of the following definition:

" '**Council**' means the National Council for Traditional Intellectual Property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);

- (c) by the insertion in subsection (1) after the definition of 'court' of the following definition:

" '**database**' means the national database for traditional intellectual property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);"

- (d) by the insertion in subsection (1) after the definition of 'device' of the following definitions:

" '**fund**' means the National Trust Fund for Traditional Intellectual Property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978) ;

'**geographical indication**' means an indication which identifies goods 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 is essentially attributable to the geographical origin of the goods, including natural and human factors;

'**indigenous community**' means the indigenous community as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978) ;"

- (e) by the insertion in subsection (1) after the definition of "**trade mark**" of the following definition:

" '**traditional term or expression**' means a term or expression which is recognised by an indigenous community as a term or expression having an indigenous origin and a traditional character and which is used to designate, describe or refer to goods or services;"

(f) by the addition of the following subsections:

"(5) Subject to subsection (6) and section 9(3) and subject to any rights in respect of a traditional term or expression acquired by any person prior to the commencement of the Intellectual Property Laws Amendment Act, 2008, a traditional term or expression shall not be capable of constituting a trade mark.

(6) A traditional term or expression shall be capable of constituting—

(a) a certification trade mark or a collective trade mark; and

(b) a geographical indication."

Amendment of section 9 of Act 194 of 1993

19. Section 9 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the addition of the following subsection:

"(3) (a) In order to be registrable as a certification trade mark or collective trade mark, a traditional term or expression shall be capable of distinguishing the goods or services of an indigenous community in respect of which it is registered or proposed to be registered, from the goods or services of another community or person, either generally or where the traditional term or expression is registered or proposed to be registered subject to limitations, in relation to use within those limitations.

(b) The applicant for registration and the registered proprietor shall be the indigenous community or a person or body authorised to act on its behalf."

Amendment of section 10 of Act 194 of 1993, as amended by section 59 of Act 38 of 1997

20. Section 10 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended—

(a) by the substitution in subsection (2), for paragraph (b) of the following paragraph:

"(b) subject to sections 42 and 43, consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographic origin or other characteristics of the goods or services, or mode or time of production of the goods or of rendering of the services; or; and

(b) by the addition in subsection (2) of the following paragraph after paragraph (c):

"(d) subject to section 9(3), consists exclusively of a traditional term or expression and which in the *bona fide* and established practices of the trade has become indicative of or is generally associated with the goods or services in respect of which the mark is sought to be registered."

Amendment of section 16 of Act 194 of 1993

21. Section 16 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended:

(a) by the insertion of the following subsection after subsection (2):

"(2A) (a) If it appears to the registrar that the mark sought to be registered—

(i) consists exclusively of, or an essential part thereof constitutes, a traditional term or expression as contemplated in section 10(2)(d);

and

(ii) is not registrable in terms of section 9(3), 42 or 43,

he or she shall provisionally refuse the application and refer the application to the Council for its advice.

(b) The Council shall consider such application and advise the registrar within three months of receipt of the referral whether or not, in its opinion, the mark can be registered.

(c) Upon receipt of the advice of the Council, the registrar shall accept or refuse the application.";

(b) by the substitution for subsection (3) of the following subsection:

"(3) The registrar shall advise an applicant for registration in writing within a reasonable period from the date of the application of his or her decision in terms of subsection (2) or subsection (2A).";

(c) by the substitution for subsection (4) of the following subsection:

"(4) In the case of—

(a) an acceptance in terms of section (2)(b); [or]

(b) a refusal in terms of subsection (2)(d); or

(c) a provisional refusal or refusal in terms of subsection (2A),

the registrar shall, on application by the applicant in the prescribed manner, state in writing the grounds for his or her decision."; and

(d) by the insertion after subsection (4) of the following subsection:

"(4A) (a) In the case of an acceptance of a traditional term or expression for registration as a certification trade mark or collective trade mark, the registrar shall notify the Council in the prescribed manner.

(b) In the case of an acceptance of a geographical indication as—

(i) a certification trade mark in terms of section 42; or

(ii) a collective trade mark in terms of section 43,

the registrar shall notify the Director-General for the Department of Agriculture in the prescribed manner."

Amendment of section 34 of Act 194 of 1993, as amended by section 64 of Act 38 of 1997

22. Section 34 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the insertion after subsection (2) of the following subsections:

"(2A) Notwithstanding the provisions of subsection (1), the registered proprietor of a trade mark registered in terms of section 9(3) in respect of a traditional term or expression shall not be entitled to interfere with or restrain a person who—

(a) commenced using a mark in the course of trade in the manner contemplated in subsection (1) at a date prior to the commencement of the Intellectual Property Laws Amendment Act, 2008, and has continued to make *bona fide* use of such mark: Provided that if any commercial benefit is derived from any such use after the date of registration of the trade mark in terms of

section 9(3), a licence fee shall be paid by such person to the trust as provided for in subsection (2B);

(b) is a member of the indigenous community in whose name the trade mark was registered and uses a mark in the course of trade in the manner contemplated in subsection (1): Provided that if any commercial benefit is derived from any such use after the date of registration of the trade mark, a licence fee shall be paid by such person to the fund as provided for in subsection (2B).

(2B) The amount of the licence fee contemplated in subsection (2A) shall be determined—

(a) by agreement between the person who is the user of the mark and the fund;

or

(b) by one or more collecting societies representing either or both of these parties; or

(c) in the absence of agreement, by—

(i) the court; or

(ii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).

(2C) All monies payable in respect of the use of traditional terms and expressions registered under this Act shall be paid into the fund and shall be used for the benefit of indigenous communities, in the prescribed manner."

Amendment of section 42 of Act 194 of 1993

23. Section 42 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the insertion after subsection (1) of the following subsection:

"(1A) Geographical indications or other indications of geographical origin may be registered as certification marks."

Amendment of section 43 of Act 194 of 1993

24. Section 43 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the substitution for subsection (2) of the following section:

"(2) Geographical [names] indications or other indications of geographical origin may be registered as collective trade marks."

Insertion of Part XIIA in Act 194 of 1993

25. The following Part is hereby inserted in the Trade Marks Act, 1993 (Act No. 194 of 1993) after Part XII:

"Part XIIA

Council, database and fund for traditional terms and expressions

Traditional terms and expressions

43A. The Council must advise on the registration of traditional terms and expressions under this Act.

National database

43B. (1) The database shall function as the database of traditional terms and expressions under this Act.

(2) Traditional terms and expressions -

(a) contained in applications referred to the Council in terms of section 16(2A),

and

(b) accepted in terms of section 16(4A),

shall be recorded in the database.

(3) Any—

(a) indigenous community; or

(b) person or body authorised to act on behalf of an indigenous community,

may submit to the Council a request together with the appropriate information for a traditional term or expression to be recorded on the database.

(4) Section 22(4) shall apply, with necessary changes, in relation to a database for traditional terms and expressions.”.

Amendment of section 69 of Act 194 of 1993

26. Section 69 of the Trade Marks Act, 1993 (Act No. 194 of 1993) is hereby amended by the insertion after subsection (1) of the following subsection:

“(1A) The Minister may, in consultation with the Minister of Finance, make regulations providing for the establishment, composition, funding and functions of collecting societies contemplated in section 34 (2B), and any other

matter that it may be necessary or expedient to regulate for the proper functioning of such societies."

Amendment of section 1 of Act 195 of 1993, as amended by section 69 of act 38 of 1997

27. Section 1 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended—

- (a) by the insertion in subsection (1) after the definition of "**cessionary**" of the following definition:

" '**collecting society**' means a collecting society established under the Copyright Act, 1978 (Act No. 98 of 1978);"

- (b) by the insertion in subsection (1) after the definition of "**convention country**" of the following definition:

" '**Council**' means the National Council for Traditional Intellectual Property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);"

- (c) by the insertion in subsection (1) after the definition of "**court**" of the following definition:

" '**database**' means the national database for traditional intellectual property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);"

- (d) by the substitution for the definition of "**design**" of the following definition:

" '**design**' means an aesthetic design [or], a functional design or a traditional design;"

- (e) by the insertion in subsection (1) after the definition of "**functional design**" of the following definitions:

" 'fund' means the National Trust Fund for Traditional Intellectual Property as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);

'indigenous community' means the indigenous community as defined in section 1 of the Copyright Act, 1978 (Act No. 98 of 1978);"

(f) by the addition in the definition of "**proprietor**" of the following paragraph:

"(e) where the design is a traditional design, the indigenous community from which the design originated."; and

(g) by the insertion in subsection (1) after the definition of "**this Act**" of the following definition:

" 'traditional design' means any design –

(a) applied to any article, by whatever means it is applied whether for the pattern, shape, configuration or ornamentation thereof; or

(b) made for any two or more of the purposes contemplated in paragraph (a),

and whether or not such design has features which are necessitated by the function which the article to which the design is applied is to perform, which design is recognised by an indigenous community as having an indigenous origin and a traditional character;".

Amendment of section 2 of Act 195 of 1993

28. Section 2 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended by the addition to subsection (1) of the following proviso:

"and provided further that a traditional design shall not be revoked unless the Council has been served as contemplated in section 31(2A)."

Amendment of section 7 of Act 195 of 1993

29. Section 7 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended by the substitution for subsection (5) of the following subsection:

"(5) The register shall consist of a Part A with regard to aesthetic designs **[and]**, a Part F with regard to functional designs and a Part T with regard to traditional designs.".

Amendment of section 14 of Act 195 of 1993, as amended by section 70 of Act 38 of 1997

30. Section 14 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended—

(a) by the insertion in subsection (1) of the following paragraph after paragraph (b):

"(c) in the case of a traditional design, is—

(i) new; and

(ii) has features which are based on or derived from the designs of an indigenous community and which have a traditional character."

(b) by the substitution in subsection (2) for paragraph (b) of the following paragraph:

"(b) in the case of any other design excluding a traditional design, within six months,"; and

(c) by the insertion after subsection (2) of the following subsection:

"(2A) A traditional design shall be deemed to be new if it is different from or does not form part of the state of the art immediately before:
(a) the date of application for registration thereof; or
(b) the release date thereof,
whichever is the earlier: Provided that in the case of the release date being a date—
(i) within a period of 10 years preceding the date of commencement of the Intellectual Property Laws Amendment Act, 2008, the application for the registration of the design is lodged within two years after the said commencement date; or
(ii) after the date of commencement of the Intellectual Property Laws Amendment Act, 2008, the application for the registration of the design is lodged within two years of such release date."

Amendment of section 15 of Act 195 of 1993, as amended by section 71 of Act 38 of 1997

31. Section 15 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) The registrar shall examine in the prescribed manner any application for the registration of a design and, if it complies with the requirements of this Act, register the design in Part A of the register if it is an aesthetic design [or], in Part F of the register if it is a functional design or in Part T if it is a traditional design."

(b) by the insertion after subsection (1) of the following subsections:

"(1A) In the case of a traditional design, the registrar shall refer the application to the Council for advice, if the registrar is in doubt as to whether or not the application complies with the requirements of the Act.

(1B) The Council shall consider such application and give advice to the registrar within three months of the referral whether or not, in its opinion, the design can be registered.

(1C) Upon receipt of the advice of the Council, the registrar shall either—

(a) register the design in Part T of the register if it is found to comply with the requirements of the Act, or

(b) refuse the application.

(1D) In the case of the design being registered as contemplated in subsection (1C), the registrar shall notify the Council."

(c) by the addition in subsection (3) of the following proviso :

"Provided that a traditional design may be registered only in Part T of the register."

Amendment of section 22 of Act 195 of 1993

32. Section 22 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended by the insertion after subsection (1) of the following subsection:

"(1A) The duration of the registration of—

(a) a traditional design registered in terms of section 14(2A)(a) shall be ten years from the date of commencement of the Intellectual Property Laws Amendment Act, 2006;

(b) a traditional design registered in terms of section 14(2A)(b) shall be fifteen years from the date of registration or from the release date, whichever date is earlier,

subject to the payment of the prescribed renewal fee."

Amendment of section 31 of Act 195 of 1993

33. Section 31 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended by the insertion after subsection (2) of the following subsection:

"(2A) In the case of a traditional design, an application for the revocation of a traditional design shall also be served on the Council in the prescribed manner.

(2B) If the Council is served with an application for the revocation of a traditional design as contemplated in section 2(1) and subsection (2A), the Council shall notify the registrar within the prescribed period whether it intends to contest the revocation."

Amendment of section 35 of Act 195 of 1993, as amended by section 38 of 1997

34. Section 35 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended by the addition of the following subsections after subsection (12) :

"(13) Notwithstanding subsections (9) and (10), the registered proprietor of a traditional design shall not be entitled to interfere with or restrain a person –

(a) who commenced making, importing, using or disposing of any articles included in the class in which the traditional design is registered and embodying -

(i) the registered traditional design; or

(ii) a design not substantially different from the registered traditional design,

within the period of 10 years of the date of application for registration,

provided that if any commercial benefit is derived from any such act after the date of registration of the traditional design, a royalty shall be paid by such person to the trust as provided for in subsection (14);

(b) who is a member of the indigenous community from which the traditional design originated by doing any of the acts contemplated in paragraph (a):
Provided that if any commercial benefit is derived from any such acts after the date of registration of the traditional design, a royalty shall be paid by such person to the trust as provided for in subsection (14).

(14) The amount of royalty contemplated in subsection (13) shall be determined—

(a) by agreement between the person who is the user of the traditional design and the fund; or

(b) by one or more collecting societies representing either or both of these parties; or

(c) in the absence of agreement, by:

(i) the court; or

(ii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).

(15) All monies payable in respect of the use of traditional designs shall be paid into the fund and shall be used for the benefit of traditional communities in the prescribed manner."

Insertion of sections 38A and 38B in Act 195 of 1993

35. The following sections are hereby inserted in the Designs Act, 1993 (Act No. 195 of 1993) after section 38:

"Traditional designs

38A. The Council shall advise on matters relating to traditional designs under this Act.

National database

38B. (1) The database shall function as the database of traditional designs under this Act.

(2) Traditional designs contained in applications referred to the Council in terms of section 15(1A) shall be recorded in the database.

(3) Any:

(a) indigenous community; or

(b) person or body acting on behalf of an indigenous community.

may submit to the Council a request together with the appropriate information for a traditional design to be recorded in the database.

(4) Section 8 shall apply, with necessary changes, in relation to the database for traditional designs."

Amendment of section 54 of Act 195 of 1993

36. Section 54 of the Designs Act, 1993 (Act No. 195 of 1993) is hereby amended—

(a) by the substitution for paragraph (a) of the following paragraph—

"(a) with the concurrence of the Minister of **[State Expenditure]** Finance, prescribing the matters in respect of which fees shall be payable, and the tariff of such fees;" and

(b) by the insertion after paragraph (a) of the following paragraph:

"(aa) with the concurrence of the Minister of Finance, providing for the establishment, composition, funding and functions of collecting societies contemplated in section 35(14), and any other matter that may be necessary or expedient to regulate for the proper functioning of such societies;".

Short title and commencement

37. This Act is called the Intellectual Property Laws Amendment Act, 2009 and comes into operation on the date fixed by the President by proclamation in the *Gazette*.

MEMORANDUM ON THE OBJECTS OF THE INTELLECTUAL PROPERTY LAWS AMENDMENT BILL, 2009

1. BACKGROUND

1.1 The Republic of South Africa has a number of pieces of primary legislation that provide for the definition, protection and enforcement of intellectual property (IP). These are—

- (a) Patents Act, 1978 (Act No. 57 of 1978);
- (b) Copyright Act, 1978 (Act No. 98 of 1978);
- (c) Trade Marks Act, 1993 (Act No. 194 of 1993);
- (d) Designs Act, 1993 (Act No. 195 of 1993);
- (e) Performers' Protection Act, 1967 (Act No. 11 of 1967); and
- (f) Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977).

1.2 There are also other statutes that are relevant to IP, such as the Merchandise Marks Act, 1941 (Act No. 17 of 1941) and the Counterfeit Goods Act, 1977 (Act No. 37 of 1997). However, these statutes do not create or recognise categories of protectable IP, but rather apply to IP as recognised and protected in the primary legislation.

1.3 In 2004 Cabinet approved the adoption of the policy on Indigenous Knowledge Systems (the IKS Policy). Pursuant to the adoption of the IKS policy the Department of Trade and Industry (dti) has formulated a policy document on the commercialisation and protection of Indigenous Knowledge (IK) through the IP System. This policy seeks to

recognise and protect IK as a form of IP, and to enable and promote the commercial exploitation of IK for the benefit of the indigenous communities from which the IK originated.

1.4 In order to create an appropriate legal framework for the recognition and protection of IK and to provide appropriate structures and mechanisms to enable the commercialisation of IK, it was considered appropriate to create an interface of IK with the current IP legislative dispensation and to integrate the protection of IK into the current IP protection laws of the Republic.

1.5 The draft Intellectual Property Laws Amendment Bill, 2009 (the Bill) seeks to implement the dti policy by introducing appropriate amendments into the primary IP statutes, excluding the Patents Act, 1978.

1.6 The Patents Amendment Act, 2005 (Act No. 20 of 2005) already gives recognition to indigenous knowledge and use within the context of the protection of indigenous genetic and biological resources as contemplated in the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004). The Patents Amendment Act, 2005 compliments the Biodiversity Act, 2004. There may be a need to effect consequential amendments to the Biodiversity Act, 2004 and the Plant Breeders Act, 1976 (Act No. 15 of 1976). This will be necessitated by the fact that the National Department of Agriculture (NDA), which administers the Plant Breeders Act, 1976, has not yet effected amendments to compliment the Patents Amendment Act, 2005.

2. OBJECTS OF THE BILL

2.1 The proposed amendments to the Copyright Act, 1978, the Trade Marks Act 1993, the Designs Act, 1993 and the Performers' Protection Act, 1967 intend to achieve the following objectives:

- (a) provide legislative mechanisms to protect the different species of traditional intellectual property and geographical indications;
- (b) recognise indigenous knowledge as traditional intellectual property by defining traditional knowledge systems components, in relation to—
 - (i) Copyright Act, 1978, as “traditional works”;
 - (ii) Designs Act, 1993, as “traditional designs”;
 - (iii) Performers' Protection Act, 1967, as “traditional performances”; and
 - (iv) Trade Marks Act, 1993, as “traditional terms and expressions”.
- (c) include a definition of “geographical indications” in the Trade Marks Act, 1993, to recognise and protect Geographical Indications (GI's) as indications of origin referring to qualities and characteristics of goods derived from and originating in the Republic or a region within the Republic.
- (d) establish a national council to advise the Minister and the registrars of intellectual property on traditional intellectual property; a national trust fund to facilitate the commercialisation of traditional intellectual property and the application of income generated to the benefit of indigenous communities; and a national database for traditional intellectual property to facilitate access to information regarding traditional IP;

- (e) provide for use of collecting societies in the entire copyright regime as well as in trademarks and designs regime.

2.2 The proposed legislative amendments seek to give effect to the Government's policy to recognise and afford protection to indigenous as a national heritage and asset, and to ensure that indigenous communities benefit from such recognition and protection, and from the commercialisation of this asset.

2.3 The proposed legislative amendments will also place the Republic amongst the leading countries as regards the recognition and protection of indigenous values.

3. BODIES AND ORGANISATIONS CONSULTED

The following bodies and organisations were consulted:

- Departments of Science and Technology, Foreign Affairs, Agriculture, Environmental Affairs and Tourism, Arts and Culture and Health;
- Science councils, including the Medical Research Council;
- Universities, including the Universities of Cape Town and Venda;
- Provincial Governments, including the Limpopo Department of Environment and Tourism;
- Standing Advisory Committee on Intellectual Property Rights;
- A professional reference team consisting of eminent people in the area of IP and TK;
- Traditional Leaders in KZN and North West Provinces; and
- Universities of Durban Westville, Fort Hare and North West.

4. FINANCIAL IMPLICATIONS

Additional funding will be required for the establishment of a database on traditional intellectual property and for the remuneration of members of the council, as well as the additional staff that will be required by the Companies and Intellectual Property Registration Office (CIPRO) to administer applications for traditional intellectual property. The additional funding requirements will be budgeted for by CIPRO.

5. COMMUNICATION IMPLICATIONS

The Bill will be published in the Gazette for public comment and further consultations will be held with other government departments, relevant stakeholders and any other interested persons.

6. PARLIAMENTARY PROCEDURE

6.1 The State Law Advisers and the Department of Trade and Industry are of the opinion that the Bill must be dealt with in accordance with the procedure prescribed by section 76(1) or (2) of the Constitution since it falls within a functional area listed in Schedule 4 to the Constitution, namely "Cultural matters".

6.2 The State Law Advisers are of the opinion that it is necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it contains provisions pertaining to customary law and customs of traditional communities.