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Introduction

Successful innovation and marketing attracts imitators. In a competitive world it is increasingly important for businesses to protect the originality of new products, the confidentiality of know-how and the distinctiveness of names, trade marks and get-up.

These aspects are referred to collectively as “intellectual property” – products of human creativity having a definite and often very considerable commercial value. Most businesses rely on several intellectual property components. None can exist without any.

Intellectual property describes a range of instruments that can be used to define, protect and exploit new and innovative ideas. The idea could take any of a range of forms such as an invention, a product name, a logo, the plot of a novel, a musical theme tune or the design of a product.

The law recognizes various categories of rights that can be established over ideas and these rights are referred to as intellectual property rights.

The following categories of recognised intellectual property rights are recognized:

- Patents
- Registered designs
- Trade marks, trade names and domain names
- Copyright
- Confidential information, trade secrets and know-how
- Other special categories of rights such as plant breeders’ rights.

Intellectual property is an area that has grown in importance over the past few decades, to the extent that many businesses now reflect the value of their intellectual property on the balance sheet. These rights are recognized not only as assets that must be protected and registered but also as assets that can be traded and which must be managed to create value. What remains inescapable is the need to have a fundamental understanding of the different types of intellectual property. This booklet explains the different types of intellectual property and the way in which intellectual property rights can be established. It concludes with a section briefly explaining the management of an intellectual property portfolio.



Patents

What is a patent?

A patent is the instrument that is used to protect an invention. It is issued by a Patent Office to prevent inventions being copied and reproduced. The State allows inventors to secure protection for their inventions provided that the inventor discloses the details of the invention to the Patent Office.

The document that describes the invention is referred to as a patent specification. It not only describes the invention but also defines the specific features of the invention that enjoy protection. These features are defined in a series of statements called the patent claims.

A patent right is restricted in a number of ways.

- It is limited to the countries in which patents are filed. There is no such thing as a worldwide patent.
- It is limited to a maximum period of 20 years, subject to annual fees being paid to keep the patent in force.
- The claims define the specific features of the invention that enjoy protection. Anything that has these features would infringe the patent. A commonly held misconception is that by simply making cosmetic changes the patent can be avoided. This is generally not the case and the differences have to be more fundamental and well thought through to avoid patent infringement.

Once a patent is secured in a particular country the owner of that patent has a monopoly, which allows the owner to control a range of commercial activities relating to that invention.

The control that can be exercised includes:

- the making of the invention;
- the using and exercising of the invention; and
- the sale, licensing and leasing of the invention.

What is an invention?

An invention can take a number of forms, such as: a process, a method, a machine, a device, a new material, a chemical compound or chemical composition. In fact, anything which meets three criteria defined by patent legislation can be considered an invention. These three criteria are:

- the invention must be new, in that it is not previously known anywhere in the world;
- the invention must not be an obvious variation on known technology; and
- it must be capable of being applied in trade, industry or agriculture.

Assuming that the invention meets all of these criteria it is patentable, save for a few exceptions such as abstract ideas, natural phenomena and laws of nature.

Prior art

Searches are often conducted to determine if an invention is new. The aim of the search is to identify what is referred to as "prior art", which is technology or similar inventions that predate the invention. Identifying this prior art is a critical step in determining whether an invention is patentable and whether meaningful patent protection can be secured for the invention. These searches can be done using a number of different sources:

- the inventor's knowledge of his or her field of work;
- the internet;
- keyword searches on Patent Office databases;
- paper-based searches at Patent Offices; and
- technical literature.

These different types of searches vary in complexity, reliability and cost. It is the interplay of these factors that determines the selection of the type of search.

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The patenting process

Patent rights are ultimately secured by filing a final or complete patent application in every country where patent rights are being sought. It is the steps leading to the filing of this final application where flexibility exists in the process. In general there are three routes that are followed:

- file the final application immediately, without filing earlier patent applications;
- file a provisional application to establish a filing or "priority date" with the final application being filed within twelve months of the provisional application;
- if the patent is to be extended to foreign countries, the PCT or Patent Co-operation Treaty is often used which allows the same application to be filed in more than one country at one time.

Combinations of these processes are also used. The important features of any patent filing program is to secure a priority date by way of the first patent filing (whatever form this takes) and then from this date to ensure that time periods are met and observed in each step in the patenting process.

Patent prosecution

Once a final patent application has been filed at a Patent Office, it is subjected to examination. The level of this examination varies from country to country with some countries only reviewing the documents to ensure that formalities have been complied with (these are so-called "non-examining countries") while other countries will consider the inherent patentability of the invention relative to earlier inventions and prior art (so-called "examining countries"). The examination and interaction that goes on with the inventor during this phase of the patenting process is referred to as "patent prosecution".

Based on the outcome of this examination, a decision is made to either grant or reject the patent application. If the application is accepted, the patent

is granted and advertised in a patent journal or database.

To patent or not to patent

Once an invention has been developed a decision has to be made whether or not to protect it by way of a patent. There is always an option not to file a patent application and to protect the invention by way of confidentiality. This may be an appropriate strategy to follow in certain circumstances. However, this can only be done where the confidentiality of the invention can be preserved and the invention does not become self-evident from the product or process that is sold or used commercially. Relying on confidentiality is also not an appropriate strategy where the intention is to license or sell the invention. The reason for this is that patents are tradable forms of protection while it is more difficult to license or sell confidential information and know-how.

It must be stressed that even if it is decided to file a patent application it is important to keep the invention confidential, at least until the application has been filed. The reason for this is that any prior disclosure of the invention can be used to invalidate the patent application. All forms of non-confidential disclosure must be avoided, including the sale of products using the invention, the implementation of any process invention on a commercial scale, the publication of articles about the invention or giving presentations to prospective costumers and commercial partners.

Once the patent application has been filed the invention can be disclosed to others without prejudicing the patent.

Provisional or complete?

Once the decision has been made to apply for a patent, a further decision must be made whether to file a provisional patent application or a complete (final) patent application. Many inventors choose

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to follow the provisional patent route for a variety of reasons:

- there are fewer formalities involved with a provisional patent application and it can generally be filed more quickly than a final patent application;
- a provisional patent application is cheaper than a final patent application. In order to secure patent rights, a final patent application will ultimately have to be filed, but a provisional patent application is a cheaper way of entering the patent process;
- developments and improvements to the invention that are made after the filing of the provisional patent application can still be included in the final patent application. This is more difficult and there are more restrictions if the first application is also the complete or final patent application;
- the provisional application protects the invention for a year before further patenting steps must be taken. This year can be used to do development work, conduct market trials, negotiate with investors to fund the commercialization of the invention and to perform patent searches to establish whether meaningful patent protection will be obtained for the invention.

Can I file my own patent application?

Some inventors file their own provisional patent applications in the belief that this will save them money. This is usually done for less sophisticated inventions and by inventors who are using the patent process for the first time. The success rate of inventions patented in this way is extremely low. A lack of appropriate experience can result in an inventor who files his or her own provisional patent application running the risk of not gaining adequate protection for the invention. The filing of a provisional patent application is not simply a case of compiling a description of the invention. In South Africa the complete (or final) patent application will have to be filed by a patent attorney.

How do I go about choosing a patent attorney?

When appointing a firm of patent attorneys, review their credentials to ensure that they have a broad spectrum of technical experts. Patent law firms are usually organized into departments offering specialist technical expertise in the chemical, electronic, mechanical and other fields. A patent application is not simply a case of compiling a description of the invention. The preparation of a patent application requires input from a patent attorney who has experience of the field of technology covered by the invention.

What information do I need to give my patent attorney?

Before preparing a patent application the patent attorney will interview the inventor so as to understand the invention and all its features. It is useful to compile a description of the invention before going to the meeting with the patent attorney. This can often be made easier by using a drawing cross-referenced to the description. A well compiled pack of information will certainly speed up the process and this will ultimately save costs. In compiling the description of the invention it is also useful to include details of other inventions in the relevant field of technology, particularly if the invention has advantages over the existing technology. Highlight these advantages and improvements.

Foreign patent applications

During the patenting process a decision must be made whether or not to secure patents in foreign countries. Bear in mind that a patent that is granted in South Africa will only provide patent protection in this country. There is no such thing as a worldwide patent.

The processes that are usually followed to secure foreign patents rights are:

- filing patent applications in selected countries where the route to commercialization of the invention is clear;

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- filing a PCT (Patent Cooperation Treaty) application that is a way of securing provisional protection in a range of countries (more than 120).

PCT patent applications

A PCT patent application does not result in an international patent being granted. It is merely a patent filing system that allows the inventor to delay the filing of national patent applications. National patent applications will ultimately have to be made in each country where patent rights are to be secured. The PCT process delays this decision and gives the inventor time to test the invention, raise capital and decide in which markets the invention is likely to be successful.

The PCT patent application must be filed within 12 months of the provisional patent application, or the first patent application for the invention. The PCT process then allows the inventor to delay the filing of national patent applications by a further 18 months. Other benefits that are offered by the PCT

process are:

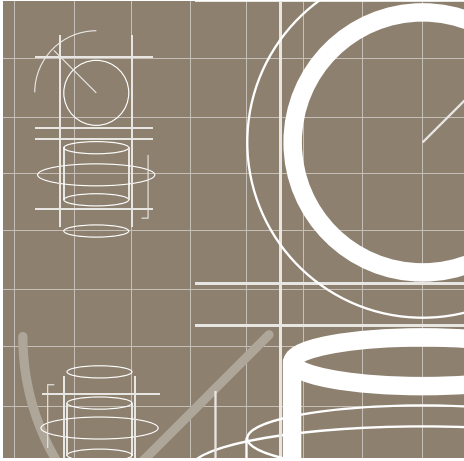
- the process offers the option of having the patent examination subjected to a comprehensive search and examination process. This provides a good indication of patentability of the invention before substantial costs are incurred by filing national patent applications;
- amendments can be made to the application before the national patent applications are filed. Once again this saves costs during the national patent filing phase.

Conclusion

Patents are a wonderful way of securing and protecting the rights in an invention – and hence its value. The patenting process, however, requires that a number of decisions be made, based on a carefully considered patenting strategy and supported by a sound patent application.



Registered Designs



What is a registered design?

Registered designs are monopoly rights that are granted on the outward appearance of an object. They protect the way an object looks - as opposed to patents that protect inventions, or the way in which an object is made or the manner in which it works.

A registered design allows the owner of the design to control the way in which the design is used. This includes the right to charge royalties for the use of the design and the ability to prevent competitors from using the design, or for copies of the design to enter the market.

Design legislation affords protection to registered designs. In South Africa we have the Designs Act, which differentiates between two different types of design registrations, namely:

- aesthetic designs
- functional designs.

It goes without saying that a design may have both aesthetic and functional features. These would be protected separately.

What is the difference between an aesthetic and a functional design?

Generally speaking, aesthetic designs relate purely to the appearance of an article – what is commonly called the “eye appeal” of the article. This is in contrast to functional designs, which relate to features of design that are necessitated by the function of the article; in other words features that are not purely aesthetic.

Requirements for a design to be registrable

In order to be registrable the design must be new. In deciding whether a design is new it is not only compared with designs that are available in South Africa but will all known designs in the world. Functional designs have a further requirement that has to be met. In addition to being new the functional design must not be “commonplace”. The intention here is to exclude everyday and obvious variations of known designs.

An important difference between patents and registered designs is that there is greater flexibility regarding the novelty requirements for registered designs as they allow for limited disclosure to have taken place before an application is made for the design registration. In South Africa the design registration will not be compromised as long as an application is made for registration of the design within six months of the design having been released. The release of the design could take a number of forms, including publishing the design or sale of products that incorporate the design. There are however drawbacks to using this procedure and it is recommended that a design application be filed before any public disclosure is made.

How long does a registered design remain in force?

An aesthetic design registration remains in force for 15 years while a functional design is registered for 10 years. Throughout the life of a registered design, renewal fees must be paid to keep it on the Register.

Registered Designs

Foreign design applications

As with patents, separate design applications must be filed in each country where design protection is required. With registered designs the time periods for filing design applications are shorter. Final applications must be filed in each country within six months of the first application having been filed in South Africa.

There are also international agreements which make it possible to file a single application for registration of a design in a number of countries. The Hague Agreement provides for the registration of industrial designs in a number of jurisdictions by filing a single design application at WIPO in Geneva. Unfortunately, the Hague Agreement is currently not of much use to South African companies because South Africa is not a party to this agreement. The European Community Design, on the other hand, can provide cost-effective design protection in all countries that are members of the European Union, by filing one design application.

Conclusion

In as much as it only protects the appearance of an article, a registered design offers only a limited form of protection. This can nevertheless be extremely useful in specific circumstances. Registration prevents the blatant copying of a design and is often used in conjunction with other forms of intellectual property protection such as patents and trade marks. Together they provide an effective means of preventing commercial pirates and competitors from copying a design in which a substantial investment (both time and money) has been made.



Trade Marks

What is a trade mark?

Trade marks are words or other marks (such as logos) that are used to distinguish the goods or services of the trade mark owner from the goods and services of other manufacturers and suppliers.

Provided it fulfills the function mentioned, there is virtually no limit to the form which a trade mark can take. The Trade Marks Act defines a mark as "any sign capable of being represented graphically", i.e. capable of visual representation and this includes a device name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods, or any combination of these.

Thus, a mark can be: a symbol which may or may not have any particular significance, a person's name or image, a corporate logo, an invented word or an ordinary word, or a distinctive container for goods. A mark may be something applied to the surface of goods or incorporated in their shape or structure. It may be a musical jingle or a slogan, or a combination of colours in a particular format. The three stripes down the sides of Adidas® shoes, the little red tab projecting from the hip pocket of Levi's® jeans and the arrow device on the Parker® pen clip are all well known and valid trade marks. Generally speaking anything which distinguishes one product or service from another, and which can be represented graphically, constitutes a mark. As strange as it may seem, even sounds and smells could be registered.



In addition to the traditional form of the trade mark applied to goods, it is possible for trade marks to be registered in respect of services such as engineering, computer programming, advertising, banking and insurance, leasing, entertainment, hotels, restaurants and beauty salons, to name but a few.

South African trade mark legislation allows a wide range of marks to be protected, in addition to simple words and logos. For example, trade marks can be registered for the shape and colour of goods; service marks which distinguish a service as opposed to a product; and certification marks that certify the origin of goods.

Trade marks may be registered, in which case the registration remains in place for ten years. After ten years the registration can be renewed, and this can be renewed after subsequent ten year periods in perpetuity.

Is it necessary to register a trade mark?

Registration of a trade mark has many advantages, some of which are:

- The owner of a registered trade mark can stop the use or registration of another trade mark in respect of the same or similar goods or services if that other trade mark so nearly resembles the registered trade mark as to be likely to deceive or cause confusion, without having to prove prior use of the trade mark.



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- A trade mark registration enables the owner to object to another unauthorised use of the trade mark or a similar mark if the registered mark is well known in South Africa and the use would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered mark. This so-called "anti-dilution" provision in the law enables the owner to object to comparative advertising or use which adversely affects the advertising image of the mark.
- Registration gives notice of all interested parties of the rights claimed by the trade mark owner throughout the country. Rights in an unregistered trade mark may be much more localised.
- Registered trade marks endure indefinitely, subject to use and the payment of renewal fees every ten years.

Unregistered trade marks enjoy a limited form of protection under South African common law. The owners of unregistered trade marks may, in certain circumstances, be able to prevent the use of the marks by others, provided that the owner can show that the mark has a reputation and that the use of the contentious mark will cause the public to be misled. This does however require that evidence be gathered establishing the trading record of the trade mark and thereby establishing its reputation. It is far simpler to have a trade mark registration which can be relied on to prevent competitors using the mark, as the registration does away with the need to prove that the mark has a reputation.

What trade marks can be registered?

As already mentioned, not all trade marks qualify for registration.

It is a fundamental requirement for registration that a trade mark must be "capable of distinguishing".

Generally speaking, it can be said that a mark which is reasonably required by other traders for use in connection with the particular goods or services is not registrable and the Trade Marks Act expressly excludes from registration designations as to the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or rendering the services, and "shapes and colours which are necessary to obtain a specific technical result".

A mark will be considered capable of distinguishing if at the date of application it is intrinsically capable of distinguishing or is capable of distinguishing by reason of its prior use. An invented word such as KODAK or XEROX, or an invented logo, is clearly immediately capable of distinguishing, whereas terms such as EXCELLENT or BEST are not, and it is difficult to envisage any circumstances under which they could be shown to have become capable of distinguishing one party's products or services, even after lengthy use.

Between the extremes of inherently distinctive and clearly non-distinctive marks, is a grey area into which many marks potentially fall.

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A word which is merely suggestive of a particular character or quality of the goods would usually qualify for registration. Thus, "NEVER WET" could probably not be registered for a waterproof garment, but "DUCK'S BACK" would be quite acceptable for such goods. On the other hand, surnames or marks consisting of numerals or of less than three alphabetical letters may not qualify, and detailed advice should be sought.

As indicated above, the definition of a "mark" includes shapes and containers for goods. To qualify for registration as a trade mark, the shape or container must, of course, be distinguishing, as in the case of all other trade marks, and not necessary to obtain a specific technical result.

Selection of a trade mark

When selecting a trade mark one should choose something which can be registered, and the marketing department should work closely with its trade mark experts to ensure selection, as far as possible, of a mark which is registrable. It should be borne in mind, however, that the more apt the word or device is to describe the goods or services, the less apt it will be to distinguish those goods or services from those of others – and, if it is possible to obtain registration at all for a semi-descriptive word, it may be very difficult to protect that word against claims by others that they are entitled to use almost identical descriptive terms. These difficulties are not necessarily avoided by using foreign or misspelled versions of ordinary descriptive terms. For the reasons mentioned above, geographical names and surnames as trade marks are also not easy to protect. Once a mark has been selected, a trade mark search should be conducted to ascertain that the mark is available for registration and that there will be no infringement of a registered mark.

If there is a likelihood of the trade mark being used on goods for export, additional considerations could

apply in its selection since, not only may a word in one language be difficult to pronounce in another, but it may, in fact, have an undesirable or even obscene meaning in another language.

The temptation to "adopt" a mark which is well known or successful in a foreign country but not yet used or registered in South Africa should be avoided. Specific provision for the protection of well known marks forms part of the trade marks law.

How do I go about doing a trade mark search?

All leading intellectual property law firms have systems in place to conduct trade mark searches. These searches are relatively inexpensive and are certainly money well spent before committing to the name of a new product or business.

The trade mark registration procedure in South Africa

The procedure commences with the filing of a trade mark application. Considerable care must be exercised in the preparation of the specification of goods or services included in that application, since rights against infringers are confined to use of the name or a confusingly similar trade mark on the same or similar goods or services covered in the specification.

Some time after filing, the application for registration of a trade mark is examined by the Trade Marks Registry. After examination, an official action is issued in which the registry indicates whether, and subject to what conditions, it would be prepared to register the mark. Upon the registry being satisfied that a trade mark can proceed to registration, it will issue acceptance of the application and the application, usually through his trade mark attorneys, will then arrange for the acceptance of the application to be advertised in the Patent Journal. After advertisement, the application is open to opposition by interested parties for a period of three months.

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If a party believes it has grounds for opposing, an extension of that period is usually arranged and, prior to the filing of formal notice of opposition, an attempt is generally made to find a basis for coexistence of the respective trade marks of the parties, or for the application or the objection to be withdrawn. At the expiry of the three month period, or any extension thereof, the Certificate of Registration is issued.

Unfortunately, there can be a considerable delay in the official examination of trade mark applications. Upon registration, however, rights in the trade mark date from the date of filing of the application. If a search was conducted before the filing of that application, a reasonable indication should have been obtained as to whether or not objections to the registration can be expected.

Foreign trade marks

The rights of a trade mark are strictly territorial and are limited to the territory in which registration has been obtained or, in certain cases, where rights through use can be shown to exist. Thus, it is important to note that a registration in South Africa does not confer any rights in the trade mark in export markets, and a South African exporter from possible infringement proceedings in the export country. Thus rights in the mark must be protected in each country of interest or potential interest by the best means possible, that is, by registration.

There are, however, systems which make it possible to file a single application for registration of a trade mark in a number of countries. These systems are the international "Madrid" system, the "CTM" system in Europe, and the "ARIPO" and "OAPI" systems in Africa. The international registration of trade marks (the Madrid system) is an effective and relatively inexpensive way for trade mark owners to secure protection of their trade marks in a number

of countries by filing a single international registration application with a centralised office in Madrid. South Africa has approved the ratification of the Madrid Protocol but has not yet acceded to it. South African companies therefore cannot yet make use of this system, unless they have a real and effective industrial or commercial establishment or domicile in a country that is a member of the system. The CTM system, which relates to a European Community Trade Mark application, is useful because one application in the European countries. The OAPI and ARIPO systems are regional systems in Africa which make it possible to obtain trade mark protection in a number of African countries by filing one trade mark application. South Africa is not a member of these systems, but South African companies can use these systems.



Proper use of a trade mark

A trade mark must be used if it is to remain on the trade mark register unchallenged. A registered trade mark may be expunged from the Register of Trade Marks if it has not been used for a continuous period of five years. Any use of the trade mark, whether by the owner of the trade mark or by their licensee, would be sufficient to interrupt this time period and prevent expungement of the trade mark registration.

If a trade mark is not used properly and, in particular, if it is used either deceptively or in a sense which gives it a generic meaning for the goods or services, all rights in the trade mark can be lost.

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A trade mark can be used deceptively if it is used in contravention to a particular condition imposed upon registration, for example, as to mode of use or character of the goods or services. Deceptive use can also occur where the label suggests, falsely, origin in a country other than the true country of origin or where, contrary to fact, that label suggests a connection with other countries. Similarly, if a trade mark suggests that the goods have a certain content or ingredient, and this is not so, it could be held to be deceptive and invalid on that ground.

The other major basis upon which rights in a trade mark can be lost is when the trade mark is used in such a manner as to become the name of the goods or, in other words, when it becomes generic and falls into the public domain. Many words of the English language, such as aspirin, linoleum and escalator, to name but a few, were originally trade marks signifying the product of one source. Cellophane is another trade mark which has been lost in certain countries, including the United States, because it was used to refer to a certain type of transparent film rather than to transparent film from a certain manufacturer. Thermos, jacuzzi and windsurfer have met with a similar fate in some countries.

A number of manufacturers of well-known trade marks, such as Levi's® for jeans, Dacron® for fibres, Kleenex® for facial tissue, Jeep® for vehicles, Vaseline® for petroleum jelly, Hoover® for vacuum cleaners and Xerox® for photocopiers, take active and expensive steps to educate their own dealers, newspaper editors, publishers of encyclopaedias and the public at large to appreciate that the trade mark identifies their products alone, and to use it in the proper manner. In particular, the trade mark should be used adjectivally, always qualifying the generic description of the goods in question, and should never be used as a noun or a verb. Thus you do not buy a hoover nor do you hoover the car.

You buy a HOOVER vacuum cleaner for the purpose of cleaning the carpet.

Marking

It is not compulsory to use the expression "Registered Trade Mark" or any abbreviation but it is normally advisable. The symbol ® is widely recognised as indicating that a trade mark is registered. Thus, if the symbol were used in conjunction with a trade mark which is not registered, it is likely that this would constitute an offence under the Trade Marks Act which prohibits the use of any words or letters which might falsely suggest that a trade mark is registered. There is no objection to using the words "Trade Mark" or the abbreviation ™ in connection with a trade mark which is not registered and, in fact, this would usually be desirable so that it can be clear that trade mark rights are claimed in the feature concerned.

Names and trading styles

Company names and trading styles, which are not trade marks, can be registered as defensive company names. The registration of defensive company names prevents others from incorporating a company or close corporation under a name that is confusingly similar. This can prevent confusion in the market place.

Domain names

Domain names are valuable corporate assets and identifiers. With the expansion of the internet and e-commerce it is important for trade mark owners to protect their trade marks on the internet by registering domain names. The inter-relationship between domain name and trade mark registrations is particularly important when securing a channel of business through the internet.

Copyright

What is copyright?

Copyright is a form of intellectual property protection that prevents another party from copying (or performing certain other activities in respect of) a work provided for and covered by the Copyright Act without the authorisation of the copyright owner.

Unlike other forms of intellectual property protection provided for by statute, copyright does not need to be registered. Copyright subsists automatically. The only form of copyright that is registrable in South Africa is the copyright subsisting in cinematograph films.

What type of content enjoys copyright protection?

In order to be eligible for copyright, subject-matter must first qualify as one or more of the particular types of “works” provided for by the Act.

These works are limited to:

- Literary works (for example novels, poems, tables and manuals);
- Artistic works (for example photographs, paintings and drawings);
- musical works (for example music, exclusive of any words or action, reduced to writing or musical notations preserved in a material form, e.g. a record or a tape);
- sound recordings (for example a compact disc or tape on which sounds are embodied);
- cinematograph films;
- broadcasts (for example radio and television);
- programme-carrying signals (for example a signal being emitted passing through a satellite);
- published editions (i.e. the first print of a particular typographical arrangement of a literary or musical work);
- and computer programs.

What are the requirements for copyright protection?

The first requirement for copyright to subsist is that the relevant subject-matter must constitute a “work” as provided for by the Act.

Secondly, a work must be original meaning that it was not copied from another source, but that the author has invested his / her own time, money, effort, skill, knowledge and endeavours to create the work.

Thirdly, a work must be in a material form in that a physical or tangible product exists. This requirement entails that the work cannot be a mere thought or idea, but that it must have been created and then “fixed” in some manner. The fixing can take place in a number of ways, e.g. by having the content written down, recorded, filmed or captured electronically. The essential requirement is that the content has become locked into the physical world in some way.

Fourthly, the author of the work must be a citizen of South Africa, or be resident / domiciled in South Africa, or a country to which the operation of the Copyright Act has been extended.

What is the duration of copyright?

The duration of copyright, albeit limited, is a generous one. The exact duration of copyright depends on the type of work concerned, but can generally be considered as a period of at least 50 years from the moment of a certain event. In the case of literary, musical and artistic works copyright endures for a period of 50 years after the death of the author. In other cases such as cinematograph films and computer programs, copyright will expire 50 years after the work is made available to the public with the consent of the owner of the copyright or after the work is first published, whichever is the longer.

Copyright

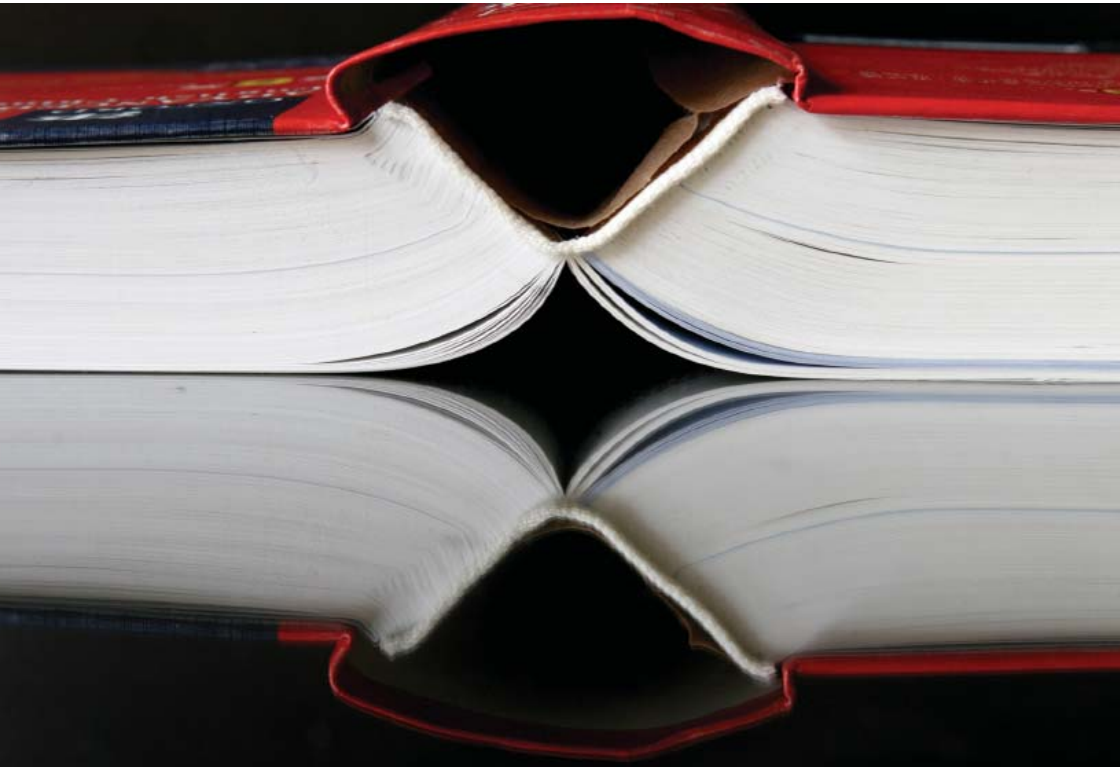
When the term of copyright in a work has expired the work falls into the public domain and the former restrictions on its use and exploitation cease to have any effect.

Who owns the copyright?

Generally, the person who creates a work owns the copyright in that work. Thus, the author of a work is normally the first owner of the copyright subsisting therein. However, there are certain exceptions to this general rule. For example, if the person who

creates the work creates it during the course and scope of his employment, his employer will own the copyright of that work; a person who commissions the taking of a photograph, the painting or drawing of a portrait, the making of a sound recording or the making of a film owns the copyright of that work.

The ownership of copyright can be transferred or assigned by means of a written document.



Anti-counterfeiting

What are counterfeit goods?

Counterfeit goods (or pirate merchandise) are imitations of the genuine article. Counterfeit goods are usually imported into South Africa, mostly from the Far East, but are sometimes also manufactured in the country itself. The counterfeit goods are sold or otherwise traded in a variety of manners, such as through retailers, stalls at organised flea markets, over the Internet, at roadside stalls and generally in the informal market.

Countering informal trading in counterfeit goods is particularly difficult in the informal market. This is because it is difficult to identify the transgressors, who are often mobile and are mere "runners" for larger distributors. Similarly, imported counterfeit merchandise is brought into the country in a clandestine manner, including in the luggage of travellers or residents arriving from abroad, or in containers which are mislabelled and which are imported under cover of falsified documents. Here too, the identity of the true transgressors is difficult to ascertain and those transgressors are difficult to pin down. The volume of counterfeit goods is often extensive and a considerable effort and financial investment is necessary to confine piracy or trading in counterfeit goods to acceptable proportions.

How can I protect myself against counterfeiters?

The following types of protection are available to a brand holder and/or its distributors:

Trade mark infringement

A registered trade mark and/or a well-known trade mark can be protected under the Trade Marks Act. This enables civil law trade mark infringement proceedings to be instituted against counterfeiters, giving rise to relief in the form of an interdict restraining the infringement, damages, delivery-up of the offending goods, costs of suit and various other forms of ancillary relief.

Copyright infringement

Infringement of copyright can give rise to civil law infringement proceedings in which relief similar to that available under the Trade Marks Act is obtainable. In addition, copyright infringement can be a criminal offence and criminal charges can be laid against counterfeiters, which charges will be pursued by the South African Police Services and the South African justice system. Criminal copyright infringement can give rise to severe penalties being imposed.

The Counterfeit Goods Act

The Counterfeit Goods Act aims specifically to combat the trade in counterfeit good and currently forms the cornerstone of anti-counterfeiting activity in South Africa. In terms of this Act, dealing in counterfeit goods is unlawful, provided that the goods in question give rise to trade mark infringement or copyright infringement. If the goods are of an infringing nature, the Counterfeit Goods Act penalises a wider range of offending conduct than the Trade Marks Act and the Copyright Act when viewed alone. For instance, under the Counterfeit Goods Act importation, being in possession of, and exportation of counterfeit goods is unlawful, whereas this may not be the case in terms of the Copyright Act or the Trade Marks Act alone.

The Counterfeit Goods Act contains procedural provisions which give the police and other inspectors wide-ranging search and seizure powers, which are discussed below. Dealing in counterfeit goods constitutes a criminal offence and offenders can be prosecuted by the South African Police Service and the South African justice system. Severe penalties can be imposed by the Court and counterfeit goods can be ordered to be delivered up to the rights holder irrespective of whether any conviction takes place.

Anti-counterfeiting

The Common Law

Where counterfeit goods are likely to be confused with protected goods, dealing in such goods constitutes passing-off under the common law and enables the trade mark proprietor to institute civil law infringement proceedings in which similar relief to that available in the case of trade mark infringement can be obtained. In addition, where dealing in counterfeit goods constitutes an offence under the Counterfeit Goods Act, it is possible for the trade mark proprietor as well as a duly appointed distributor to claim unlawful competition against the counterfeiter. A claim of unlawful competition can bring about the same relief as in the case of passing-off.

Search and seizure under the Counterfeit Goods Act

The Counterfeit Goods Act contains search and seizure provisions in respect of counterfeit goods. This Act makes provision for designated inspectors to conduct search and seizure operations. Save in exceptional circumstances, these operations are

conducted in accordance with search and seizure warrants and the seized counterfeit goods are stored in officially appointed counterfeit goods depots where they remain until proceedings under the Counterfeit Goods Act have been completed.

In view of the somewhat draconian powers conferred upon inspectors in the Counterfeit Goods Act, the Act also contains various checks and balances and very strict time periods during which formal steps must be taken. If any breakdown in the formal procedures occurs, the goods can be returned to the persons from whom they have been seized.

Customs and Excise

The Customs and Excise legislation, together with the co-operative attitude of customs officials, makes it possible for trade mark and copyright owners to record their rights with the Customs authorities and on completion of an application, Customs officials will detain any suspected counterfeit goods on importation.



Plant Breeders' Rights/Other

What is a plant breeders' right?

The Patents Act provides that new varieties of plants produced by biological processes cannot be protected by a patent. Such new varieties (which could be produced by cross-breeding or which could develop naturally for example where someone discovers "sport") can be protected by a plant breeders' right.

Who grants a plant breeders' right?

Plant breeders' rights are obtained in terms of the South African Plant Breeders' Rights Act which is administered by the South African Department of Agriculture.

What are the requirements for obtaining a plant breeders' right?

To qualify for protection, a variety of plant must be new, distinct, uniform and stable.

To be "new", propagating or harvested material of the variety must not have been sold or otherwise disposed of by, or with the consent of, the breeder for purposes of exploitation of the variety:

- in South Africa for more than one year;
- in a Convention country or an agreement country in the case of varieties of vines and trees, for more than six years; or
- in a Convention country or an agreement country in the case of other varieties for more than four years;

prior to the date of filing of the application for a plant breeders' right.

To be "distinct", the variety must be clearly distinguishable from any other variety of the same kind of plant of which the existence on the date is a matter of common knowledge.

To be "uniform", the variety must be sufficiently uniform with regard to the characteristics of the variety in question, subject to the variation that may be expected from the particular features of the propagation thereof.

To be "stable", the characteristics of the variety must remain unchanged after repeated propagation or, in the case of a particular cycle of propagation, at the end of such cycle.

Who may apply for a plant breeders' right?

A plant breeders' right must be applied for by the breeder of a new variety. The "breeder" is the person who bred or discovered and developed the variety, the employer of such person, or the successor in title of such person.

The application process

An application for a plant breeders' right is submitted, together with a completed Technical Questionnaire, and proof of right to apply to the Department of Agriculture. The Technical Questionnaire provides a detailed description of the new characteristics of the variety. Plant material must also be submitted or be made available. The Department of Agriculture then examines the application and if it is satisfied that the variety complies with the requirements of the Plant Breeders Rights Act and that the plant material is as described in the Technical Questionnaire, the right is granted. The examination of slow-growing plants such as trees may take a number of years.

How long does a plant breeders' right last?

The duration of a plant breeders' right is:

- 25 years, in the case of vines and trees; and
- 20 years, in all other cases,

calculated from the date of grant. An annual renewal fee is payable before 31 January of each year during the currency of the plant breeders' right.

General

After grant of a plant breeders' right, plant material which is sold for the purposes of propagation must indicate the denomination of the variety on a label which is attached thereto or, if it is packed in a container, on the container. If a trademark is used in conjunction with the denomination, the trademark and denomination must be clearly distinguishable.

Other

Confidential information, trade secrets and know-how

Know-how is perhaps the category of intellectual property that is most difficult to define. It can be described loosely as the knowledge possessed by an individual or a company, which provides the individual or company with a competitive advantage. In some instances this may give rise to patents, copyright, trade marks and registered designs but generally the main means of protecting this information is through confidentiality. This might take the form of confidentiality and restraint provisions in employment contracts with key employees who have access to this information and by way of non-disclosure and non-competition agreements with third parties with whom the information is shared.

Managing intellectual property

Having outlined the various forms of intellectual property and the manner in which they are created, we can now consider what the management of an intellectual property portfolio entails and how to maximise its value.

It is rare that a business has only one form of intellectual property. Even a simple idea would usually be protected by more than one form of intellectual property. For example, a simple invention might be protected by way of a patent but it will almost certainly have a name associated with it, which could be a trade mark. There may also be confidential information and know-how associated with the idea, which is not disclosed in the patent documentation. Managing intellectual property is the art of managing the interplay between these various forms of intellectual property so that the idea is protected from competition and is best positioned to achieve success.

The management of intellectual property involves various activities, including:

- Developing an IP strategy to identify which IP assets are owned; what additional IP protection is required; and to determine whether the IP is adequate to fulfil the business plan and objectives of the idea.



Other

- Annual IP Audits. It is useful for a business to review annually its portfolio of trade marks, patents and designs to check whether adequate protection has been obtained for new developments and trade marks currently in use or proposed to be used, whether the IP is to be maintained, and whether it is worthwhile to continue pursuing all trade marks, patents and designs in the portfolio.
- Monitoring Competitor Activity by monitoring their intellectual property and analyzing whether this is going to be a hindrance to the idea or business that is being developed.
- Litigation, which from time to time may be necessary to enforce intellectual property rights.
- Commercialisation of the intellectual property by way of a licensing program, the sale of the IP portfolio, raising capital to develop the idea, using the intellectual property as security to raise capital for the development of other portions of the business, and a range of other transactions such as joint ventures, franchises, distribution agreements etc.
- Financial Reporting. Many businesses now report their intellectual property on their balance sheets.
- New accounting standards prescribe the way in which intellectual property must be reported for transactions such as mergers and acquisitions.
- Valuations for the purposes of tax and accounting purposes, in addition to determining the value of a portfolio of intellectual property for the purposes of a commercial transaction.

Other sources of information

Intellectual property is a diverse and complex topic. It is impossible to do justice to the full breadth and depth of the subject in the scope of a short booklet.

The standard text books on intellectual property in South Africa, which are authored by partners or ex-partners of Spoor & Fisher, are:

Webster and Page:

South African Law of Trade Marks, Unlawful Competition, Company Names and Trading Styles (Butterworth, Thirteenth Edition 2009);

Burrell: South African Patent Law and Practice (Butterworth, Third Edition 1999); and Dean: Handbook on South African Copyright Law (Juta 1987, updated annually).

There are also many other sources of information that can be accessed free of charge, and you may find the following internet websites useful:

Spoor & Fisher
www.spoor.com

World Intellectual Property Organisation
www.wipo.org

United States Patent and Trademark Office
www.uspto.gov

The European Patent Organisation
www.european-patent-office.org

International Trademark Association
www.inta.org