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WORLD INTELLECTUAL PROPERTY ORGANIZATION

ORGANISATION MONDIALE DE LA PROPRIÉTÉ INTELLECTUELLE

世界知识产权组织

المنظمة العالمية للملكية الفكرية

ORGANIZACIÓN MUNDIAL DE LA PROPIEDAD INTELECTUAL

ВСЕМИРНАЯ ОРГАНИЗАЦИЯ ИНТЕЛЛЕКТУАЛЬНОЙ СОБСТВЕННОСТИ

The International Bureau of the World Intellectual Property Organization (WIPO) presents its compliments to the Permanent Mission of South Africa to the United Nations Office at Geneva and other International Organizations in Switzerland and has the honor to send herewith the Draft Comments of WIPO on the *"Policy Framework for the Protection of Indigenous Traditional Knowledge through the Intellectual Property System and the Intellectual Property Laws Amendment Bill, 2008"* as published in Government Gazette No. 31026, of May 5, 2008, for its onward transmission to the relevant authorities in South Africa.

This is in response to the request received from Mr. Macdonald Netshitenzhe, Director, Commercial Law and Policy Department of Trade and Industry.

October 1, 2009

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Draft Comments of the
World Intellectual Property Organization (WIPO)

on

"Policy Framework for the Protection of Indigenous Traditional Knowledge through the Intellectual Property System"

and the

"Intellectual Property Laws Amendment Bill, 2008"
(as published in Government Gazette No. 31026, of May 5, 2008)

September 17, 2009

I. INTRODUCTION

1. The legal protection of indigenous traditional knowledge (IK)[1] by means of intellectual property (IP) principles and systems raises complex questions. Several countries and regional organizations are grappling with these. The international community is discussing the possible development of an international instrument or instruments, within the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (the WIPO IGC) and other forums.

2. The Government of South Africa ought to be congratulated for having developed the "Policy Framework for the Protection of Indigenous Traditional Knowledge through the Intellectual Property System" (the Policy) and the "Intellectual Property Laws Amendment Bill, 2008" (the Bill, 2008). These are pioneering initiatives, and will be of interest to many other countries and regional organizations.

3. The Policy identifies and discusses the key issues, options and challenges facing the IP system in adequately protecting IK. We strongly encourage countries to establish policies on IP and IK, as a first step towards possible

[1] Numerous terms are used internationally. In South Africa, the term "indigenous knowledge" has been used in the Government's Indigenous Knowledge Systems Policy of 2004. In the Policy Framework and Amendment Bill referred to in these comments, the terms "indigenous knowledge" and "traditional knowledge" are used interchangeably. As the title of the Policy uses the term "indigenous traditional knowledge", these comments will use this term and we propose to use the acronym "IK". Different terms and acronyms are used by WIPO and in the WIPO IGC, but the subject matter is understood to be the same or very similar to IK.

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addressed; describe what options exist or might be developed to address any identified gaps, including legal and other options, whether at the international, regional or national level.[5]

9. These are useful resources, and our comments draw from them to some degree.

10. We propose to make brief comments at this stage. In the event that these initial comments are considered useful, we would be pleased to amplify them, either in writing or through a meeting with relevant officials responsible for the Policy and the Bill, 2008.

11. By way of a final general comment, we fully appreciate that the Policy and Bill, 2008 aim at establishing a viable national system of protection, and we note the view expressed in the Policy that international negotiations, within the WIPO IGC and elsewhere, are progressing slowly. The WIPO IGC has not yet been able to agree on the concrete outcomes in the form of an international instrument that many wish for. While the substantive ground work has been done, the WIPO IGC is a Member State-led process and decisions are awaited from the Member States to move the IGC's work forward. At the present, the terms of the future mandate of the IGC are being discussed.

a) That said, we would suggest that it is in the interests of any country to take into account developments within its region and internationally. The African Regional Intellectual Property Organization (ARIPO) has, for example, developed, over several years, a Protocol on TK and TCEs. This Protocol is expected to be adopted by the 16 ARIPO Member States in late 2009 and will influence the national laws of these countries, some of which neighbor South Africa. Although South Africa is not a member of ARIPO, this is a significant achievement and could be mentioned in the Policy. The ARIPO Protocol could be another resource the drafters of the Policy and the Bill could draw from.

b) Similarly, in the absence of an international treaty on IK, any national system is effective only within the territory of the country concerned. Yet, many countries have a legitimate interest in protecting their IK abroad. In

[5] These documents are available at http://www.wipo.int/tk/en/igc/index.html — Box 1

order to protect IK abroad, and absent any bilateral[6] or regional agreements, an international treaty or convention is necessary (unless the IK in question is already protected as IP under an existing IP convention – see the "gap analyses" referred to above for details). For these reasons, we suggest that the possible development of an international instrument within WIPO be followed closely. This is a complex initiative, but policy-makers and legislators considering national legislation tend to follow it closely.

c) The laws of other countries on IK and similar issues might also be a useful point of reference. WIPO maintains a database of national and regional laws on TK and TCEs, accessible at http://www.wipo.int/tk/en/laws/index.html

II. SPECIFIC COMMENTS ON THE BILL, 2008

12. As a preliminary comment, we are aware that the Patents Amendment Act, 20 of 2007 introduced a "disclosure requirement" into South African patent law. This measure provides an indirect and "defensive" form of protection to IK. We do not comment on this measure at this time, and note that the amendments as contained in the Bill, 2008 concern almost exclusively what are referred to in WIPO's work as "traditional cultural expressions/expressions of folklore".

13. Second, we propose to comment at this stage mainly on the amendments to the Copyright Act, 1978, as these comments will apply *mutatis mutandis* to the proposed amendments to the other statutes referred to. Where there are comments specific to any of the other statutes, we will mention them. We have some comments in particular on the proposed amendments to the Trade Marks Act, 1993 which, with respect, we found somewhat difficult to follow.

14. In reviewing the Bill, 2008, we were guided by the key issues that have been identified internationally as relevant to the establishment of a policy, law or other legal mechanism for the protection of IK. Adapted for present purposes, these are essentially:

a) How should one describe or define the IK that ought to be protected?

[6] At the most recent session of the WIPO IGC, the Delegation of Indonesia noted that "Indonesia and South Africa were in the process of finalizing bilateral cooperation for the promotion and protection of each other's TK and TCEs." Report of the session, document WIPO/GRTKF/IC/14/15 Prov. 2, ¶

the Bill, 2008). However, relevant communities are among the intended beneficiaries of the protection, and this is in line with international trends to provide, as far as possible, IK protection for the direct benefit of the communities who are its custodians.

Nature of rights granted and exceptions and limitations

22. The rights granted in respect of traditional works appear on their face to be the same as or very similar to rights granted in conventional copyright works. In fact, the relevant section is entitled "Nature of copyright in traditional works" (proposed Section 11C). In other words, traditional works are afforded exclusive, economic property rights, entitling the owner of the traditional works (in this case, the fund), if it so wishes, to deny the right to undertake any of the acts listed or charge a fee or royalty.

a) There has been extensive discussion at the international level on the appropriate form of protection to grant to IK. As the authorities in South Africa know, IP rights vary in their nature and scope: apart from exclusive, economic property rights, IP rights include rights of remuneration (non-voluntary or compulsory licenses), a "right to prevent" and moral rights (such as rights of divulgation, integrity and attribution). There is some doubt internationally that exclusive property rights are suitable, serve goals usually identified in respect of IK protection and advance other policy goals such as maintaining a rich and accessible public domain, stimulating creativity, promoting cultural diversity and safeguarding freedom of expression. However, there are varying views on these complex policy questions.

b) The draft WIPO provisions on TCEs (referred to above and enclosed) envisage, for example, a tiered approach in which certain TCEs (sacred TCEs) are vested with exclusive, copyright-like rights, while other TCEs may be freely used subject to payment of a "reasonable royalty" and respect for moral rights. It is unclear whether moral rights apply to IK in the Bill, 2008.

c) In one instance, the Bill, 2008 actually provides greater protection to IK than to conventional literary and artistic works – a "communication to the public" right is granted, which is otherwise available only in respect of

sound recordings. We note that "communication to the public" is not defined in the Copyright Act, 1978 nor in the Bill, 2008

23. The proposed amendment to Section 9A causes some uncertainty in our minds. Section 9A deals with an equitable remuneration scheme for the use of sound recordings. The proposed amendment seeks to extend that scheme to copyright works and traditional works which are afforded exclusive rights protection elsewhere in the Act. There is, therefore, an apparent inconsistency between the exclusive rights granted to traditional works in the new Section 11C of the Bill, 2008 and the extension of an equitable remuneration scheme to such works in the proposed Section 9A.

24. A right of "adaptation" in respect of IK has elicited comment in international discussions, as it may prevent the creation of derivative works inspired by or based on IK, and it has been argued that this might stifle creativity and freedom of expression. Once again, there are varying views on this question and no clear "standard" at this stage.

25. Draft Section 11C (2) (a) deals with the question of retroactivity. It is very broadly drafted ("any rights acquired"; "in respect of the traditional work") and its effect may be to remove many "traditional works" from protection. However, proposed Section 23(4) further regulates this question, in what appears to be a pragmatic and sensible manner. The trend internationally in special systems for the protection of IK is to recognize acquired rights but provide for a certain period during which the user of the IK should bring its use in conformity with the new system of protection.

26. Regarding exceptions and limitations, an "indigenous community" or "any of its members" shall be entitled to exercise any of the rights (proposed Sections 11c (2)(b) and 19C (2)), yet any commercial benefit would be payable to the fund. Thus, the exception is not a true exception, in that the community member, who makes use of his/her community's IK and derives commercial benefit, is to some degree "penalized".

27. Apart from this specific exception, other exceptions and limitations applicable to conventional copyright works would apply to traditional works. International discussions have tended to establish specific exceptions for IK material because of its specific nature (see for example, Section 5 of the draft WIPO provisions, enclosed).

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

Protection of foreign IK and protection of South African IK abroad

31. The international protection of IP is a complex area. At this stage, it may simply be pointed out that it seems that as IK is treated in the Bill, 2008 as a conventional form of IP, international IP treaties and in particular the "national treatment principle", would apply. Broadly speaking, for example this would mean that a South African administrative authority or court would be obliged to apply protection to foreign IK under its own intellectual property laws, as amended by the Bill, 2008 once enacted. In turn, South African IK would be protected in foreign countries under the terms of the laws applicable in those countries, including their intellectual property laws. Therefore, IK that is not regarded as falling within the recognized categories of objects of protection covered by intellectual property in a foreign country might not benefit from the same protection as in South Africa, or protection could be subject to the existence of special protection for IK in that country, if such special protection exists. This would be, as we understand it, the effect of Section 37 of the Copyright Act, 1978, which remains untouched by the Bill, 2008. A new rule based on reciprocity, under which foreign IK would only be protected by a South African court to the extent that South African IK is protected in the country of origin of that foreign IK, might alleviate this problem.

32. Another aspect of the relation to international conventions is that South Africa is obliged to grant a certain minimum level of protection for foreign works and performances. In order to ensure that possible overlaps between the protection of literary and artistic works, performances and IK will not cause an incompatible level of protection it may be considered to include into the text of the statute that the protection of traditional works and performances is subject to any higher level of protection available under other provisions of the statute.

33. Furthermore, when legislating about IK it might be worthwhile considering whether it would be useful at the same time to implement the provisions of Article 15(4) of the Berne Convention on unpublished works where the identity of

the author is unknown, but where there is every ground to presume that he is a national of a country of the Union. The International Bureau of WIPO is ready to advise in that respect if this is requested by the Government of South Africa.

III. COMMENTS ON PERFORMERS RIGHTS, TRADEMARKS AND DESIGNS

34. As mentioned, these brief comments address in particular the proposed changes to the Copyright Act, 1978. Many of the comments apply also to the other parts of the Bill, 2008, *mutatis mutandis*.

35. However, certain specific points regarding performances, trademarks and industrial designs may be noted.

Amendments to the Performers' Protection Act, 1967

36. Under the current legislation, "literary and artistic works" includes "expressions of folklore", perhaps inspired by the WIPO Performances and Phonograms Treaty, 1996. Yet, the Bill, 2008 would introduce protection for performances of "traditional works" - do these terms refer to the same or distinct concepts?

37. In the Bill, 2008, under "performance," the performance of a traditional work is mentioned. There is also a reference to a "traditional performance" - once again, do these both refer to the same or distinct concepts?

38. Regarding the proposed amendment to Section 6, it would be advisable to state clearly that these rules should not apply to performances by indigenous communities in a traditional context.

39. In the proposed Section 7, dealing with the term of protection, two different periods are foreseen. It would be clearer if cases where a performance could fall under both (a) and (b) were covered, such as by adding wording such as "whichever event occurs first."

> 'Traditional design' means any aesthetic or functional design which is recognized by an indigenous community as having an indigenous origin and a traditional character

50. The Bill, 2008, sections 14(1)(c)(i) and (ii), and 14(2A), addresses the criterion of "novelty". It is understood from section 14(1)(c)(ii) that the traditional design meets the novelty standard if the design is different from (i.e. not identical with) the existing state of the art, but it may have features "based on" or "derived from" existing designs of an indigenous community.

51. We understand that the expanded draft definition of "proprietor" and the draft definition of "traditional design" would not prevent a person not associated with an indigenous community from registering an aesthetic design that has features "based on or derived from designs of an indigenous community". The assumption is that the aesthetic design is created by a designer as a new and original work, taking inspiration from, but not copying, traditional designs already available.

IV. CONCLUSIONS

52. If we have misunderstood any aspect of the current legislation in South Africa or the Bill, 2008, please advise us. In any event, we remain available at any time to amplify or clarify these comments in writing or through a meeting with the relevant officials at their convenience.

[End of Annex II and of document]