### WORLD INTELLECTUAL PROPERTY ORGANIZATION

世界知识产权组织

ORGANIZACIÓN MUNDIAL DE LA PROFIEDAD INTELECTUAL



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المطبق العالمة للماككة القاكمية

BYTEMMPHAN OPTAPHINAHIN MITTERRETNAMHEND TORSTREETSER IN

The International Bureau of the World Intellectual Property Organization (WPO) presents its compliments to the Fermanent Mission of South Africa to the United Plations Office at Geneva and other International Organizations in Switzerland and has the honor to send herewith the Dreft Commons 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)

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"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

### INTRODUCTION

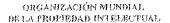
- i. The legal protection of indigenous traditional knowledge (IK) by means of atellectual property (IP) principles and systems raises complex questions. Several countries and regional organizations are grappling with these. The international community is discussing the possible development of an international instrument or instruments, within the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (the WIPO IGC) and other formus.
- 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 signering initiatives, and will be of interest to many other countries and regional magnizations.
- 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

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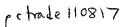
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4/16

WIPO Comments on South African Indigenees Traditions: Encowledge Policy and Bill, 2008 - September 17, 2009

addressed; describe what options exist or n ight be developed to address any identified gaps, including legal and other options, whether at the international, regional or national level.<sup>5</sup>

- 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 forme 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 Interlectual 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 sould be ment oned in the Pelicy. The ARIPO Protocol could be another resource the diafters of the Policy and the Bill could draw from.

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order to protect IK abroad, and absent any bliateralf 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 rational fegislation tend to follow it closely.

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

### II. SPECIFIC COMMENTS ON THE BILL, 2008

- 12. As a preliminary comment, we are aware that the Potents 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 contained in the Bill, 2008 concern almost exclusively what are referred to in WIPO's work as "traditional quitural 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 tK. Adapted for present purposes, those are essentially:
  - a) How should one describe or define the tK that ought to be protected?

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<sup>&</sup>lt;sup>4</sup>At the most recent session of the WECLOC, the Delegation of Indonesia stated that "Indonesia and South Africa were in the process of finalizing bilateral cooperation for the around as and protection of each wher's US and EC's "Repeat of the session, document WECOMETERS(C149) Process.

8/16

WIPO Comments on South African Indiamous Traditional Knowledge Policy and Bill, 2008 - September 17, 2009

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 costodians.

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 cutified "Nature of copyright in traditional works" (proposed Section 11C). In other words, traditional works are afforded exclusive, seconomic 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 Hill, 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

9/16.

WIPO Comments on South African Indigenous Traditional Knowledge Policy and Bill, 2008 - September 7, 2009

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. 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 returneration 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 stiffe creativity and freedom of expression. Once again, there are varying views on this question and no clear "standard" at this stage.
- 25. DrnB 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 Uc (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 exceptious and limitations applicable to conventional copyright works would apply to traditional works. International discussions have feuded to establish specific exceptions for IK material because of its specific nature/see for example. Section 5 of the draft WIPO provisions, enclosed?

Protection of foreign IK and protection of Scuth African ik abroad

- 34. 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 affeviate this problem.
- 12. Another aspect of the relation to international conventious 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 fK will not earse 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 1K it might be worthwhile considering whether it would be useful at the same time to implement the provisions: f Article 15(4) of the Berne Convention on a published water where the identity of

13/16

WIPO Comments on South African Indigeneous Traditiona. Knowledge Palicy and Bill, 2005 - September 17, 2009

the author is unknown, but where there is every ground to presume that I a 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

- HL COMMENTS ON PERFORMERS EIGHTS, TRADEMARKS AND DESIGNS
- 34. As mentioned, these brief comments address in particular the proposed changes to the Copyright Acr, 1978. Many of the comments apply also to the other parts of the Bill, 2008, *unitaits mutantis*.
- However, certain specific points regarding performances, trademarks and industrial designs may be need.

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 forescen. It would be clearer if cases where a performance could belt under both (a) and (b) were covered, such as by adding wording such as "whichever event occurs first."

34/31

WIPO Comments on South African Indigen his Traditional Encoyledge Palicy and Bill, 2008 – September 17, 2009

Traditional design' means any aesthetic or functional design which is recognized by an indigenous count unity 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 "idenived from" existing designs of an indigenous community.
- 51. We understand that the expanded draft definition or "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 tot copying, miditional 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.

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