



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

**Portfolio Committee on Trade and Industry
Workshop on Key Concepts of Intellectual Property-
Performers' Protection Amendment Bill**

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Cape Town**

PRESENTERS

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PURPOSE

The purpose of this presentation is for the Portfolio Committee (PC) to gain a broad understanding of Intellectual Property (IP) in all its forms.

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- **TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY AGREEMENT**
- **FORMS OF INTELLECTUAL PROPERTY**
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- **RECIPROCITY**
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- **CONCLUSION**

Introduction

- Intellectual Property (IP) is the work of the mind.
- IP is territorial.
- Since 1994, it is governed by the Trade Related Aspects of Intellectual Property (TRIPS) Agreement which is administered by the World Trade Organisation (WTO).
- The World Intellectual Property Organisation (WIPO) administers the other IP treaties.
- WIPO is a United Nations Agency, whilst the WTO is not.
- Developing countries demanded a Development Agenda at both institutions. WIPO concluded the agenda but WTO is not willing to do so.
- Developing Countries, sometimes join these treaties without conducting impact assessments of these treaties.
- Developing Countries may be promised some benefits in order to join a treaty.
- Developing countries should not legislate for TRIPS-PLUS.

TRIPS

Trade Related Aspects of Intellectual Property (TRIPS Agreement):

- A World Trade Organisation (WTO) Agreement negotiated in 1986-1994.
- Introduced Intellectual Property (IP) rules into the multilateral trading system for the first time.
- Minimum standards agreement.
- Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works.
- The areas of IP that it covered are: copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organisations); trademarks including service marks; geographical indications including appellations of origin; industrial designs; patents including the protection of new varieties of plants; the layout-designs of integrated circuits; and undisclosed information including trade secrets and test data.
- Articles 6,7 and 8 of the TRIPS: Amendments of the legislation aligned to these articles.
- Intellectual Property in terms of the TRIPS Agreement (Articles 6,7,8) should be applied in a balanced manner for the benefit of both producers, users and consumers.

Forms of IP

- IP refers to creations of the mind: inventions, literary and artistic works, symbols, names, images, and designs used in commerce.
- IP confers an exclusive right to the creator.
- IP is **Industrial Property and Copyright:**
- **Industrial Property:**
 - Patents
 - Designs
 - Trademarks
- **Copyright:**
 - literary and artistic works such as novels, poems and plays, artistic works such as drawings, paintings, photographs, sculptures and architectural designs.
 - Related rights-performers protection- rights of performers, producers of sound recordings and broadcasting organisations.
 - Indigenous Knowledge (IK) may be present in all of the above.



FORMS OF IP

- **Patents:**

- A patent is a statutory monopoly granted by the Patent Office on behalf of the State which allows the proprietor of the patent to stop others from exploiting the underlying principle of an invention.
- A patent must be novel, new, not obvious and must be good for industrial use or agriculture.
- Process patent/ technical solution.
- WIPO: 90% technologies from patents.
- Lifespan 20 yrs.
- Examples:



FORMS OF IP

- **Challenges:**

- Depository system (formality checks) = weak patents.
- Substantive Search and Examination = quality patents.
- Pharmaceutical patents frivolous in certain jurisdictions.
- India and Kenya using Substantive Search and Examination.
- Weaker patents barrier to access to medicines and technologies.
- Information communication technologies (ICT) also frustrated by depository system.
- Pre and Post- grant oppositions not practised.
- South Africa not producer of technologies, protect foreign patents.
- Human Rights not taking precedent over IP- Health vs. IP.
- Human Rights Commission not assisting enough since the United Nations established a committee that concluded health issues must take precedence over IP.
- Competition law not assisting enough in issues of dominance.
- TRIPS flexibilities (parallel importation, compulsory licensing etc.) not law in TRIPS.
- Costs for defending infringements very high.

FORMS OF IP

- **Patent Treaties :**

- IP is territorial you need to register in each jurisdiction.
- **Patent Cooperation Treaty (PCT)** (South Africa is a member of the PCT): International Registration of Patents.
- **Patent Law Treaty (PLT)** (South Africa is not a member) : provides a unified procedure for filing patent applications to protect inventions. Regional harmonisation of the PCT.
- **Paris Convention for the protection of Industrial Property** (South Africa is a member): for the protection of industrial property.
- **Strasbourg Agreement concerning the International Patent Classification** (SA is not a member of the Agreement): divides technology into sections (8). Important tool for the search of prior art (SSE).
- South Africa, by not joining the selected and analysed treaties may be disadvantaged. IP is territorial you need to register in each jurisdiction.

FORMS OF IP

- **Trademarks:**

- A trade mark is defined by the Act as "a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing those goods or services from the same kind of goods or services connected in the course of trade with any other person".
- A „mark“ is defined as “any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods, or any combination thereof”.
- A design may converge with a trademark.
- Example:



FORMS OF IP

- **Trademark Treaties:**
 - **Madrid Agreement and Protocol** (South Africa not a member): for the international registration of marks.
 - **Nice Agreement** (South Africa not a member): provides for the classification of goods and services for the purposes of registering trademarks and service marks.
 - South Africa, by not joining the selected and analysed treaties may be disadvantaged. IP is territorial you need to register in each jurisdiction.

FORMS OF IP

- **Designs:**

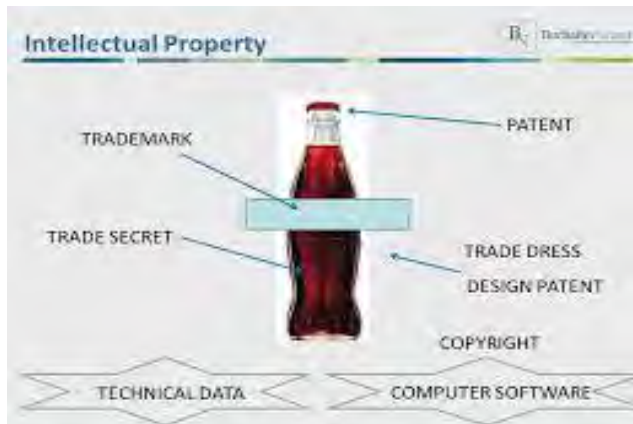
- A registered design is a statutory monopoly granted by the Designs Office on behalf of the state which allows the proprietor of the registered design to stop others from exploiting the specific appearance of an article for a limited period of time. A design registration protects the physical appearance of an article, typically the shape and/or configuration and/or pattern and/or ornamentation, and, unlike a patent, does not extend to the underlying principle of how the article functions”.
- There are two types of designs that may be registered, namely an **aesthetic** design and a **functional** design. An aesthetic design application and a functional design application may be lodged in respect of the same article. A trade mark registration confers a negative right on a trade mark proprietor to prevent others from using and/or registering a confusingly similar trade mark.
- In the case of an **aesthetic design**, the monopoly is granted for a period of **fifteen years** from the date of filing at the Designs Office, and in the case of a **functional design** the monopoly is granted for a period of **ten years** from the date of filing at the Designs Office.
- SA allows Functional Design.

FORMS OF IP

- **Design Treaties:**
 - **The Hague Agreement and Protocol** (South Africa is not a member): for the international registration of industrial designs and allows multi-jurisdictional registrations through filing a single application.
 - South Africa, by not joining the selected and analysed treaties may be disadvantaged. IP is territorial you need to register in each jurisdiction.

FORMS OF IP

- **Challenges:**
 - Designers are not utilising the design system.
 - Incentives (SPII) is given, but applicants not registering patents/designs.
 - Fashion designers not utilising the design system.
 - Example of a Patent/Design/Trademark/Trade Secret



FORMS OF IP

- **Copyright:**

- The Copyright Act has been drafted in such a manner that copyright protection extends to a great variety of products.
- Registration is not necessary for copyright to exist; this means that the author of an original copyright work can become the owner of copyright automatically.
- Exceptions for registration: Cinematographic Films and Videos.

- **Works eligible for Copyright:**

- **literary works:** novels, stories, poetical works, dramatic works, stage directions, cinematograph film scenarios, broadcasting scripts, textbooks, treatises, histories, biographies, essays, articles; encyclopaedias, dictionaries, letters, reports, memoranda, lectures, speeches, sermons, tables and compilations, including tables and compilations of data stored or embodied in a computer or a medium used in conjunction with a computer, but shall not include a computer program.

FORMS OF IP

- **Copyright:**
 - **musical works,**
 - **artistic works:** paintings, sculptures, drawings, engravings and photographs; works of architecture, being either buildings or models of buildings; or works of craftsmanship.
 - **cinematograph films,**
 - **sound recordings,**
 - **broadcasts, programme-carrying signals, published editions and**
 - **computer programs.**

FORMS OF IP

- **Copyright:**

- In legal terms, copyright confers on the copyright owner an exclusive right to do or to authorise the doing of certain acts. The subsistence of copyright in a work does not confer absolute protection for the work in the sense of prohibiting the making of or use of a similar work in all circumstances. It confers, generally, a right to prohibit copying of the work by another. These vary according to the type of work. The most important act that is prohibited is the making of a reproduction (or copy) of the work.
- The duration of copyright is relatively long and the term is different for different categories of works. For example:
 - Literary, musical or artistic works other than photographs, the term is the life of the author plus 50 years from the end of the year in which the author dies;
 - cinematograph films, photographs and computer programs, the term is 50 years from the end of the year in which the work is made available to the public or is made (where no publication takes place) and
 - sound recordings and published editions, the term is 50 years from the end of the year in which the recording or edition is first published.
 - Copyright has related rights e.g. performances and sound recordings.

FORMS OF IP

- **Copyright Treaties:**
 - Come with rights and obligations.
 - Evaluate benefits, otherwise don't accede.
- **Internet Treaties** (South Africa not a member): both treaties address the challenges posed by today's digital technologies, in particular the dissemination of protected material over digital networks such as the Internet:
 - **WIPO Copyright Treaty (WCT)** deals with protection for authors of literary and artistic works, such as writings and computer programs; original databases; musical works; audiovisual works; works of fine art and photographs.
 - **Marrakesh Treaty** (South Africa not a member): to facilitate access to published works for persons who are blind, visually impaired or otherwise print disabled.
 - **Berne Convention** (South Africa is a member): deals with the protection of literary and artistic works.
 - South Africa, by not joining the selected and analysed treaties may be disadvantaged. IP is territorial you need to register in each jurisdiction.

FORMS OF IP

- **Challenges:**

- Piracy/ counterfeiting depletes revenues.
- Unfair contracts with broadcasters and publishers.
- Collecting Societies still voluntary.
- None ratification to relevant treaties.
- Exceptions and Limitations not incorporated in the Act.
- Artist resale royalty not in the legislation, therefore artists do not receive a portion of the resale which is often at a higher rate than sold for.



copyright

all rights reserved

FORMS OF IP

- **Performers Protection:**

- Three categories of related rights namely: performers(actors, musicians and dancers), producers of phonograms and broadcasting organisations.
- Live performances are a principal means of generating income for musicians and these performances are regulated through the PPA
- A singer , musician, dancer is one who claims or performs literary or artistic works.
- This Act does not in anyway restrict or affect the rights provided for by any other law relating to Copyright in literary and artistic works.
- The protection of performance is provided for in S5 of the PPA and it extends to other countries that are members of the World Trade Organisation (WTO)
- Performance must be taking place.
- Broadcast without fixation.
- Royalties are paid for performances depending on contractual terms agreed upon, these royalties are paid to the owner of any copyright subsisting in the fixation in terms of S 9A of the Copyright Act.

FORMS OF IP

- **Performers Protection Treaties:**

- **WIPO Performances and Phonogram Treaty (WPPT)** (South Africa not a member) : deals with protection for authors rights of performers and producers of phonograms.
- **Beijing Treaty on Audiovisual Performances (BTAP)** (South Africa not a member): deals with IP of performers in audiovisual performances. Grants performers economic rights.
- **Rome Convention** (South Africa not a member): for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations secures protection in performances for performers in phonograms (sound recording) for producers of phonograms and in broadcasts for broadcasting organisations. WIPO is responsible, jointly with the International Labour Organisation (ILO) and the United Nations Educational, Scientific and Cultural Organisation (UNESCO), for the administration of the Rome Convention. These three organisations constitute the Secretariat of the Intergovernmental Committee set up under the Convention consisting of the representatives of 12 Contracting States.
- South Africa, by not joining the selected and analysed treaties may be disadvantaged. IP is territorial you need to register in each jurisdiction.

FORMS OF IP

- **Challenges:**
 - Sector not organised for bargaining purposes.
 - Piracy/Counterfeiting.
 - Unfair contracts/non payment of royalties.
 - Non ratification of Treaties.



- **Economic Imperative:**

- Economic imperatives can be shown in the area of Copyright, WIPO developed a methodology for calibrating economic benefits.
- WIPO conducted a study: The Economic Contribution of Copyright based Industries in South Africa. The objective was to quantify the importance of copyright based industries in South Africa and estimate the contribution to Gross Domestic Product (GDP) and national employment.
- **South Africa:**
 - 4.11% -GDP
 - 4.08% -Employment
- **United States:**
 - 11%- GDP
 - 8.5% - Employment
- **Russia:**
 - 6%- GDP
 - 8.5%-Employment
- **Singapore:**
 - 6%- GDP
 - 6%- Employment
- **South Korea:**
 - 8.5%-GDP
 - 4.5%- Employment

FORMS OF IP

- The impact of the copyright based industries can be strengthened and their contribution increased by updated legislation, the structure of the economy and incentives provided for the development and growth of the industry e.g. films.
- Recommendation by WIPO: Statistics SA and the Reserve Bank should separate the statistics related to the copyright based industries and publish them regularly. This will assist with information gathering and measuring the growth and impact of the copyright based industries in South Africa as information is limited.

FORMS OF IP

- **Geographical Indications (GIs), Trade Secrets etc:**
- There are other forms of IP such as geographical indicators (GI's), trade secrets and regulatory data protection that are also precedent as forms of IP. Business methods are also types of IP in certain jurisdictions and are patentable in other jurisdictions
- SA also have collective marks (owned by communities/associations). Rooibos and Honey bush tea are examples of GIs. There are many GIs in the wines and spirits.
- IP is territorial in nature and is moulded by policies of the countries that grant them.
- IP is cross cutting in nature and therefore a number of government departments deal with IP, directly or indirectly.
- Coordinate matters.
- **Lisbon Agreement** (South Africa not a member) : for the protection of appellations of origin and introduces a mechanism that affords international protection for appellations of origin and its independent domestic legislation.

FORMS OF IP

- **Geographical Indications (GIs), Trade Secrets etc.:**
 - **Agriculture and Genetic Resources:**
 - Plant varieties are recognised under the patents system at WIPO as IP. (International Union for the Protection of New Varieties of Plants)
 - **IP and Indigenous Knowledge:**
 - Indigenous knowledge is part of intellectual property as all the innovations around it are creations of the mind.
 - **IP and Sporting Events:**
 - Sponsors of large sporting events need protection to use their protected IP exclusively for the duration of the event so they can recoup their investment.
 - Ambush marketing designation requires benefiting locals. (Merchandise Marks Act)

FORMS OF IP

- **Geographical Indications (GIs), Trade Secrets etc.:**
 - **IP and State Emblems:**
 - State emblems are a property of the state and permission to use them must be granted by the state and royalties should be paid, e.g. former President Mandela, SA flag, Coat of arms. (TRIPS, Paris Convention)
 - **Trade Secrets:**
 - Coke not patented, but is a trade secret.
 - Traditional Healers use trade secrets to protect their profession.
 - If an outsider without „stealing“ the secret „invent“ the secret, protection extinguishes. Leading country – Russia.

Key Concepts

- **Performers Protection Amendment Bill: Key Concepts:**
- **Refer to attached guide. (Annexure A)**

Audio Visual Performances

- The protection of performers in audiovisual media has not yet been effectively established at international level. This lack of protection not only affects actors in different media such as film and television but also musicians in such situations as when a jazz performance is recorded in a DVD or any other audiovisual platform.
- Singers, musicians, dancers and actors have enjoyed limited international protection for their performances since the adoption of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (the Rome Convention) in 1961. In 1996, the adoption of WIPO Performances and Phonograms Treaty (WPPT) fully modernized and updated these standards in respect of sound performances, particularly in relation to digital uses, leaving a void in the international rights' system for actors and other audiovisual performers.
- The adoption of the Beijing Treaty on Audiovisual Performances strengthens the prejudicial position of performers in the audiovisual industry by providing a clearer legal basis for the international use of audiovisual productions, both in traditional media and in digital networks. Such an instrument will also contribute to safeguarding the rights of performers against the unauthorized use of their performances in audiovisual media, such as television, film and video

Audio Visual Performances

- It grants performers four kinds of **economic rights** for their performances fixed in audiovisual fixations, such as motion pictures: (i) the right of reproduction; (ii) the right of distribution; (iii) the right of rental; and (iv) the right of making available:
 - **The right of reproduction** is the right to authorize direct or indirect reproduction of the performance fixed in an audiovisual fixation in any manner or form.
 - **The right of distribution** is the right to authorize the making available to the public of the original and copies of the performance fixed in an audiovisual fixation through sale or other transfer of ownership.
 - **The right of rental** is the right to authorize the commercial rental to the public of the original and copies of the performance fixed in an audiovisual fixation.
 - **The right of making available** is the right to authorize the making available to the public, by wire or wireless means, of any performance fixed in an audiovisual fixation, in such a way that members of the public may access the fixed performance from a place and at a time individually chosen by them. This right covers, in particular, on-demand, interactive making available through the Internet.
- The Treaty also grants performers **moral rights**, that is, the right to claim to be identified as the performer (except where such an omission would be dictated by the manner of the use of the performance); and the right to object to any distortion, mutilation or other modification that would be prejudicial to the performer's reputation, taking into account the nature of the audiovisual fixations

CONCLUSION

- IP is cross cutting and it needs to be administered in a well coordinated manner.
- IP is an iota of innovation , but e-commerce resolution may be driven under IP drastically.
- On issues of IK, trade secrets there is a need for departments and committees in Parliament to work in concert. International stakeholders may exploit the disjoinment (lack of coordination).
- Ratification of treaties, if properly analysed, can produce benefits to the populace. A Regulatory Impact Assessment (RIA) was concluded in 2014 and supported ratification of all IP Treaties.
- State should protect its own IP and can license to third parties for exploitation.
- Mega sporting events may also give benefits to citizens.
- Need to designate IP as a sector.



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Thank You

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