

110916 PZ TRADE

REPUBLIC OF SOUTH AFRICA

INTELLECTUAL PROPERTY LAWS AMENDMENT BILL

*(As presented by the Portfolio Committee on Trade and Industry (National Assembly))
(Introduced as Intellectual Property Laws Amendment Bill [B8-2010]
(The English text is the official text of the Bill))*

(MINISTER OF TRADE AND INDUSTRY)

[B 8B—2010]

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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.

BILL

To provide for the recognition and protection of certain manifestation of indigenous knowledge as a species of intellectual property; to this end to amend certain laws so as to provide for the protection of relevant manifestations of indigenous knowledge as a species of intellectual property, namely—

- the Performers' Protection Act, 1967 to provide for the recognition and protection of performances of traditional works;
- the Copyright Act, 1978 to provide for the recognition and protection of indigenous works; to provide for the establishment of a National Council in respect of indigenous knowledge; to provide for a National Database for recording indigenous knowledge and to provide for the recording of indigenous works; and to provide for the establishment of a National Trust Fund for Indigenous Knowledge;
- the Trade Marks Act, 1993 to provide for the recognition of indigenous terms and expressions and for the registration of such terms and expressions as trade marks; to create for this purpose a further part of the trade marks register; to provide for the recording of indigenous terms and expressions; and to provide for further protection of geographical indications;
- the Designs Act, 1993 to provide for the recognition and registration of indigenous designs; to create for this purpose a further part of the designs register; and to provide for the recording of indigenous designs;
- to introduce statutory provisions to provide for the establishment of a National Council in respect of indigenous knowledge, a National Database for the recording of indigenous knowledge and a National Trust and Trust Fund for purposes of indigenous knowledge;

and to provide for matters incidental thereto.

PREAMBLE

WHEREAS it is important, in order to give effect to the recognition of cultural values and the freedom to participate in cultural activities as contemplated in sections 30 and 31 of the Constitution of the Republic of South Africa, 1996, that the wealth of indigenous knowledge held by the indigenous people of South Africa be recognised, preserved, protected and promoted and made accessible to the public; and

WHEREAS it is necessary to recognise indigenous knowledge as a valuable economic as well as a cultural resource, and therefore to create a legal dispensation for the commercial exploitation of indigenous knowledge in a manner that will benefit

the country and will ensure that fair financial benefits will also be received by indigenous communities and persons; and

WHEREAS principles have been agreed upon by international bodies, amongst others the World Trade Organisation and the United Nations, confirming that indigenous knowledge should be recognised and protected by appropriate legal instruments, on national level as well as internationally; and

WHEREAS indigenous knowledge includes works, terms, expressions and designs, which are the outcome of the creative ability of the human mind and in that context has aspects which constitute types of intellectual property, so that the intellectual property laws of the country may be used as the legal dispensation and legal tool to provide protection for these appropriate manifestations of indigenous knowledge; and

WHEREAS certain manifestations of indigenous knowledge have already been recognised and protected by the Patents Amendment Act, 2005 and certain further manifestations of indigenous knowledge are to be protected by way of this legislation, appropriate amendments are required to be made to the Performers' Protection Act, 1967, the Copyright Act, 1978, the Trade Marks Act, 1993, and the Designs Act, 1993;

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— 5
- (a) by the insertion in subsection (1) before the definition of “**broadcasting**” of the following definition: 5
- “**‘artistic works’** have the meaning assigned to it in the Copyright Act insofar as such works are capable of being performed, and include 10
musical, dramatic, dramatico-musical works and traditional works;”;
- (b) by the insertion in subsection (1) after the definition of “**broadcaster**” of the following definition: 10
- “**‘cinematograph film’** means any fixation of images, or of images and sounds, of a performance with or without other images or sounds;” 15
- (c) by the insertion in subsection (1) after the definition of “**collecting society**” of the following definitions: 15
- “**‘Commission’** means the Commission established in terms of section 185 of the Companies Act, 2008 (Act No. 71 of 2008); 20
‘Copyright Act’ means the Copyright Act, 1978 (Act No. 98 of 1978);
‘Council’ means the National Council for Indigenous Knowledge as defined in section 1 of the Copyright Act; 20
‘dramatic works’ have the meaning assigned to it in the Copyright Act insofar as such works are capable of being performed, and include 25
musical, dramatic, dramatico-musical works and traditional works;”;
- (d) by the substitution in subsection (1) for the definition of “**fixation**” of the following definition: 25
- “**‘fixation’** includes storage of— 30
- (a) sounds or images or both sounds and images; or 30
- (b) data or signals representing sounds or images or both sounds and images, 30
- in any manner or on any medium so as to be capable of being reproduced or performed;”;
- (e) by the insertion in subsection (1) after the definition of “**fixation**” of the following definitions: 35
- “**‘literary works’** have the meaning assigned to it in the Copyright Act insofar as such works are capable of being performed, and include 35
musical, dramatic, dramatico-musical works and traditional works;
‘musical works’ have the meaning assigned to it in the Copyright Act 35

- insofar as such works are capable of being performed, and include musical, dramatic, dramatico-musical works and traditional works”;
- (f) by the deletion in subsection (1) of the definition of **“literary and artistic works”**;
- (g) by the insertion in subsection (1) after the definition of **“literary and artistic works”** of the following definition: 5
 “‘performance’ includes any mode of visual or acoustic presentation of a literary work, musical work, artistic work, dramatic work or work of joint authorship 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, television, diffusion receiver, by the exhibition of a cinematograph film, by the use of a record, broadcasting, rebroadcasting or transmission in a diffusion service and ‘perform’ has a corresponding meaning;” 10 15
- (h) by the substitution in subsection (1) for the definition of **“performer”** of the following definition: 20
 “‘performer’ means an actor, singer, musician, dancer or other person who acts, sings, delivers, declaims, plays in or otherwise performs, literary works, musical works, [or] artistic works, dramatic works or works of joint authorship;”
- (i) by the insertion in subsection (1) after the definition of **“phonogram”** of the following definition: 25
 “‘prescribe’ means prescribe by regulation in terms of this Act and ‘prescribed’ has a corresponding meaning;”
- (j) by the addition in subsection (1) after the definition of **“reproduction”** of the following definitions: 30
 “‘traditional work’ means a traditional work as defined in section 1 of the Copyright Act and includes expressions of folklore; ‘works of joint authorship’ have the meaning assigned to it in the Copyright Act insofar as such works are capable of being performed, and include musical, dramatic, dramatico-musical works and traditional works;” and
- (k) by the substitution for subsection (2) of the following subsection: 35
 “(2) Except in so far as the context otherwise requires, any reference in this Act to the doing of an act in relation to a performance, including a performance of a traditional work, a fixation of a performance or a reproduction of such a fixation, shall be taken to include a reference to the doing of that act in relation to a substantial part of the performance, 40 the fixation or the reproduction, as the case may be.”

Insertion of sections 8A, 8B, 8C, and 8D in Act 11 of 1967

2. The following sections are hereby inserted in the Performers’ Protection Act, 1967 (Act No. 11 of 1967), after section 8:

“Application to performance of traditional work 45

8A. (1) Subject to the provisions of section, 8B, 8C, and 8D the provisions of this Act shall, except in so far as is otherwise provided in the said sections, and in so far as they can be applied, apply to a performance of a traditional work.

(2) Nothing in the sections contemplated in subsection (1) shall be construed as conferring any rights to any person in respect of intellectual property which is not a performance of a traditional work. 50

Disputes

8B. (1) The Commission must accredit certain institutions which have the necessary capacity, to adjudicate any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011. 55

(2) Any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011 must first be instituted in an institution accredited as contemplated in subsection (1).

(3) No person appearing in proceedings before an institution contemplated in subsection (1) shall have the right to legal representation unless —

- (a) the adjudicator and all other parties consent; or
- (b) the adjudicator, after considering—
 - (i) the nature of the questions of law raised by the dispute;
 - (ii) the relative complexity and importance of the dispute; and
 - (iii) the comparative ability of the parties to represent themselves in the adjudication,

concludes that it would be unreasonable to expect a party to deal with the adjudication without legal representation.

(4) Any adjudication must take into account existing customary dispute resolution mechanisms.

(5) The decision of the institution referred to in subsection (1) may be served, executed and enforced as if it was an order of the High Court.

(6) Any party to proceedings before an institution referred to in subsection (1) may appeal to a court of law against any decision of such institution, and the appeal must be noted and handled in the manner prescribed by law for appeals against a civil order or decision of a single judge.

(7) The Minister shall prescribe the fees, processes and formalities relating to the institution and adjudication of dispute resolution proceedings.

National Council

8C. (1) The Council shall function as the Council for performances of traditional works under this Act.

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

Regulations and guidelines

8D. (1) The Minister may, after consultation with the Council, make regulations—

- (a) as to any matter required or permitted by this Act to be prescribed;
- (b) providing for the fees, processes and formalities related to the institution of dispute resolution proceedings set out in section 8B;

(2) The Minister may issue guidelines on any aspect of the Intellectual Property Laws Amendment Act, 2011, including—

- (a) protection of the performance of a traditional work;
- (b) the Council, in so far as it relates to the performance of a traditional work; and
- (c) the dispute resolution process set out in section 8B.”.

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

3. 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 paragraphs after paragraph (i):

“(j) a derivative indigenous work, means the person who first made or created the work, a substantial part of which was derived from an indigenous work; and

(k) an indigenous work, means the indigenous community from which the work originated and acquired its traditional character;”;

- (b) by the substitution in subsection (1) for the definition of “collecting society” of the following definition:
- “ ‘collecting society’ means a [collecting] society [established under] created by this Act, or agreement and which amongst others—
- (a) manages matters related to rights in copyright works;
 - (b) negotiates for, and collects royalties and benefits on behalf of its members; and
 - (c) distributes royalties and benefits to copyright owners;”;
- (c) by the insertion in subsection (1) after the definition of “collecting society” of the following definitions:
- “ ‘Commission’ means the Commission established in terms of section 185 of the Companies Act, 2008 (Act No. 71 of 2008);
- ‘community protocol’ means a protocol developed by an indigenous community that describes the structure of an indigenous community and its claims to indigenous cultural expressions or knowledge and indigenous works, and provides procedures for prospective users of such indigenous cultural expressions or knowledge or indigenous works, to seek the community’s prior informed consent, negotiate mutually agreed terms and benefit-sharing agreements;”;
- (d) by the insertion in subsection (1) after the definition of “copyright” of the following definition:
- “ ‘Council’ means the National Council for Indigenous Knowledge contemplated in section 28L;”;
- (e) by the insertion in subsection (1) after the definition of ‘country’ of the following definition:
- “ ‘database’ means the National Database for Indigenous Knowledge contemplated in section 28C;
- ‘derivative indigenous work’ means any work forming the subject of this Act, applied to any form of indigenous work recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which, was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous work was derived before or after the commencement of the Intellectual Property Laws Amendment Act, 2011;”;
- (f) by the insertion in subsection (1) after the definition of “exclusive licence” of the following definitions:
- “ ‘Fund’ means the National Trust Fund for Indigenous Knowledge established in terms of section 28I;
- ‘indigenous community’ means any recognisable community of people originated in or historically settled in a geographic area or areas, located within the borders of the Republic as such borders existed at the date of commencement of the Intellectual Property Laws Amendment Act, 2011, characterised by social, cultural and economic conditions which distinguish them from other sections of the national community, who identify themselves and are recognised by other groups as a distinct collective;
- ‘indigenous cultural expressions or knowledge’ means any form, tangible or intangible, or a combination thereof, in which traditional culture and knowledge are embodied, passed on between generations, tangible or intangible forms of creativity of indigenous communities, including, but not limited to—
- (a) phonetic or verbal expressions, such as stories, epics, legends, poetry, riddles and other narratives; words, signs, names or symbols;
 - (b) musical or sound expressions, such as songs, rhythms, or instrumental music, the sounds which are the expression of rituals;
 - (c) expressions by action, such as dances, plays, ceremonies, rituals, expressions of spirituality or religion, sports and traditional games, puppet performances, and other performances, whether fixed or unfixed; or
 - (d) tangible expressions, such as material expressions of art, handicrafts, architecture, or tangible spiritual forms, or expressions of sacred places;

- 'indigenous work'** means a literary, artistic or musical work with an indigenous or traditional origin, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which literary, artistic or musical work is regarded as part of the heritage of the community;";
- (g) 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;";
- (h) by the insertion after the definition of **"musical work"** of the following definition:
"**'National Trust'** means the National Trust for Indigenous Knowledge established by section 28I;";
- (i) 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";
- (j) by the addition in subsection (1) after the definition of **"this Act"** of the following definition:
"**'traditional work'** includes a derivative indigenous work and an indigenous work;"; and
- (k) by the substitution in subsection (1) for the definition of **"work"** of the following definition:
"**'work'** means
(a) a work as contemplated in section 2; and
(b) for purposes of this Act, a traditional work and indigenous cultural expressions or knowledge as contemplated in this Act;".

Insertion of Chapter 2A in Act 98 of 1978

4. The following chapter and sections are hereby inserted in the Copyright Act, 1978 (Act No. 98 of 1978), after section 28:

"CHAPTER 2A

COPYRIGHT IN TRADITIONAL WORKS

"Application to traditional works

28A. (1) Subject to the provisions of chapter 2A, the provisions of this Act shall, except in so far as is otherwise provided in the said chapter, and in so far as they can be applied, apply to traditional works.

(2) Nothing in the sections contemplated in subsection (1) shall be construed as conferring any rights to any person in respect of intellectual property which is not a traditional work.

Traditional works eligible for copyright

28B. (1) Subject to the provisions of this Act, traditional works shall be eligible for copyright.

(2) Notwithstanding section 2(2), 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 is capable of substantiation from the collective memory of the relevant indigenous community.

- (3) Copyright shall be conferred on a traditional work only if—
- (a) the traditional work is a derivative indigenous work and was created on or after the date of commencement of the Intellectual Property Laws Amendment Act, 2011 and the indigenous community from which the work or a substantial part thereof originated is or was an indigenous community when the work was created; or
 - (b) the traditional work is an indigenous work;
- (4) No right in a derivative indigenous work provided for in the Intellectual Property Laws Amendment Act, 2011, shall be eligible for registration unless—
- (a) prior informed consent has been obtained from the relevant authority or indigenous community;
 - (b) disclosure of indigenous cultural expressions or knowledge have been made to the Commission; and
 - (c) a benefit sharing agreement between the applicant and the relevant authority or indigenous community has been concluded.
- (5) If an indigenous community has established a community protocol, the interaction with the indigenous community contemplated in subsection (4) must take such community protocol into account.

National Database

- 28C. (1) There shall be kept in the prescribed manner, at the offices of the registrars of patents, copyright, trade marks and designs, databases for indigenous knowledge as part of existing intellectual property registers where applicable.
- (2) The databases contemplated in subsection (1) shall form subsections of existing intellectual property registers and shall incorporate separate sections for the recording of information on different manifestations of indigenous cultural expressions or knowledge as contemplated in subsection (3).
- (3) All information submitted to the registrar regarding manifestation of indigenous cultural expressions or knowledge shall be recorded in the databases in the appropriate sections, in the prescribed manner.
- (4) Registration in respect of a traditional work shall be for the purposes of recordal of ownership and identification of representation within an indigenous community.
- (5) The databases 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.
- (6) The registrars of patents, copyright, trade marks and designs may request any relevant person to provide them with such information or advice as they may require in order to assess a request for recording as contemplated in subsection (7) or to maintain the databases.
- (7) Any—
- (a) person who is an author;
 - (b) person authorised to act on behalf of an indigenous community, or on behalf of an individual; or
 - (c) person appointed by the Minister in the manner prescribed, to act on behalf of an indigenous community which is no longer in existence, may, for the purposes of recordal, submit to the registrar of patents, copyright, trade marks and designs a request together with the appropriate information as prescribed, for a manifestation of indigenous cultural expressions or knowledge to be recorded in the relevant database.
- (8) If the applicant for registration is an indigenous community, the request referred to in subsection (7) shall include a community protocol setting out relevant information about the indigenous community including—
- (a) identification of the indigenous community and its acknowledged structure;
 - (b) full details of the appointed representative of the indigenous community in whose name the copyright of the performer must be registered;

- (c) if the representative is a juristic person, full details of registration of such juristic person;
- (d) the indigenous work that is being registered and the justification for the indigenous community claiming rights to it;
- (e) whether such indigenous work is sacred, or should for any other reason, which must be provided, be kept confidential; and
- (f) a written undertaking by the representative of the indigenous community to the effect that he or she will hold the copyright on behalf of the indigenous community.

(9) The Council shall assist the indigenous community to ensure that the community protocol corresponds with the structure of the indigenous community.

(10) The community protocol must be kept with a recordal of the indigenous work.

(11) If the registrar of patents, copyright, trade marks and designs is satisfied that a request for recording meets with the prescribed requirements for recording, he or she shall accept the request and, within the prescribed period, cause the request to be published in the prescribed manner.

(12) Any person may, within three months from the date of publication of the request contemplated in subsection (11), or such further period as the registrar of patents, copyright, trade marks and designs may upon application allow, oppose the recording by lodging with the registrar of patents, copyright, trade marks and designs a notice of opposition setting out the grounds on which he or she relies to support the opposition.

(13) An opposition contemplated in subsection (12) shall be dealt with in the manner prescribed, and at the conclusion thereof the registrar of patents, copyright, trade marks and designs shall decide either to—

- (a) refuse the recording of the information concerned;
- (b) record the information; or
- (c) record the information subject to certain conditions.

(14) A recording as contemplated in this section shall serve as prima facie proof of the existence of the manifestation of indigenous cultural expressions or knowledge and the veracity of the information recorded, but shall not give rise to any rights other than expressly provided in this Act or in the Performers' Protection Act, 1967 (Act No. 11 of 1967), the Trade Marks Act, 1993 (Act no. 194 of 1993), or the Designs Act, 1993 (Act No. 195 of 1993).

(15) The Commission may determine which information recorded in the databases must be treated confidentially: Provided that if the community protocol indicates that the information is sacred or must be kept in confidence, the Commission must treat the information confidentially.

(16) Any person contemplated in subsection (7), or a third party who has an interest in a traditional work may submit to the registrar of patents, copyright, trade marks and designs of copyright a request together with the appropriate information as prescribed for the amendment or removal of a traditional work in the database.

(17) Upon receipt of a request to amend or remove any indigenous cultural expressions or knowledge recorded in a database, the registrar of patents, copyright, trade marks and designs shall—

- (a) where the request did not originate from the owner or proprietor of indigenous cultural expressions or knowledge—
 - (i) notify said owner or proprietor of the request;
 - (ii) require a written response from said owner or proprietor to be submitted to the registrars of patents, copyright, trade marks and designs within a stipulated time frame;
 - (iii) upon receipt of the written response from said owner or proprietor, refer the matter for dispute resolution as set out in section 28K; and
 - (iv) implement the decision of the dispute resolution institution referred to in section 28K;
- (b) Where the request originated from the owner or proprietor of indigenous cultural expressions or knowledge—
 - (i) consider the request as set out in subsection (12); and

- (ii) consider any opposition received as set out in subsection (13).
(18) The Minister may, in consultation with the Minister of Finance,
prescribe the tariff of fees payable for access by any person to the databases.

Ownership of copyright

- 28D.** (1) For the purposes of this Act, an indigenous community is 5
deemed to be a juristic person.
- (2) Subject to the provisions of this section as well as section 21, the
ownership of any copyright conferred by sections 3 and 28B on any
traditional work shall vest in the author.
- (3) The ownership of any copyright conferred by sections 3 and 28B, 10
shall vest in the National Trust established by section 28I to be administered
for the benefit of the relevant indigenous communities, in the manner
prescribed in section 28I, if—
- (a) the author cannot be determined;
- (b) the author is an indigenous community which is no longer in 15
existence; or
- (c) the authorship cannot be shared between more than one indigenous
community claiming authorship, for whatever reason.

Nature of copyright in traditional works

- 28E.** (1) Copyright in a traditional work vests the exclusive right to do or 20
to authorise the doing of any of the following acts in the Republic:
- (a) reproducing the traditional work in any manner or form;
- (b) reproducing the cinematograph film in which the traditional work is
included in any manner or form, including making a still photograph 25
thereof;
- (c) publishing the traditional work if it was hitherto unpublished;
- (d) in the case of a traditional work of a literary or musical nature,
performing the traditional work in public and broadcasting the work or
causing a communication to the public of the work, by wire or wireless 30
means, including the making available to the public of the work in
such a way that members of the public may access the work from a
place and at a time individually chosen by them;
- (e) in the case of a traditional work of a musical or artistic nature, or a
traditional work of a literary nature in the form of a dramatic 35
traditional work, to include the traditional work in a cinematograph
film, television broadcast or a sound recording;
- (f) broadcasting the traditional work, the cinematograph film or sound
recording in which the traditional work is included;
- (g) causing the cinematograph film in which the traditional work is 40
included, in so far as it consists of images, to be seen in public, or, in
so far as it consists of sounds, to be heard in public, or causing a
communication to the public of the said cinematograph film, by wire
or wireless means, including the making available to the public of the
said cinematograph film in such a way that members of the public may 45
access the said cinematograph film from a place and at a time
individually chosen by them;
- (h) communicating the sound recording in which the traditional work is
included to the public;
- (i) letting, or offering or exposing for hire by way of trade, directly or 50
indirectly, a copy of the cinematograph film or a reproduction of the
sound recording in which the traditional work is included;
- (j) causing the traditional work, or a television or other programme which
incorporates the traditional work, to be transmitted in a diffusion
service, unless such service transmits a lawful television broadcast 55
including the traditional work and is operated by the original
broadcaster;
- (k) making, directly or indirectly, a record embodying the sound
recording in which the traditional work is included;
- (l) making an adaptation of the traditional work; and

(m) doing in relation to an adaptation of the traditional work, any of the acts specified in paragraphs (a) to (l).

(2) The exclusive right vested under subsection (1) shall be exercised subject to any rights in respect of the traditional work acquired by any person prior to the commencement of the Intellectual Property Laws Amendment Act, 2011.

Term of protection

28F. (1) The term of copyright conferred on traditional works by this Act shall be, in the case of—

(a) derivative indigenous work referred to in section 28B(3)(a), 50 years from the end of the year in which—

(i) the work was first communicated to the public with the consent of the authors, or

(ii) the date of the death of the author or all authors concerned, whichever term expires last; and

(b) indigenous work referred to in section 28B(3)(b), in perpetuity.

(2) Notwithstanding section 5, copyright in an indigenous work that vests in the state as a result of the provisions of this Act shall be perpetual in nature.

General exceptions regarding protection of traditional works

28G. (1) Sections 12 to 19B shall, with the necessary changes required by the context, apply to indigenous work, in so far as they can be applied to the specific indigenous work.

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

(a) has acquired rights in respect of that work by doing any of the acts referred to in section 28E prior to the commencement of the Intellectual Property Laws Amendment Act, 2011; and

(b) continues to perform such act,
and save for the obligations contemplated in subsections (3) and (5) such person shall continue to hold his or her copyright in the manner he or she has done prior to commencement of the Intellectual Property Laws Amendment Act, 2011 .

(3) Any person who has acquired rights as contemplated in subsection (2) before the commencement of this Act must comply with section 28B(4)(b) and (c), within 12 months after the commencement of the Intellectual Property Laws Amendment Act, 2011: Provided that the rights of the indigenous community to royalties or benefits or both such royalties and benefits shall start on the commencement of the Intellectual Property Laws Amendment Act, 2011.

(4) Any person who intends to acquire rights pertaining to doing of any of the acts referred to in section 28E of this Act in respect of an indigenous work after the commencement of the Intellectual Property Laws Amendment Act, 2011 must comply with section 28B(4)

(5) If any commercial benefit is derived from acts contemplated in subsections (2) or (4) the person who derived such benefit shall pay a royalty, or a benefit, or both such royalty and benefit, to the author as set out in section 28H(3).

(6) Any person deriving commercial benefit from the use of a traditional work, which value is less than the prescribed value shall be excluded from the requirements of sections 28B(4), 28C and 28H.

(7) An indigenous work may be used without obtaining prior consent of the copyright owner, if it is for the purpose of—

(a) private study or private use;

(b) professional criticism or review;

(c) reporting on current events;

(d) education;

(e) scientific research;

(f) legal proceedings; or

- (g) the making of recordings and other reproductions of indigenous cultural expressions or knowledge for purposes of their inclusion in an archive, inventory, dissemination for non-commercial cultural heritage safeguarding purposes and incidental uses: 5
Provided that only such excerpts or portions as is reasonably required are used and that the copyright owner's name is acknowledged.

Royalties and benefits

28H. (1) The content of sections 6, 7, 8 and 9 shall with the necessary changes required by the context, apply to traditional works, in so far as they can be applied to the specific traditional work. 10

(2) In the absence of an agreement to the contrary, no person may—

- (a) broadcast, cause the transmission of or play a sound recording as contemplated in section 9(c), (d) or (e); or 15
(b) show, broadcast or cause the transmission of a cinematograph film recording a traditional work, or include a traditional work in a cinematograph film or a television broadcast as contemplated in section 28E(1), without payment of a royalty, a benefit, or both such royalty and benefit, to the owner of the relevant copyright. 15

(3) The amount of any royalty, benefit, or both such royalty and benefit due for the use of traditional work shall be determined by — 20

- (a) an agreement between the user of the traditional work and the owner of the copyright in such work, or between their representative collecting societies; or 20
(b) in the absence of agreement as contemplated in subsection (a) being reached, the amount or value of the royalty, benefit, or both such royalty and benefit, shall be determined by— 25
(i) an institution accredited by the Commission as contemplated in section 28K(1);
(ii) the Copyright Tribunal referred to in section 29(1); or
(iii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965): 30

Provided that if the persons referred to in subsection (3)(a) cannot agree on which referral to follow in terms of this subsection within a reasonable period, any of the persons may refer these disputes for resolution in terms of section 28K. 35

(4) Agreements concluded in terms of sections 28G(3), 28G(4) and subsection (3)(a) must be submitted to the Council, who shall —

- (a) scrutinise the agreement for compliance with intellectual property laws, the community protocol and this Act; and 40
(b) where any clause within the contract is regarded as not being to the benefit of the indigenous community or member of the indigenous community concerned, require renegotiation of said clause and provide the necessary advice. 40

(5) The owner of copyright in a derivative indigenous work shall pay a royalty, a benefit, or both such royalty and benefit, agreed to as set out in this section, to the owner of the copyright in the indigenous work from which the derivative indigenous work was derived. 45

National Trust and Fund for Indigenous Knowledge

28I. (1) There is hereby established a National Trust to be known as the National Trust for Indigenous Knowledge, and the Minister shall appoint not more than five persons as trustees for the National Trust. 50

(2) The National Trust shall be responsible for the promotion and preservation of indigenous cultural expressions and knowledge, including, but not limited to—

- (a) the commercialisation and exploitation of indigenous cultural expressions or knowledge for the purpose of generating income; 55
(b) facilitating the development of indigenous communities with respect to training on and awareness of their intellectual property and associated rights; and

(c) assisting indigenous communities in the application of this Act and other legislation dealing with indigenous cultural expressions or knowledge.

(3) The National Trust shall establish a Fund to be known as the National Trust Fund for Indigenous Knowledge. 5

(4) The trustees of the National Trust shall administer the Fund in the prescribed manner and may invest monies received from the commercialisation of indigenous cultural expressions or knowledge or otherwise, pending the distribution thereof—

(a) on a call or short-term fixed deposit with any registered bank or financial institution in the Republic; or 10

(b) in an investment account with the Corporation for Public Deposits established in terms of section 2 of the Corporation for Public Deposits Act, 1984 (Act no. 46 of 1984).

(5) The Fund may be subdivided, in whole or in part, into separate sub-funds which may be administered on behalf of and at the request of the National Trust by the registrars of patents, copyright, trade marks and designs, respectively. 15

(6) All income derived by the National Trust from the use of indigenous cultural expressions or knowledge, including all royalties and benefits payable as provided for in— 20

(a) this Act;

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

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

(d) Trade Marks Act, 1993 (Act No. 194 of 1993); and 25

(e) Designs Act, 1993 (Act No. 194 of 1993)

shall be National Trust moneys and shall be paid into the respective sub-funds, to be applied for the benefit of indigenous communities: Provided that the Minister may prescribe—

(i) administration fees; 30

(ii) fees relating to commercialisation, exploitation and training of indigenous communities;

(iii) the frequency and manner in which payments shall be made to indigenous communities; and

(iv) any other matter related to the administration of the income received by the Fund. 35

(7) The Commission shall be responsible for the administration of the National Trust.

(8) Notwithstanding the provisions of this section, any indigenous community may establish a legal entity, business or other enterprise to promote or exploit indigenous cultural expressions or knowledge: Provided that any commercial benefit derived shall only be subject to royalties, benefits or licence fees once, which royalties, benefits or license fees may be paid to the Fund, if the Fund is the owner, by the indigenous community 40

(9) Nothing in this Act, or in the Acts referred to in subsection (6) shall prohibit an indigenous community from requesting the National Trust to collect, manage and distribute royalties, benefits or license fees on its behalf against payment of a prescribed fee. 45

Assignment and licences

28J. (1) Save for— 50

(a) assignment of copyright to a collecting society, or

(b) transfer to a duly appointed representative of the community, the copyright in an indigenous work shall not be transmissible by assignment, testamentary disposition or operation of law, but the doing of any act which is the subject of the copyright as contemplated in section 28E may be licensed. 55

(2) Should the copyright referred to in subsection (1), vest in a representative of an indigenous community, whether a natural or juristic person, the indigenous community may—

(a) upon the death or liquidation of the said representative, as the case may be; or 60

(b) prior to the death or liquidation of the said representative, by agreement as set out in the community protocol, transfer to such representation to a natural or juristic person, as the indigenous community may decide.

(3) Should the copyright referred to in subsection (1), vest in a representative of an indigenous community, such copyright shall automatically upon the death of the last living member of such indigenous community transfer to the National Trust.

Disputes

28K. (1) The Commission must accredit certain institutions which have the necessary capacity, to adjudicate any dispute arising from the application of this Amendment Act.

(2) Any dispute arising from the application of this the Intellectual Property Laws Amendment Act, 2011 must first be instituted in an institution accredited as contemplated in subsection (1).

(3) No person appearing in proceedings before an institution contemplated in subsection (1) shall have the right to legal representation unless —
(a) the adjudicator and all other parties consent; or (b) the adjudicator, after considering—

- (i) the nature of the questions of law raised by the dispute;
- (ii) the relative complexity and importance of the dispute; and
- (iii) the comparative ability of the parties to represent themselves in the adjudication, concludes that it would be unreasonable to expect the party to deal with the adjudication without legal representation.

(4) Any adjudication must take into account existing customary dispute resolution mechanisms.

(5) The decision of the institution referred to in subsection (1) may be served, executed and enforced as if it was an order of the High Court;

(6) Any party to proceedings before an institution referred to in subsection (1) may appeal to a court of law against any decision of such institution, and the appeal must be noted and handled in the manner prescribed by law for appeals against a civil order or decision of a single judge.

(7) The Minister shall prescribe the fees, processes and formalities relating to the institution and adjudication of a dispute.

National Council for Indigenous Knowledge

28L. (1) The Minister shall establish a National Council for Indigenous Knowledge.

(2) The Council shall consist of not less than 15 members, appointed by the Minister.

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

(4) Before appointing any person referred to in subsection (2), the Minister must—

- (a) by notice in the *Gazette*, and any other widely circulated means of communication call for nominees and state the criteria for such nominations;
- (b) specify a period within which nominations must be submitted; and
- (c) consider all nominations before making an appointment.

(5) 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;
 - (iv) health; and
 - (v) science and technology.

- (b) organised local government;
 - (c) an association of traditional healers;
 - (d) the Council of Traditional Leaders;
 - (e) academia;
 - (f) the legal profession;
 - (g) organised commerce and industry; or
 - (h) any other relevant body or institution.
- (6) The Council shall—
- (a) be broadly representative of indigenous communities from different cultures within the Republic; and
 - (b) at all times have as members—
 - (i) at least two persons with expertise and extensive knowledge in, and patronage of, traditional cultures and values of indigenous communities;
 - (ii) at least two persons with expertise and extensive knowledge in, and patronage of, traditional artistic, literary, musical works and performing arts; and
 - (iii) at least two persons with expertise and extensive knowledge of the law;
- (7) The Council shall have at least seven meetings per year and a quorum shall consist of half of the appointed members, plus one.
- (8) The members of the Council are appointed on such terms and conditions, including remuneration, as may be determined by the Minister in consultation with the Minister of Finance.
- (9) 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.
- (10) For the sake of continuity, succession planning must include reappointment of members in such a manner that subsections (6) and (9) are adhered to.
- (11) 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.
- (12) Subject to the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), the Minister may dissolve the Council—
- (a) if the Council fails to perform its functions in an effective and efficient manner; and
 - (b) on the grounds of mismanagement.
- (13) When the Minister dissolves the Council in terms of subsection (12), the Minister may appoint an interim body for the continued governance and control of the affairs of the Council, on such conditions as the Minister may determine.
- (14) The body contemplated in subsection (13) must be appointed for a period not exceeding six months or until the new Council is appointed in terms of subsection (2), whichever is the lesser.
- (15) The Commission shall be responsible for the administration of the Council, and its subcommittees.

Functions of Council

- 28M.** (1) The Council shall—
- (a) advise the Minister on any matter concerning indigenous cultural expressions or knowledge;
 - (b) advise the registrars of patents, copyright, trade marks, and designs on any matter relating to the registration of indigenous cultural expressions or 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 indigenous cultural expressions or knowledge;

- (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);
 - (f) refer any dispute received, to an institution contemplated in section 28K(1); and
 - (g) 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 databases contemplated in section 28C.
- (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 indigenous cultural expressions or knowledge relating to performers' rights, copyright, trade marks, designs and patents.

Compliance with international agreements

- 28N. (1) The Minister may by notice in the *Gazette* provide that any provision of this Act specified in such notice shall, in the case of any country so specified apply so that—
- (a) a community recognised in the specified country as an indigenous community shall be deemed to be an indigenous community as defined in this Act; and
 - (b) a traditional work recognised in the specified country as a traditional work shall be deemed to be a traditional work as defined in this Act.
- (2) The Minister may in the notice in section (1) make the provisions of this Act applicable to the following in respect of a country listed in the notice—
- (a) Its citizens or subjects;
 - (b) persons who at material times are domiciled or resident in the listed country and who are members of an indigenous community in that country; and
 - (c) juristic persons incorporated under the laws of the specified country and representing indigenous communities of that country.
- (3) The notice referred to in section (1) may —
- (a) include exceptions or modifications to the application of the Act in respect of a specified country;
 - (b) provide for general application of the Act; or
 - (c) limit application of the Act to such types of traditional works as may be specified.
- (4) No notice shall be issued under this section in respect of any country which is not a party to a convention relating to copyright to which the Republic is also a party, unless the Minister is satisfied that, in respect of the class of works to which the notice relates, provision has been or will be made under the laws of that country whereby adequate protection will be given to owners of copyright in traditional works under this Act."

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

5. Section 39 of the Copyright Act, 1978 (Act No. 98 of 1978), is hereby amended by—

- (a) 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: 5
“(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 referred to in section 28L, and of [its] their subcommittees, and the conditions upon which such members shall be appointed; and”; 10
- (b) Section 39 of the Copyright Act, 1978 (Act No. 98 of 1978), is hereby amended by the substitution for paragraph (cA) of the following paragraph: 15
“(cA) in consultation with the Minister of Finance, providing for the establishment, composition, funding and functions of collecting societies contemplated in section 9A, and any other matter that it may be necessary or expedient to regulate for the proper functioning of such societies whether in respect of copyright or any other type of intellectual property”; and
- (c) Section 39 of the Copyright Act, 1978 (Act No. 98 of 1978), is hereby amended by the addition after paragraph (cA) of the following paragraphs: 20
“(cB) providing for the recording of indigenous cultural expressions or knowledge as contemplated in section 28C including issues related to—
(i) the manner in which information on indigenous cultural expressions or knowledge is kept; 25
(ii) fees payable for access to inspect the databases;
(iii) processes and formalities related to the submission of an application; and
(iv) criteria to be met for indigenous cultural expressions or knowledge to be entered into the databases. 30
(cC) prescribing the nature of the entities envisaged by section 28I(8) including issues related to—
(i) governance of the entities; and
(ii) interaction of the entities with the National Trust and the Council. 35
(cD) providing for the fees, processes and formalities related to the submission and adjudication of a dispute set out in section 28K;
(cE) providing for the appointment of a person to act on behalf of an indigenous community which is no longer in existence”; 40

Insertion of section 39A in Act 98 of 1978 40

6. The following section is hereby inserted after Section 39 of the Copyright Act, 1978 (Act No. 98 of 1978):

“Guidelines

- 39A. The Minister may issue guidelines on any aspect of the Intellectual Property Laws Amendment Act, 2011, including—** 45
(a) protection of indigenous cultural expressions or knowledge;
(b) reducing traditional work that is eligible for copyright due to it being capable of substantiation from the collective memory of the relevant indigenous community, to material form for purposes of protection thereof; 50
(c) the databases, in so far as it relates to indigenous cultural expressions or knowledge;
(d) the National Trust and Fund, in so far as it relates to indigenous cultural expressions or knowledge;
(e) the Council, in so far as it relates to indigenous cultural expressions or knowledge; and 55
(f) the dispute process as set out in section 28K.”

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

7. 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 XIII Traditional terms and expressions and geographical indications (sections 43A to 43L)”.

Amendment of section 2 of Act 194 of 1993

8. 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 created by the Copyright Act, this Act, or by agreement and which amongst others—

(a) manages matters related to rights in trade marks;

(b) negotiates for and collects license fees and benefits on behalf of its members; and

(c) distributes license fees and benefits to trade mark owners.”;

(b) by the insertion in subsection (1) after the definition of **“collective trade mark”** of the following definition:

“‘Copyright Act’ means the Copyright Act, 1978 (Act No. 98 of 1978);

‘Commission’ means the Commission established in terms of section 185 of the Companies Act, 2008 (Act No. 71 of 2008);

‘community protocol’ means a protocol developed by an indigenous community that describes the structure of an indigenous community and its claims to indigenous cultural expressions or knowledge and indigenous terms or expressions or geographical indications, and provides procedures for prospective users of such indigenous cultural expressions or knowledge or indigenous terms or expressions or geographical indications, to seek the community’s prior informed consent, negotiate mutually agreed terms and benefit-sharing agreements.”;

(c) by the insertion in subsection (1) after the definition of **‘convention country’** of the following definition:

“‘Council’ means the National Council for Indigenous Knowledge as defined in section 1 of the Copyright Act.”;

(d) by the insertion in subsection (1) after the definition of **‘court’** of the following definition:

“‘database’ means the relevant section of the National Database for Indigenous Knowledge as defined in section 1 of the Copyright Act.”;

(e) by the insertion in subsection (1) after the definition of **‘deed of security’** of the following definition:

“‘derivative indigenous term or expression’ means any term or expression forming the subject of this Act, applied to any form of indigenous term or expression recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous term or expression or knowledge was derived before or after the commencement of the Intellectual Property Laws Amendment Act, 2011.”;

(f) by the insertion in subsection (1) after the definition of **‘device’** of the following definitions:

“‘Fund’ means the National Trust Fund for Indigenous Knowledge as defined in section 1 of the Copyright Act;

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

'indigenous community' means any recognisable community of people originated in or historically settled in a geographic area or areas, located within the borders of the Republic as such borders existed at the date of commencement of the Intellectual Property Laws Amendment Act, 2011, characterised by social, cultural and economic conditions which distinguish them from other sections of the national community, who identify themselves and are recognised by other groups as a distinct collective; 5
'indigenous cultural expressions or knowledge' means any form, tangible or intangible, or a combination thereof, in which traditional culture and knowledge are embodied, passed on between generations, tangible or intangible forms of creativity of indigenous communities, including, but not limited to— 10

(a) phonetic or verbal expressions, such as stories, epics, legends, poetry, riddles and other narratives; words, signs, names and symbols; 15

(b) musical or sound expressions, such as songs, rhythms, and instrumental music, the sounds which are the expression of rituals; 15

(c) expressions by action, such as dances, plays, ceremonies, rituals, expressions of spirituality or religion, sports and traditional games, puppet performances, and other performances, whether fixed or unfixe; and 20

(d) tangible expressions, such as material expressions of art, handicrafts, architecture, and tangible spiritual forms, or expressions of sacred places; 25

'indigenous term or expression' means a literary, artistic or musical term or expression with an indigenous or traditional origin and a traditional character, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which is regarded as part of the heritage of the community; 30

(g) by the insertion after the definition of **"Minister"** of the following definition: 30
" **'National Trust'** means the National Trust for Indigenous Knowledge established by section 28I of the Copyright Act and which functions as the National Trust for traditional terms or expressions in terms of section 43G;"; and 35

(h) by the insertion in subsection (1) after the definition of **"trade mark"** of the following definitions: 35

" **'traditional term or expression'** includes an indigenous term or expression and a derivative indigenous term or expression;".

Insertion of Part XIII A in Act 194 of 1993

8. The following Part is hereby inserted in the Trade Marks Act, 1993 (Act No. 194 of 1993) after section 43:

"Part XIII A

CERTIFICATION TRADE MARKS AND COLLECTIVE TRADE MARKS 5

"Application to traditional terms and expressions and geographical indications

43A. (1) Subject to Part XIII A, the provisions of this Act shall, except in so far as is otherwise provided in the said Part XIII A, and in so far as they can be applied, apply to traditional terms and expressions and geographical indications. 10

(2) Nothing in the sections contemplated in subsection (1) shall be construed as conferring any rights to any person in respect of intellectual property which is not a traditional term or expression.

Registrable traditional trade marks

- 43B.** (1) Subject to this section 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, 2011, a traditional term or expression shall not be capable of constituting a trade mark. 5
- (2) A traditional term or expression shall be capable of constituting—
(a) a certification trade mark or a collective trade mark; or
(b) a geographical indication.
- (3) In order to be registrable as a certification 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. 10 15
- (4) Geographical indications or other marks of geographical origin may be registered as certification marks: Provided that the registrar of patents, copyright, trade marks and designs shall clearly indicate in the register that the certification mark is a geographical indication. 20
- (5) Geographical indications or other marks of geographical origin may be registered as collective trade marks: Provided that the registrar shall clearly indicate in the register that the collective mark is a geographical indication.
- (6) No right in respect of a derivative indigenous term or expression or knowledge provided for in the Intellectual Property Laws Amendment Act, 2011, shall be eligible for registration unless— 25
- (a) prior informed consent has been obtained from the relevant authority or indigenous community;
(b) disclosure of the indigenous cultural expressions or knowledge has been made to the Commission; and
(c) a benefit sharing agreement between the applicant and the relevant authority or indigenous community has been concluded. 30
- (7) If an indigenous community has established a community protocol, the interaction with the indigenous community contemplated in subsection (6) must take such community protocol into account. 35
- (8) A traditional term or expression or geographical indication shall only be registrable as per this section if—
- (a) the term or expression or geographical indication is a derivative indigenous term or expression or geographical indication and was created on or after the date of commencement of the Intellectual Property Laws Amendment Act, 2011 and the community from which the term or expression, or a substantial part thereof originated is or was an indigenous community when the term or expression was created; or
(b) the traditional term or expression or geographical indication which was passed down from a previous generation. 40 45

Unregistrable traditional trade marks

- 43C.** (1) The following traditional terms and expressions and geographical indications shall not be registrable as trade marks, or, if registered, shall, 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, 2011 and subject to the provisions of sections 3 and 70, be liable for removal from the register: 50
- (a) Subject to sections 42 and 43, marks that consist exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, or other characteristics of the goods or services, or mode or time of production of the goods or of rendering of the services; or 55
- (b) subject to section 43B(3), consists exclusively of a traditional term or expression and which in the *bona fide* and established practices of the 60

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.

National Database

43D. (1) The National Database for Indigenous Knowledge contemplated in section 28C of the Copyright Act shall constitute and function as a sub-register within the register of trade marks in respect of traditional terms and expressions and geographical indications for purposes of this Act, in the manner provided for in the said section 28C of the Copyright Act.

(2) Traditional terms and expressions or geographical indications—
(a) contained in applications referred to the Council and accepted in terms of subsection (14); and
(b) contained in applications accepted in terms of sections 42, 43 or 43D, shall be recorded in the database.

(3) For the purposes of this Act, an indigenous community is deemed to be a juristic person.

(4) Any—
(a) natural person who created the traditional terms and expressions or geographical indications;
(b) natural or juristic person authorised to act on behalf of an indigenous community, or on behalf of an individual; or
(c) person appointed by the Minister in the manner prescribed, to act on behalf of an indigenous community which is no longer in existence; may submit to the registrar of patents, copyright, trade marks and designs of trade marks a request together with the appropriate information as prescribed for a traditional term or expression or geographical indication to be recorded in the database, whereupon the provisions of the said section 28C of the Copyright Act shall, with necessary changes, apply.

(5) The applicant for registration and the proprietor shall be—
(a) where—

(i) the originator of the traditional term or expression or the geographical indication cannot be determined;
(ii) the originator of the traditional term or expression or the geographical indicator, is an indigenous community which is no longer in existence; or
(iii) where the indigenous term or expression or geographical indication developed in such a manner that proprietorship cannot be shared amongst indigenous communities,

the National Trust;

(b) in all other instances related to indigenous term or expression, a person authorised to act on behalf of the indigenous community or indigenous communities or on behalf of an individual;
(c) in all other instances related to geographical indications, a person authorised to act on behalf of the indigenous community or indigenous communities or the relevant member of the indigenous community; and
(d) in all other instances related to derivative traditional terms or expressions, the relevant member of the indigenous community.

(6) If the applicant for registration is an indigenous community, the request referred to in subsection (4) shall include a community protocol setting out relevant information about the community including:

(a) Identification of the indigenous community and its acknowledged structure;
(b) full details of the appointed representative of the indigenous community in whose name the traditional term or expression or the geographical indication must be registered;
(c) if the representative is a juristic person, full details of registration of such juristic person;

- (d) the indigenous trade mark that is being registered and the justification for the community claiming rights to it;
- (e) whether such indigenous trade mark is sacred, or should for any other reason, which must be provided, be kept confidential; and
- (f) a written undertaking by the representative of the indigenous community to the effect that he or she will hold the right to the indigenous term or expression or geographical indications on behalf of the indigenous community. 5
- (7) The Council must assist the indigenous community to ensure that the community protocol corresponds with the structure of the indigenous community. 10
- (8) The community protocol must be kept with the registration of the indigenous term or expression or geographical indications.
- (9) Section 22(4) shall apply, with necessary changes, in relation to a database for traditional terms or expressions or geographical indications. 15
- (10) The Commission may determine which information recorded in the database must be treated confidentially: Provided that if the community protocol indicates that the information is sacred or must be kept in confidence, the Commission must treat the information confidentially.
- (11) Any person in subsection (4), or a third party who has an interest in a traditional term or expression or geographical indication may submit to the registrar of patents, copyright, trade marks and designs a request together with the appropriate information as prescribed for the amendment or removal of a traditional term or expression or geographical indication in the database, whereupon the provisions of section 28C(12) of the Copyright Act shall, with necessary changes, apply. 20 25
- (12) If it appears to the registrar of patents, copyright, trade marks and designs that the mark sought to be registered—
- (i) consists exclusively of, or an essential part thereof constitutes, a traditional term or expression or geographical indication as contemplated in section 43B; and 30
- (ii) is registrable in terms of section 42, 43 or 43B, the registrar of patents, copyright, trade marks and designs shall accordingly register the mark.
- (13) Save for as otherwise provided in this section, parts IV and V specifically shall apply, with necessary changes, in relation to a registration of a traditional term or expression. 35
- (14) (a) If it appears to the registrar of patents, copyright, trade marks and designs that the mark sought to be registered—
- (i) consists exclusively of, or an essential part thereof constitutes, a traditional term or expression or geographical indication as contemplated in section 43B; and 40
- (ii) is not registrable in terms of sections 42, 43 or 43B, he or she shall provisionally refuse the application and refer the application to the Council for its advice. 45
- (b) The Council shall consider such application and advise the registrar of patents, copyright, trade marks and designs 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 of patents, copyright, trade marks and designs shall accept or refuse the application. 50
- (15) The registrar of patents, copyright, trade marks and designs 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 this section. 55
- (16) In the case of—
- (a) an acceptance in terms of subsections (2), (12) or (14)(c);
- (b) a refusal in terms of subsection (14)(c); or
- (c) a provisional refusal or refusal in terms of subsection (14)(a), the registrar of patents, copyright, trade marks and designs shall, on application by the applicant in the prescribed manner, state in writing the grounds for his or her decision. 60

(17) (a) In the case of an acceptance of a traditional term or expression or geographical indication for registration as a certification trade mark, a collective trade mark the registrar of patents, copyright, trade marks and designs 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 of patents, copyright, trade marks and designs shall notify the Director-General of the department responsible for Agriculture in the prescribed manner.

(18) Sections 27(1) (a) and (b) do not apply to a traditional term, expression or geographical indication.

Term of protection

43E. (1) Save for as otherwise provided in this section, section 37 shall apply, with necessary changes, in relation to the duration and renewal of registration of derivative traditional terms or expressions and geographical indications as set out in section 43B(8)(a).

(2) The duration of registration in the case of indigenous term or expression or geographical indications as set out in section 43B(8)(b) shall be in perpetuity.

Infringement of a traditional mark, exceptions, licence fees and benefits

43F. (1) Notwithstanding the provisions of section 34(1), the proprietor of a trade mark in respect of a traditional term or expression shall not be entitled to interfere with or restrain a person referred to in section 35 or a person who commenced using a mark in the course of trade in the manner contemplated in section 34(1) at a date prior to the commencement of the Intellectual Property Laws Amendment Act, 2011, 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 43D, a licence fee, a benefit, or both such royalty and benefit, shall be paid by such person to the proprietor as provided for in subsection (4);

(2) Any person who has acquired rights as contemplated in subsection (1) must comply with sections 43B(6)(b) and (c), within 12 months after the commencement of the Intellectual Property Laws Amendment Act, 2011: Provided that—

(a) the rights of the indigenous community to royalties or benefits or both such royalties and benefits shall start on the commencement of the Intellectual Property Laws Amendment Act, 2011; and

(b) save for the obligations contemplated in this subsection and subsection (1), such person shall continue to hold his or her right in the derivative indigenous term or expression or geographical indication in the manner he or she has done prior to commencement of the Intellectual Property Laws Amendment Act, 2011.

(3) Any person who intends to acquire rights pertaining to use of the indigenous term or expression or geographical indication after the commencement of the Intellectual Property Laws Amendment Act, 2011 must comply with section 43B(6).

(4) The amount or value of the licence fee, benefit, or to both such royalty and benefit, contemplated in subsection (1) or negotiated for in the benefit sharing agreement contemplated in subsection (3), shall be determined—

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

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

(c) in the absence of agreement as contemplated in subsections (a) or (b) being reached, the amount or value of the royalty, benefit, or both such royalty and benefit, shall be determined by—

- (i) an institution accredited by the Commission as contemplated in section 43I(1); or
- (ii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965):

Provided that if the persons referred to in subsections (4)(a) or (b) cannot agree on which referral to follow in terms of this subsection within a reasonable period, any of the persons may refer these disputes for resolution in terms of section 43I.

(5) Agreements concluded in terms of subsections (2), (3) or (4)(a) or (b) must be submitted to the Council, who shall—

- (a) scrutinise the agreement for compliance with intellectual property laws, including this Act and the community protocol; and
- (b) where any clause within the contract is regarded as not being to the benefit of the indigenous community or member of the indigenous community concerned, require renegotiation of said clause and provide the necessary advice.

(6) The owner of a certification or collective trade mark in a derivative indigenous term or expression or geographical indication shall pay a license fee, agreed to as set out in this section, to the owner or owners of certification or collective trade marks in the indigenous term or expression or geographical indication from which the derivative indigenous term or expression or geographical indication was derived.

(7) Any person deriving commercial benefit from the use of a traditional term or expression or geographical indication, which commercial benefit is less than the prescribed value shall be excluded from the requirements of sections 43B(6), 43F(2) and (3) and from the requirement to pay royalties and benefits as contemplated in section 43F(1).

(8) A traditional term or expression or geographical indication may be used without obtaining prior consent of the trade mark proprietor, if it is for the purpose of—

- (a) private study or private use;
- (b) professional criticism or review;
- (c) reporting on current events;
- (d) education;
- (e) scientific research;
- (f) legal proceedings; or
- (g) the making of recordings and other reproductions of indigenous cultural expressions or knowledge for purposes of their inclusion in an archive, inventory, dissemination for non-commercial cultural heritage safeguarding purposes and incidental uses: Provided that only such portions as is reasonably required for such use and that the trade mark owner's name is acknowledged.

National Trust and Fund

43G. (1) The National Trust and the Fund, as the case may be, shall constitute and function as a National Trust and Fund in respect of for traditional terms and expressions and geographical indications for purposes of this Act, and the provisions of the said section 28I shall, with necessary changes, apply.

(2) All monies payable in respect of the use of an indigenous term or expression or geographical indication registered under this Act and owned by the National Trust shall be paid into the Fund contemplated in subsection (1) and shall be applied for the benefit of indigenous communities in the manner prescribed in section 28I of the Copyright Act.

Assignment and licences

43H. (1) Save for—

- (a) assignment of an indigenous term or expression or geographical indication to a collecting society, or
- (b) transfer to a duly appointed representative of the community, the certification or collective trade marks in an indigenous term or

expression or geographical indication shall not be transmissible by assignment, testamentary disposition or operation of law, but the doing of any act may be licensed.

(2) Should the certification or collective trade marks referred to in subsection (1), vest in a representative of an indigenous community, whether a person, the indigenous community may— 5

(a) upon the death or liquidation of the said representative, as the case may be; or

(b) prior to death or liquidation of the said representative, by agreement as set out in the community protocol, transfer to such representation to a person, as the indigenous community may decide. 10

(3) Should the certification or collective trade marks referred to in subsection (1), vest in a representative of an indigenous community, such certification or collective trade marks shall automatically upon the death of the last living member of such indigenous community transfer to the National Trust. 15

Disputes

43I. (1) The Commission must accredit certain institutions which have the necessary capacity, to adjudicate any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011. 20

(2) Any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011 must first be instituted in an institution accredited as contemplated in subsection (1).

(3) No person appearing in proceedings before an institution contemplated in subsection (1) shall have the right to legal representation unless— 25

(a) the adjudicator and all other parties consent; or

(b) the adjudicator, after considering—

(i) the nature of the questions of law raised by the dispute;

(ii) the relative complexity and importance of the dispute; and

(iii) the comparative ability of the parties to represent themselves in the adjudication, concludes that it would be unreasonable to expect the party to deal with the adjudication without legal representation. 30

(4) Any adjudication must take into account existing customary dispute resolution mechanisms. 35

(5) The decision of the institution referred to in subsection (1) may be served, executed and enforced as if it was an order of the High Court;

(6) Any party to proceedings before an institution referred to in subsection (1) may appeal to a court of law against any decision of such institution, and the appeal must be noted and handled in the manner prescribed by law for appeals against a civil order or decision of a single judge. 40

(7) The Minister shall prescribe the fees, processes and formalities relating to the institution and adjudication of a dispute.

National Council 45

43J. The Council must advise the registrar of patents, copyright, trade marks and designs on the registration of traditional terms and expressions under this Act.

Compliance with international agreements

43K. (1) The Minister may by notice in the *Gazette* provide that any provision of this Act specified in such notice shall in the case of any country so specified apply so that— 50

(a) a community recognised in the specified country as an indigenous community shall be deemed to be an indigenous community as defined in this Act; and 55

(b) traditional terms and expressions and geographical indications recognised in the specified country as traditional terms and expres-

sions and geographical indications shall be deemed to be traditional terms and expressions and geographical indications as defined in this Act.

(2) The Minister may in the notice in section (1) make the provisions of this Act applicable to the following in respect of a country listed in the notice—

- (a) its citizens or subjects;
- (b) persons who at material times are domiciled or resident in the listed country and who are members of an indigenous community in that country; and
- (c) juristic persons incorporated under the laws of the specified country and representing indigenous communities of that country.

(3) The notice referred to in section (1) may—

- (a) include exceptions or modifications to the application of the Act in respect of a specified country;
- (b) provide for general application of the Act; or
- (c) limit application of the Act to such types of traditional terms and expressions and geographical indications as may be specified.

(4) No notice shall be issued under this section in respect of any country which is not a party to a convention relating to trade marks to which the Republic is also a party, unless the Minister is satisfied that, in respect of the class of traditional terms and expressions and geographical indications to which the notice relates, provision has been or will be made under the laws of that country whereby adequate protection will be given to owners of traditional trade marks under this Act.

(5) Section 35 shall, with the necessary changes required by the context, apply in respect of traditional terms or expressions.”.

Amendment of section 69 of Act 194 of 1993

9. Section 69 of the Trade Marks Act, 1993 (Act No. 194 of 1993), is hereby amended by—

- (a) Section 69 of the Trade Marks Act, 1993 (Act No. 194 of 1993), is hereby amended by the addition after subsection (3) of the following subsections:

“(4) The Minister may make regulations providing for the fees, processes and formalities related to the submission and adjudication of a dispute set out in section 43I.

(5) The Minister may make regulations in consultation with the Minister of Finance, providing for the establishment, composition, funding and functions of collecting societies contemplated in section 43F, and any other matter that it may be necessary or expedient to regulate for the proper functioning of such societies.

(6) The Minister may make regulations providing for the appointment of a person to act on behalf of an indigenous community which is no longer in existence.

(7) The Minister may prescribe the value of a commercial benefit contemplated in section 43F(7).

(8) The Minister may issue guidelines on any aspect of the Intellectual Property Laws Amendment Act, 2011, including—

- (a) protection of traditional terms and expressions and geographical indications;
- (b) examples and other measures to identify traditional terms and expressions and geographical indications;
- (c) the database, in so far as it relates to traditional terms and expressions and geographical indications;
- (d) the National Trust and Fund, in so far as it relates to traditional terms and expressions and geographical indications;
- (e) the Council, in so far as it relates to traditional terms and expressions and geographical indications; or
- (f) the dispute process as set out in section 43I.”.

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

10. 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 definitions:

“**collecting society**’ means a collecting society created by the Copyright Act, this Act, or by agreement and which amongst others—

- (a) manages matters related to rights in designs;
- (b) negotiates for and collects royalties and benefits on behalf of its members; and
- (c) distributes royalties and benefits to design owners;

“**Commission**’ means the Commission established in terms of section 185 of the Companies Act, 2008 (Act No. 71 of 2008); “**community protocol**’ means a protocol developed by an indigenous community that describes the structure of an indigenous community and its claims to indigenous cultural expressions or knowledge and indigenous designs, and provides procedures for prospective users of such indigenous cultural expressions or knowledge or indigenous designs, to seek the community’s prior informed consent, negotiate mutually agreed terms and benefit-sharing agreements;

(b) by the insertion in subsection (1) after the definition of “convention country” of the following definition:

“**Copyright Act**’ means the Copyright Act, 1978 (Act No. 98 of 1978); “**Council**’ means the National Council for Indigenous Knowledge as defined in section 1 of the Copyright Act;”;

(c) by the insertion in subsection (1) after the definition of “court” of the following definition:

“**database**’ means the relevant section of the National Database for Indigenous Knowledge as defined in section 1 of the Copyright Act;”;

(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 “date of application” of the following definition:

“**derivative indigenous design**’ means any aesthetic or functional design forming a subject of this Act, applied to any form of indigenous design recognised by an indigenous community as having an indigenous or traditional origin, and a substantial part of which was derived from indigenous cultural expressions or knowledge irrespective of whether such derivative indigenous design was derived before or after the commencement of the Intellectual Property Laws Amendment Act, 2011: Provided that—

(a) an aesthetic derivative indigenous design shall be registered as “TA” and refers to a derivative indigenous design applied to an indigenous design for the pattern or the shape or the configuration or the ornamentation thereof, or for two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof; and

(b) a functional derivative indigenous design shall be registered as “TF” and refers to a derivative indigenous design applied to an indigenous design for the pattern or the shape or the configuration thereof, or for two or more of those purposes, and by whatever means it is applied, having features which are necessitated by the function which the indigenous design to which the derivative indigenous design is applied, to perform;”;

(f) by the insertion in subsection (1) after the definition of “functional design” of the following definitions:

“**Fund**’ means the National Trust Fund for Indigenous Knowledge as defined in section 1 of the Copyright Act;

'indigenous community' means any recognisable community of people originated in or historically settled in a geographic area or areas, located within the borders of the Republic as such borders existed at the date of commencement of the Intellectual Property Laws Amendment Act, 2011, characterised by social, cultural and economic conditions which distinguish them from other sections of the national community, who identify themselves and are recognised by other groups as a distinct collective;

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

- (a) phonetic or verbal expressions, such as stories, epics, legends, poetry, riddles and other narratives; words, signs, names and symbols;
- (b) musical or sound expressions, such as songs, rhythms, and instrumental music, the sounds which are the expression of rituals;
- (c) expressions by action, such as dances, plays, ceremonies, rituals, expressions of spirituality or religion, sports and traditional games, puppet performances, and other performances, whether fixed or unfixed; and
- (d) tangible expressions, such as material expressions of art, handicrafts, architecture, and tangible spiritual forms, and expressions of sacred places;

'indigenous design' means an aesthetic or functional design with an indigenous or traditional origin and a traditional character, including indigenous cultural expressions or knowledge which was created by persons who are or were members, currently or historically, of an indigenous community and which design is regarded as part of the heritage of the community: Provided that—

- (a) an aesthetic indigenous design shall be registered as "TA" and refers to an indigenous design applied to an article for the pattern or the shape or the configuration or the ornamentation thereof, or for two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof; and
- (b) a functional indigenous design shall be registered as "TF" and refers to an indigenous design applied to an article for the pattern or the shape or the configuration thereof, or for two or more of those purposes, and by whatever means it is applied, having features which are necessitated by the function which the article to which the indigenous design is applied, to perform;"

- (g) by the insertion after the definition of "**Minister**" of the following definition:
"**'National Trust'** means the National Trust for Indigenous Knowledge established by section 28I of the Copyright Act and which functions as the National Trust for traditional designs in terms of section 53G.";

- (h) by the addition in the definition of "**proprietor**" after paragraph (d) of the following paragraphs:

"(e) where the design is a traditional design and—

- (i) the author of the design cannot be determined;
- (ii) the author of the design is an indigenous community which is no longer in existence; or
- (iii) the design cannot be shared between the indigenous communities claiming authorship for whatsoever reason, the National Trust; or

- (f) where the design is a traditional design, the member of the indigenous community who authored the design, or where the design was developed by the community as a whole, or by a large portion thereof, or is a indigenous design, a person authorised to act on its behalf.";

- (i) by the insertion in subsection (1) after the definition of “**this Act**” of the following definitions:

“**traditional design**” includes an indigenous design and a derivative indigenous design.”

Insertion of Sections 53A, 53B, 53C, 53D, 53E, 53F, 53G, 53H, 53I, 53J, 53K and 53L in Act 195 of 1993 5

11. The following sections are hereby inserted in the Designs Act, 1993 (Act No. 195 of 1993), after section 53:

“Application to traditional designs

53A. (1) Subject to this section, sections 53B, 53C, 53D, 53E, 53F, 53G, 10
53H, 53I, 53J, 53K and 53L, the provisions of this Act shall, except in so far as is otherwise provided in the said sections, and in so far as they can be applied, apply to traditional designs.

(2) The provisions of section 2(1) shall not apply in respect of traditional designs. 15

(3) The provisions of this Act shall apply in respect of all traditional designs, whether created before or after the date of commencement of the Intellectual Property Laws Amendment Act, 2011.

(4) Nothing in the sections contemplated in subsection (1) shall be construed as granting any rights to any person in respect of intellectual 20
property which is not a traditional design.

Traditional designs eligible for registration

53B. (1) The author of a derivative indigenous design which is—

- (a) new; and
(b) has features which are based on or derived from an indigenous design 25
of an indigenous community may, in the prescribed manner and on payment of the prescribed fee, apply for registration of such derivative indigenous design.

(2) A derivative indigenous design shall be deemed to be new if it is different from or does not form part of the state of the art immediately 30
before—

- (a) the date of application for registration thereof; or
(b) the release date thereof, whichever is the earlier: Provided that in the 35
case of the release date being a date after the date of commencement of the Intellectual Property Laws Amendment Act, 2011, the application for the registration of the design is lodged within two years of such release date.

(3) No right in a derivative indigenous design provided for in the Intellectual Property Laws Amendment Act, 2011, shall vest or be eligible 40
for registration unless—

- (a) prior informed consent has been obtained from the relevant authority or indigenous community;
(b) disclosure of the indigenous cultural expressions or knowledge has 45
been made to the Commission; and
(c) a benefit sharing agreement between the applicant and the relevant authority or indigenous community has been concluded.

(4) If an indigenous community has established a community protocol, the interaction with the indigenous community contemplated in subsection (3) must take such protocol into account.

(5) An indigenous community may in the prescribed manner and on 50
payment of the prescribed fee, apply for registration of an indigenous design.

National Database

- 53C. (1) The National Database of Indigenous Knowledge contemplated in section 28C of the Copyright Act shall constitute and function as a sub-register within the register of designs for purposes of this Act, in the manner provided for in the said section 28C of the Copyright Act. 5
- (2) The registrar of patents, copyright, trade marks and designs shall open a Part T in the register which shall relate to traditional designs.
- (3) Traditional designs contained in applications referred to the Council by the registrar of patents, copyright, trade marks and designs in terms of subsection (14) and traditional designs registered in terms of subsections (11) or (16)(a), shall be recorded in the database. 10
- (4) For the purposes of this Act, an indigenous community is deemed to be a juristic person. (5) Any—
- (a) person who created the derivative indigenous design;
 - (b) person authorised to act on behalf of an indigenous community, or on behalf of an individual, or 15
 - (c) person appointed by the Minister in the manner prescribed, to act on behalf of an indigenous community which is no longer in existence; may submit to the registrar of patents, copyright, trade marks and designs of designs a request together with the appropriate information for a traditional design to be recorded in the database, whereupon the provisions of the said section 28C of the Copyright Act shall, with necessary changes, apply. 20
- (6) If the applicant for registration is an indigenous community, the request referred to in subsection (5) shall include a community protocol setting out relevant information about the community including: 25
- (a) Identification of the indigenous community and its acknowledged structure;
 - (b) full details of the appointed representative of the indigenous community in whose name the indigenous design must be registered; 30
 - (c) if the representative is a juristic person, full details of registration of such juristic person;
 - (d) the indigenous design that is being registered and the justification for the community claiming rights to it;
 - (e) whether such indigenous design is sacred, or should for any other reason, which must be provided, be kept confidential; and 35
 - (f) a written undertaking by the representative of the indigenous community to the effect that he or she will hold the right to the indigenous design on behalf of the indigenous community.
- (7) The Council must assist the indigenous community to ensure that the community protocol corresponds with the structure of the indigenous community. 40
- (8) The community protocol must be kept with the registration of the indigenous design.
- (9) An indigenous community shall register an indigenous design: 45
Provided that where the indigenous community—
- (a) registers an indigenous design within 36 months from the commencement of the Intellectual Property Laws Amendment Act, 2011, or such longer period as the Minister may prescribe, such indigenous community shall enjoy the right to royalties and benefits conferred by the Intellectual Property Laws Amendment Act, 2011 from the date of its commencement; or 50
 - (b) registers an indigenous design after the period contemplated in subsection (a), such indigenous community shall enjoy the right to royalties and benefits conferred by the Intellectual Property Laws Amendment Act, 2011 from the date of registration. 55
- (10) The Commission may determine that certain information recorded in the database must be treated confidentially: Provided that if the community protocol indicates that the information is sacred or must be kept in confidence, the Commission must treat the information confidentially. 60
- (11) Any person in subsection (5), or a third party who has an interest in a traditional design may submit to the registrar of patents, copyright, trade

marks and designs of designs a request together with the appropriate information as prescribed for the amendment or removal of a traditional design in the database, whereupon the provisions of section 28C(16) of the Copyright Act shall, with necessary changes, apply.

(12) The registrar of patents, copyright, trade marks and designs shall examine any application for the registration of a traditional design received, in terms of this section and, if it complies with the requirements of this Act, register such design in Part T of the database which contains registrations with regard to traditional designs as a "TA", if it is an indigenous design or derivative indigenous design of an aesthetic nature and as "TF" if it is an indigenous design or derivative indigenous design of a functional nature,

(13) An indigenous design may be registered only in Part T of the database.

(14) Save for as otherwise provided in this section, sections 14, 15, 16, 17,18, 19 and 31 shall apply, with necessary changes, in relation to a registration of a traditional design.

(15) In the case of a traditional design if the registrar of patents, copyright, trade marks and designs is in doubt as to whether or not the application complies with the requirements of the Act, the registrar of patents, copyright, trade marks and designs shall refer the application to the Council for advice.

(16) The Council shall consider such application and give advice to the registrar of patents, copyright, trade marks and designs within three months of the referral whether or not, in its opinion, the design can be registered.

(17) Upon receipt of the advice of the Council, the registrar of patents, copyright, trade marks and designs shall either—

- (a) register the design in Part T of the database if it is found to comply with the requirements of the Act, or
- (b) refuse the application.

(18) In the case of any traditional design being registered as contemplated in subsection (12) or (17)(a), the registrar of patents, copyright, trade marks and designs shall notify the Council.

Effect of registration of traditional design

53D. The provisions of section 20 shall, with necessary changes, apply.

Period of protection

53E. (1) The duration of the registration of—

(a) a traditional design registered in terms of section 53B(2)(a) or 53B(2)(b) shall be in respect of—

- (i) an aesthetic derivative indigenous design, 15 years from the date of registration or from the release date, whichever date is earlier, and
- (ii) a functional derivative indigenous design, 10 years from the date of registration or from the release date, whichever date is earlier, subject to the payment of the prescribed renewal fee; and

(b) an indigenous design as set out in section 53B(5) shall be in perpetuity.

(2) Any application in terms of section 31 relating to the revocation of a traditional design shall also be served on the Council in the prescribed manner.

(3) If the Council is served with an application for the revocation of a traditional design as contemplated in subsection (2), the Council shall notify the registrar of patents, copyright, trade marks and designs within the prescribed period whether it intends to contest the revocation.

Infringement, exceptions, royalties and benefits

53F. (1) Notwithstanding sections 35(9) and (10), the proprietor of a traditional design shall not be entitled to interfere with or restrain a person 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 traditional design; or
- (ii) a design not substantially different from the traditional design, prior to the commencement of the Intellectual Property Laws Amendment Act, 2011: Provided that if any commercial benefit is derived from any such act after the date of registration of the traditional design, a royalty, benefit, or both such royalty and benefit, shall be paid by such person to the proprietor of the traditional design as provided for in subsection (4).

(2) Any person who has acquired rights as contemplated in subsection (1) must comply with section 53B(3)(b) and (c), within 12 months after the commencement of the Intellectual Property Laws Amendment Act, 2011: Provided that—

- (a) the rights of the indigenous community to royalties or benefits or both such royalties and benefits shall start on the commencement of the Intellectual Property Laws Amendment Act, 2011 and
- (b) save for the obligations contemplated in this subsection and subsection (1) such person shall continue to hold his or her right in the derivative indigenous design in the manner he or she has done prior to commencement of the Intellectual Property Laws Amendment Act, 2011 .

(3) Any person who intends to acquire rights pertaining to use of the indigenous design after the commencement of the Intellectual Property Laws Amendment Act, 2011, must comply with section 53B(3).

(4) The amount or value of a royalty, benefit, or both such royalty and benefit, contemplated in subsection (1) or negotiated for in the benefit sharing agreement contemplated in subsection (3) shall be determined—

- (a) by agreement between the person who is the user of the traditional design and the proprietor of the design;
- (b) by one or more collecting societies representing either or both of these parties; or
- (c) in the absence of agreement, by—
 - (i) an institution accredited by the Commission as contemplated in section 53I(1); or
 - (ii) arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).

(5) Agreements concluded in terms of subsections (2), (3) and (4) must be submitted to the Council, who shall—

- (a) scrutinise the agreement for compliance with intellectual property laws, including this Act and the community protocol;
- (b) where any clause within the contract is regarded as not being to the benefit of the indigenous community or member of the indigenous community concerned, require renegotiation of said clause and provide the necessary advice.

(6) The owner of a derivative indigenous design shall pay a royalty, benefit, or both such royalty and benefit, to the owner of an indigenous design from which the derivative indigenous design was derived.

(7) Any person deriving commercial benefit from the use of a traditional design, which commercial benefit is less than the prescribed value shall be excluded from the requirements of sections 53B(3), 53F(2), 53F(3) and the requirement to pay royalties and benefits as contemplated in section 53F(1).

(8) A traditional design may be used without obtaining prior consent of the traditional design proprietor, if it is for the purpose of—

- (a) private study or private use;
- (b) professional criticism or review;
- (c) reporting on current events;
- (d) education;
- (e) scientific research;
- (f) legal proceedings; or
- (g) the making of recordings and other reproductions of indigenous cultural expressions or knowledge for purposes of their inclusion in an

archive, inventory, dissemination for non-commercial cultural heritage safeguarding purposes and incidental uses:
Provided that only such portions as is reasonably required are used and that the traditional design owner's name is acknowledged.

National Trust and Fund

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53G. (1) The National Trust and the Fund shall constitute and function as the National Trust and Fund in respect of traditional designs for purposes of this Act, and the provisions of the said section 28I shall, with necessary changes, apply.

(2) All monies payable in respect of the use of traditional designs registered under this Act and owned by the National Trust shall be paid into the Fund contemplated in subsection (1) and shall be applied for the benefit of indigenous communities in the manner prescribed in section 28I of the Copyright Act.

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Assignment and licences

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53H. (1) Save for—

(a) assignment of a right in an indigenous design to a collecting society; or
(b) transfer to a duly appointed representative of the community,
the right in an indigenous design shall not be transmissible by assignment, testamentary disposition or operation of law, but the doing of any act under section 20 may be authorised.

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(2) Should the proprietary rights referred to in subsection (1), vest in a representative of an indigenous community, the indigenous community may—

(a) upon the death or liquidation of the said representative, as the case may be; or
(b) prior to death or liquidation of the said representative, by agreement as set out in the community protocol, transfer to such representation to a natural or juristic person, as the indigenous community may decide.

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(3) Should the proprietary rights referred to in subsection (1), vest in a representative of an indigenous community, such proprietary rights shall automatically upon the death of the last living member of such indigenous community transfer to the National Trust.

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Disputes

53I. (1) The Commission must accredit certain institutions which have the necessary capacity, to adjudicate any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011.

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(2) Any dispute arising from the application of the Intellectual Property Laws Amendment Act, 2011 must first be instituted in an institution accredited as contemplated in subsection (1).

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(3) No person appearing in proceedings before an institution contemplated in subsection (1) shall have the right to legal representation unless—

(a) the adjudicator and all other parties consent; or
(b) the adjudicator, after considering—
(i) the nature of the questions of law raised by the dispute;
(ii) the relative complexity and importance of the dispute; and
(iii) the comparative ability of the parties to represent themselves in the adjudication, concludes that it would be unreasonable to expect the party to deal with the adjudication without legal representation.

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(4) Any adjudication must take into account existing customary dispute resolution mechanisms.

(5) The decision of the institution referred to in subsection (1) may be served, executed and enforced as if it was an order of the High Court;

(6) Any party to proceedings before an institution referred to in subsection (1) may appeal to a court of law against any decision of such institution, and the appeal must be noted and handled in the manner

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prescribed by law for appeals against a civil order or decision of a single judge.

(7) The Minister shall prescribe the fees, processes and formalities relating to the institution and adjudication of a dispute.

National Council

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53J. The Council shall advise on matters relating to traditional designs under this Act.

Compliance with International Agreements

53K. (1) The Minister may by notice in the *Gazette* provide that any provision of this Act specified in such notice shall in the case of any country so specified apply so that—

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(a) a community recognised in the specified country as an indigenous community shall be deemed to be an indigenous community as defined in this Act; and

(b) a traditional design recognised in the specified country as a traditional design shall be deemed to be a traditional design as defined in this Act.

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(2) The Minister may in the notice in subsection (1) make the provisions of this Act applicable to the following in respect of a country specified in the notice—

(a) its citizens or subjects;

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(b) persons who at material times are domiciled or resident in the specified country and who are members of an indigenous community in that country; and

(c) juristic persons incorporated under the laws of the specified country and representing indigenous communities of that country.

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(3) The notice in section (1) may—

(a) include exceptions or modifications to the application of the Act in respect of a specified country;

(b) provide for general application of the Act; or

(c) limit application of the Act to such types of traditional designs as may be specified.

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(4) No notice shall be issued under this section in respect of any country which is not a party to a convention relating to designs to which the Republic is also a party, unless the Minister is satisfied that, in respect of the class of designs to which the notice relates, provision has been or will be made under the laws of that country whereby adequate protection will be given to owners of traditional designs under this Act.”

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Amendment of section 54 of Act 195 of 1993

12. 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—

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“(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;”;

(b) Section 54 of the Designs Act, 1993 (Act No. 195 of 1993), is hereby amended by the addition after paragraph (f) of the following paragraphs:

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“(fA) providing for the fees, processes and formalities related to the submission and adjudication of a dispute set out in section 53I,

(fB) in consultation with the Minister of Finance, providing for the establishment, composition, funding and functions of collecting societies contemplated in section 53F, and any other matter that it may be necessary or expedient to regulate for the proper functioning of such societies.”

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(fC) providing for the appointment of a person to act on behalf of an indigenous community which is no longer in existence;.”

Insertion of section 54A in Act 195 of 1993

13. The following section is hereby inserted after section 54 of the Designs Act, 1993 (Act No. 195 of 1993):

“Guidelines

54A. (1) The Minister may issue guidelines on any aspect of the 5
Intellectual Property Laws Amendment Act, 2011, including—
(a) protection of traditional designs;
(b) the database, in so far as it relates to traditional designs;
(c) the National Trust and Fund, in so far as it relates to traditional 10
designs;
(d) the Council, in so far as it relates to traditional designs; and
(e) the dispute resolution process as set out in section 53I.”

Short title and commencement

14. This Act is called the Intellectual Property Laws Amendment Act, 2011 and comes 15
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, 2011

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) Performers' Protection Act, 1967 (Act No. 11 of 1967);
 - (b) Patents Act, 1978 (Act No. 57 of 1978);
 - (c) Copyright Act, 1978 (Act No. 98 of 1978);
 - (d) Trade Marks Act, 1993 (Act No. 194 of 1993);
 - (e) Designs Act, 1993 (Act No. 195 of 1993); 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 1977). 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, 2011 (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 responsible for Agriculture, which administers the Plant Breeders Act, 1976, has not yet effected amendments to compliment the Patents Amendment Act, 2005.
- 1.7 Indigenous knowledge of indigenous communities may be open to exploitation by foreign countries. It is important to ensure that this is avoided and the indigenous communities derive every benefit from their indigenous knowledge.

2. OBJECTS OF 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, namely to—
 - (a) provide legislative mechanisms to protect the different species of indigenous knowledge and geographical indications;

- (b) recognise indigenous knowledge by defining indigenous 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 for “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 registrar of patents, copyright, trade marks and designs of intellectual property on indigenous knowledge;
 - (e) establish a National Trust Fund to facilitate the commercialisation of indigenous knowledge and the application of income generated to the benefit of indigenous communities; and a National Database for Indigenous Knowledge to facilitate access to information regarding traditional IP; and
 - (f) provide for use of collecting societies in the entire copyright regime as well as in trade marks 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 knowledge 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.
- 2.4 The Bill also seeks to ensure that the indigenous knowledge of indigenous communities is protected from exploitation by foreign countries. In this respect there is a proposed amendment that empowers the Minister to enter into agreements with foreign countries based on the principle of reciprocity.

3. CONSTITUTIONAL IMPLICATIONS

- 3.1 Currently, there are persons who are using traditional IP for their own benefit and derive commercial benefit from such use.
- 3.2 The Bill does not seek to deprive anybody of their constitutional rights they may be enjoying in terms of existing legislation. With the commencement of the Bill, such individuals or juristic persons may have to provide compensation for the use of traditional IP.

4. 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.

5. FINANCIAL IMPLICATIONS

Additional funding will be required for the establishment of National Databases on Indigenous Knowledge, the National Trust, the National Council 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 Commission (CIPC) to administer applications for indigenous knowledge. The additional funding requirements will be budgeted for by CIPC.

6. 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.

7. PARLIAMENTARY PROCEDURE

- 7.1 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 75 of the Constitution since it does not contain any provisions to which the procedure set out in sections 74 and 76 of the Constitution applies.
- 7.2 The State Law Advisers are of the opinion that it is not 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 does not contain provisions pertaining to customary law and customs of traditional communities.