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22 February 2019

National Council of Provinces
Parliament of the Republic of South Africa
CAPE TOWN

Art.4(1)(b)
By email only to the Committee Secretariat: @parliament.gov.za

Dear

COPYRIGHT AMENDMENT BILL, NO B13 OF 2017 and PERFORMERS PROTECTION AMENDMENT BILL, NO. B24 OF 2016: Submission of Comments by

These comments are submitted in my personal capacity. I was appointed to the Panel of Experts of the Portfolio Committee for Trade and Industry of the National Assembly to advise on legal aspects of the Copyright Amendment Bill.

The CV I submitted for my appointment is in Appendix 1 of this document, and a short resumé appears at the foot of this letter.

The other members of the Portfolio Committee's Panel of Experts are . The Panel members acted independently or each other and each member provided his or her own advice.

1. Introduction

This submission focuses on the international law aspects of the above-captioned two Bills, namely their compliance with South Africa's treaty obligations under the Paris Act of the Berne Convention for the

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Protection of Literary and Artistic Works (the "Berne Convention") and the Trade-Related Aspects of Intellectual Property Rights Agreement ("TRIPs"), as well as the Bills' readiness for compliance with the WIPO Copyright Treaty ("WCT"), the WIPO Performances and Phonograms Treaty ("WPPT") and the Beijing Treaty on Audiovisual Performances (the "Beijing Treaty"). It also points to significant conceptualisation and drafting errors that remain in the Bills, despite the advice from members of the Panel of Experts.

My comments are in response to both Bills referred to in the heading above, but mainly in response to the Copyright Amendment Bill (referred to in this submission as the "Bill").

Since my specialisation is in the field of copyright legislation and policy on an international basis, I would also like to use this opportunity of informing your committee of the latest developments in copyright law, much of which I have been involved with personally, the most recent being in Ireland, New Zealand and Singapore.

My advice to the Portfolio Committee in October 2018 pointed to provisions in the Bill that have no foundation in policy, whether in the Explanatory Memorandum to the Bill or in the SEIAS report or the Draft Intellectual Policy document that preceded it. This submission does not repeat my observations in this regard, but your Committee is invited to consider this

2. International law and treaty obligations

With this background, I comment as follows on the following points relating to the Bills and South Africa's current and anticipated obligations under international treaties:

2.1. South Africa's intended accession to WCT, WPPT and the Beijing Treaty

The Cabinet resolved on 5 December 2018 that South Africa should accede to WCT, WPPT and the Beijing Treaty. This motion has been introduced to Parliament and is on the agenda of the Portfolio Committee for Trade & Industry in the National Assembly on 26 February 2019.

The members of the Panel of Experts all advised that there were deficiencies in the Bills' compliance with these treaties. Some of the deficiencies were corrected by the withdrawal of certain proposed sections and of certain proposed deletions, but many others, notably in relation to the copyright exceptions and the protection of technological protection measures and copyright management information, were not adopted, leaving the Bills non-compliant with WCT and WPPT.

The motion to accede to the treaties is an opportunity for other governmental stakeholders to consider the treaty compliance of the Bills, since the impact of accession relates to international relations.

2.2. Copyright exceptions in the Bills and the Three-Step Test for exceptions under the Treaties.

My advice to the Portfolio Committee dealt at length with the flexibilities allowed under international law for member states of the Treaties to devise their own copyright exceptions and the basic principle that govern them, namely the so-called Three Step Test. I do not intend repeating the full exposition here,

The members of the Panel of Experts all raised concerns of compliance of the construct of copyright exceptions appearing in the Bill and their compliance with the Three-Step Test. These new exceptions in the Bill are incorporated by reference in the Performers Protection Amendment Bill.

The Three-Step Test is set out in Article 9(2) of the Berne Convention as conditions for the application of exceptions to and limitations of the right of reproduction as follows:

> "It shall be a matter for legislation in the countries of the Union to permit the reproduction of such [literary and artistic] works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author."

Article 13 of TRIPs has extended the test to all exceptions to and limitation of the exclusive rights under copyright. The Three-Step Test was also extended by the WCT to all exceptions and limitations; both (i) to those which are specifically provided in the Berne Convention in certain specific cases; and (ii) to any possible exceptions to or limitations of those rights which have been newly recognized under WCT.

The Three-Step Test offers both flexibility and determines the limits beyond which national laws are not allowed to go in establishing exceptions and limitations to the exclusive right of reproduction.

The Bill, in Clause 13, introduces certain purposes in the 'fair use' clause, Section 12A, which do not appear in the US 'fair use' provision in section 107 of its Copyright Act, nor in the current 'fair dealing' provisions of the Act, namely:

- "personal use, including the use of a lawful copy of the work at a different time or with a different device education"
- "scholarship, teaching and education"
- "illustration, parody, satire, caricature, cartoon, tribute, homage or pastiche"
- "preservation of and access to the collections of libraries, archives and museums"
- "ensuring proper performance of public administration."

There is no indication that either the dti or the Portfolio Committee took the Three-Step Test into account in developing and adapting the 'fair use' provision in the new Section 12A and the new copyright exceptions in Sections 12B, 12C(b), 12D, 19B and 19C, together with their expanded application as a result of the contract override clause in new

Section 39B. This failure causes a material risk of South Africa coming into conflict with its obligations under the Berne Convention and TRIPs, and also that South Africa will not be ready to accede to WCT and WPPT.

My advice to the Portfolio Committee also demonstrated that "education" and "teaching", in their generic sense, is not the proper subject matter for a "special case" under the Three-Step Test. Indeed, the Berne Convention makes special provision elsewhere for exceptions for specific educational purposes, namely in Article 10 for "illustration for teaching" and in the Appendix, where there is a special dispensation for developing countries relating to making of reproductions and translations.

Turning to specific exceptions in the Bill, I am of the view that at least the following provisions will not meet the requirements of the Three-Step Test:

- The remnant of the 'fair dealing' exception for quotation in Section 12B(1)(a)(i) inasmuch as it is defined by the third party's purpose and not 'fair practice.'
- The exception allowing reproduction by broadcasters in Section 12B(1)(c), inasmuch as it relates to cinematograph films.
- The exception allowing any reproduction in the press, broadcast of communication to the public of articles in the press where the right thereto has not been expressly reserved in Section 12B(1)(e)(i) (which, by requiring formalities as a condition for copyright protection, is also is not compliant with Article 5(2) of Berne).
- The translation exception in Section 12B(1)(f) (also noting that in terms of the Article 2(3) of Berne, the protection of a translation of a work cannot prejudice the copyright in the original work and that in terms of Article 8 of Berne, copyright expressly includes the exclusive right of making and of authorizing translation).
- The exceptions for education purposes in Section 12D(1) and (3), 12D(2), 12D(4), 12D(6), 12D(7).
- The library exceptions in Sections 19C(3) (complicated by the uncertain meaning of the term "access"), 19C(4), 19C(5)(b) (insofar as it relates to placing works reproduced for preservation on publicly accessible websites) and 19C(9), all as read with Section 19C(1).

2.3. <u>The compulsory licences in Schedule 2 of the Bill and the Berne Appendix</u>

Schedule 2 of the Bill contains the compulsory licences for translation and reprographic reproductions that find their origin in the Appendix to the Berne Convention. These are special rules that are only available to developing countries.

The deviations of Schedule 2 from the explicit text of the Appendix and its incorporation by the amended Section 23(3) of the Act (which is meant to deal with the formalities of assignments and exclusive licences) are material errors in the conceptualisation and drafting of these provisions, leaving the Bill non-compliant with the Berne Convention in this respect.

In her advice to the Portfolio Committee, [redacted] showed how Schedule 2 could be anchored in the new Section 12B. This advice was not adopted.

It also has to be determined whether South Africa can avail itself of the benefits of the Appendix, specifically whether the country qualifies to make a notification in terms of Article 28(1)(b) of the Berne Convention.

2.4. Extending the 'digital rights' to computer programmes and compliance with WCT

Computer programmes are deemed to be literary works under Berne and WCT, and WCT therefore requires the 'digital rights', namely the exclusive rights of 'communication to the public' and 'making available' to be extended at least to computer programmes. This does not appear in the Bill.

2.5. Enforcement of the 'digital rights' by criminal sanction

There remains no consequential amendment to the criminal sanction provision in Section 27 following the introduction of the exclusive rights of 'communication to the public' and 'making available', which applies to all other unauthorised exercise of the other exclusive rights with guilty knowledge. This omission has been drawn to the Portfolio Committee's attention, but not dealt with, with no explanation.

2.6. The obligations of National Treatment for foreign authors, artists and performers in respect of uses of works in South Africa

The consequences of the obligations under National Treatment, to which South Africa is bound under the Berne Convention and TRIPs, and which also appear in WCT, WPPT and the Beijing Treaty, do not seem to have been considered in devising Sections 6A, 7A and 8A or their predecessors in the Original Bill (which were provisos to the exclusive rights in Sections 6, 7 and 8).

Under National Treatment, the rights of copyright legislated in South Africa must apply equally to the nationals of other treaty countries as it does to nationals of South Africa. The obligations of National Treatment are:

- Article 5(3) of the Berne Convention: "[W]hen the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors." The obligation of National Treatment applies to WCT in the same terms under Article 3 of WCT.

- Article 3(1) of TRIPs: "Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In

respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement."

With Sections 6A and 7A applying to rights created where an author owns the copyright and assigns it, then, under National Treatment, those rights must apply equally to South African authors and to authors of all treaty countries, currently those who are members of Berne and TRIPs.

The consequence of the application of National Treatment to Sections 6A and 7A as read with Section 39B is that foreign authors who have authorised rights of use or assigned copyright to South African persons under South African law, will have an unwaivable claim against the South African rightsholders and against South African collecting societies (in terms of the new Section 22D(1)(b) and (c) and 22D(2)(b) specifically naming authors as beneficiaries of collecting society distributions in addition to copyright owners).

The same consequence of National Treatment applies to Section 8A in respect of foreign performers in audiovisual works owned by South African copyright owners and/or where South African law applies to the contracting of their performances.

There is no policy statement foreseeing this outcome. The policy statements in the SEAIS Report and the Memorandum of Objects are clearly aimed at protecting the interests of South African authors and performers in their transactions in relation to their work.

2.7. Provisions relating to technological protection measures in both Bills

The definitions of 'technological protection measure' and 'technological protection measure circumvention device' are insufficient to meet the requirements of Article 15 of WCT, Article 18 of WPPT and Article 15 of the Beijing Treaty, which all require "adequate legal protection."

The proposed text in para (b) of the definition of 'technological protection measure' indicates that all processes, etc. capable of controlling non-infringing uses are exempt from the concept, but this seems to cover most, if not all such processes, etc., as they might be used for various non-infringing uses, such as reproduction for private study or research, time-shifting, criticism or review or any other uses covered by limitations and exceptions, or all uses of works that have fallen into the public domain. Thus, in practice there is a risk that only very few, or none, of the circumvention devices defined below in reality would be covered by the protection of Section 27, as it is to be amended by the Bill.

The definition of 'technological protection measure circumvention device' focusses on whether a device is 'primarily' designed, produced or adapted for the purpose of circumvention. This will create loopholes for infringers, in that the definition is inadequate if the device is still deliberately designed with such a purpose as a feature.

The new subsection (5A) for the infringement provision, Section 27, does not completely fulfil the requirements of Article 11 of WCT, which requires “adequate legal protection and effective legal remedies” against the circumvention of technological protection measures. The proposed text appears to allow, for example, sale and dissemination of circumvention devices, as long as the person doing that has only reason to believe that the circumvention is not for purposes of copyright infringement. The private access to a work, however, does not necessarily infringe copyright, and the provisions may therefore lead to widespread dissemination of such devices, which would then for all practical purposes undermine the legal protection. The fact that the act of accessing data without authorization is an offence under Sec. 86 of the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002), to which the proposed Sec. 28O(6) of the principal Act refers, apparently would not prevent a widespread dissemination of circumvention devices.

In this regard, Section 28O(6) and 28P(1) would seem to be an attempt to reduce the scope of the Electronic Communications and Transactions Act, without formally amending it, an action which, I submit, not only requires the inter-governmental cooperation of the responsible Government Department, but may well have constitutional implications.

The provisions in the exception clause, Section 28P(2), are problematic, in that it legitimises uses of measures circumvention devices simply by notice to the copyright owner. This is compounded by the broad scope of the new copyright exceptions, especially the ‘fair use’ defence to copyright infringement. The United States undertakes a three-yearly rule-making process for exemptions and this may be a solution for the Bill. However, as it stands, Section 28P(2) undermines the protection afforded by technological protection measures and that may well, too, not be sufficient for the amended copyright legislation to comply with Article 11 of WCT.

These deficiencies apply equally to the new Sections 8E and 8F to be introduced by the Performers Protection Amendment Bill. The definitions of ‘technological protection measure’ and ‘technological protection measure circumvention device’ are incorporated by reference from the Copyright Act, and I suggest a loose-standing set of definitions.

New Section 39(cH) contemplates “prescribing permitted acts for circumvention of technological protection measures”. However, there are a number of errors, since this section cross-refers to Section 28B, where it should be 28P, and Section 28P has no reference to permitted acts “as prescribed.”

2.8. <u>Exceptions for the disabled, including the visually impaired, and the Marrakesh VIP Treaty</u>

It is possible to have a single exception for all kinds of disabilities, as Section 19D seeks to do, but then, inasmuch as South Africa is not a member of the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or

Otherwise Print Disabled (the "Marrakesh VIP Treaty"), the exception has to be compliant with the Three-Step Test.

The Memorandum of Objects (at paras 1.2-1.3) states that the Bill is "strategically aligned" with the Marrakesh VIP Treaty and that its amendment of the Act will allow South Africa to accede to that treaty. The Bill proposes a single exception, but its terms meet neither the Three-Step Test nor the Marrakesh VIP Treaty, as is shown below.

The beneficiary under the exception in Section 19D is "a person who has a physical, intellectual, neurological, or sensory impairment and requires an accessible format copy in order to access and use a work." This definition, although it includes beneficiaries under the Marrakesh VIP Treaty, goes far beyond that scope and, to the extent that it does so, means that its extended scope has to be tested for whether its component parts qualify as a "special case" under the Three-Step Test. It is likely that that definition will include persons who are not considered as disabled in common parlance, certainly including more persons than those, say, entitled to social grants from Government due to suffering from a disability.

Section 19D is does not include any of the content required by Article 4 of the Marrakesh VIP Treaty, since the right to make accessible format copies for persons with a disability is open to "any person or organisation serving the disabled", whereas the treaty limits that act to "authorized entities" and "a primary caretaker or caregiver" acting on behalf of a Beneficiary, in terms of Article 4. It therefore fails to meet the conditions for a copyright exception or limitation permitted by the Marrakesh VIP Treaty and, in the circumstances, will not meet compliance under the Three-Step Test either.

2.9. <u>The Africa Growth and Opportunities Act (USA)</u>

South Africa is a beneficiary of the United States African Growth and Opportunity Act (AGOA), which significantly enhances South Africa's market access to the US. The protection of intellectual property rights is an important prerequisite for AGOA eligibility in terms of Section 104(a)(1)(C)(ii):

> "(1) (A country that) has established, or is making continual progress toward establishing-- (C) the elimination of barriers to United States trade and investment, including by--
> (i) the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;
> (ii) the protection of intellectual property"

AGOA also has a measure in Section 104(b) to ensure ongoing compliance:

> "If the President determines that an eligible … country is not making continual progress in meeting the requirements described in subsection (a)(1), the President shall terminate the designation of the country made pursuant to subsection (a)."

Whether a beneficiary country meets the criteria is determined solely by the United States, since AGOA is not a reciprocal agreement.

To the extent that the Bill could be considered by the United States as an undoing of existing intellectual property protection, South Africa will place its beneficiary status under AGOA in jeopardy under Section 104 of AGOA.

3. Errors in conceptualisation and drafting of the Bills

3.1. The most notable errors remaining in the Bill, despite the advice of the Panel of Experts, are:

3.1.1. The new express rights of remuneration for authors, composers and artists coupled with government regulation, which may well prove unworkable since their conceptualisation and drafting do not take into account the situations applying to multi-author works, nor can they effectively govern works that are compilations of a variety of copyright-protected material from different kinds of copyright works and from different authors.

3.1.2. The retention in the Bill of remuneration rights for performers in Section 8A(1) to (4). The topic of remuneration of performers in audiovisual works should be dealt with in the Performers Protection Amendment Bill (in respect of which see para 3.2 below)

3.1.3. The 25-year limit on assignments of copyright in literary works is not a true reversionary right, as stated in the Memorandum of Objects, but is attached to the Copyright Act's provisions relating to the *formalities* for deeds of assignment and exclusive licences. This results in not only the relative provision - which is simply a new proviso to section 22(3) - expanding across a wide variety of copyright works for which it was never intended (judging from the recommendations of the Copyright Review Commission), but there are also no substantive provisions that govern the intended reversion of rights, namely the disposition of rights of the copyright owner and the re-acquisition of rights by the original author or authors.

3.1.4. The compulsory licences for reproductions and translations in Schedule 2 are linked to the provisions of the Copyright Act dealing with the formalities for licences, instead of being an expansion of the exceptions. Michelle Woods of WIPO offered the solution to correct this mistake, namely by making an appropriate adjustment to one of the proposed exceptions in the new section 12B (which was otherwise not compliant with treaty obligations), yet it was never taken up.

3.1.5. The resale royalty right, although permitted by the Berne Convention, is not a right of copyright as such, but a separate, distinct set of rights which, in other legislation internationally, usually appears in legislation separate from the relevant copyright law or at least a separate chapter of copyright legislation. Its couching as an

extension of the exclusive rights relating to artistic works mean that other provisions of the Copyright Act will now apply to it in circumstances that are unworkable. A case in point is the reference to the resale royalty right in the prerequisites for benefitting from the orphan works exception, which will have a serious impact on the trade of second-hand goods.

3.1.6. The renaming of “cinematograph films” in the Copyright Act, “audiovisial works”, which, with the relative new definition, broadens the term without explanation and also does not amend related legislation that depends on this definition, namely the Registration of Copyright in Cinematograph Films Act.

3.1.7. The transitional provisions. The fact that the Intellectual Property Laws Amendment Act, Act 28 of 2013, has not been brought into operation after 5 years, with no final decision on its fate, compels the need for transitional provisions which are necessarily imperfect.

We draw to your attention that many of the goals of the Intellectual Property Laws Amendment Act relating to traditional works have some overlap with the Indigenous Knowledge Systems Bill, that was recently dealt with by the NCOP and referred back to the National Assembly for corrections.

3.2. In relation to performers rights, both Bills have been developed in the Portfolio Committee in a way that grant performers co-extensive rights to prohibit certain uses of their performances, exclusive rights to certain uses of their performances, as well as certain remuneration rights.

- The “right to prohibit” in Section 5 (to be amended) is the original performers right introduced by the Perfumers Protection Act in 1967 and follows the format of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.
- The exclusive right to be introduced in new Section 3 is a right offered to performers in audio-visual works by the Beijing Treaty.
- The addition of a remuneration right for performers by Section 8A(1)-(4) in the Copyright Act will have to be measured against Article 11 of the Beijing Treaty, that provides for performers having an exclusive right of authorizing the broadcasting and communication to the public of their performances fixed in audiovisual fixations **or**, after notification deposited with the Director General of WIPO, a right to equitable remuneration for the direct or indirect use of performances fixed in audiovisual fixations for broadcasting or for communication to the public.

3.3. Considering the extent of the comments on the Bill by the Panel of Experts, the changes made by the Portfolio Committee have by and large not been material, especially inasmuch as they have led to hardly any changes to the copyright exceptions and exceptions allowing uses of technological protection measure circumvention devices.

4. Recent developments in copyright legislation and policy internationally

Since the Portfolio Committee started deliberating the Bill, there have been legislative and policy developments on copyright in Ireland, Singapore and New Zealand, which are relevant to the deliberation of the Bill, mostly in relation to the adoption of 'fair use':

- Ireland published a Bill to amend its Copyright Act in March 2018.The Bill, introduced in March 2018 proposes exceptions for education and for the visually impaired, but not 'fair use'. The Regulatory Impact Analysis accompanying the Bill specifically stated that it was decided not to introduce 'fair use', despite the investigatory commission's recommendation to do so.

- New Zealand issued a call for comments on changing its copyright legislation in December 2018, with a consultation period of four months until April 2019. In the issues paper, the Government states that the case for the introduction of 'fair use' has not been made out, and it will not be considered unless a compelling case can be made out for it.

- Singapore issued its Copyright Review Report in January 2019. The Government decided that it would introduce legislation to amend its general fair dealing exception to call it 'fair use' and to remove the fifth factor of 'commercial availability' from the list of non-exhaustive factors that have to be considered for a fair use defence, but at the same time amend the CA to clarify how "fair use" operates vis-à-vis the other exceptions, including the specific fair dealing exceptions. The 'fair use' exception will not apply to educational uses, where the limits on reproduction of works not freely available on the internet will remain the same as before, and 'fair use' will also not apply to acts covered by the new text and data mining exception.

Request for participation in person

Having been closely involved the development of the Bills as part of an international practice in advising on copyright legislation and policy, I submit that I have a certain expertise in the field from which the Legislature could benefit. For this reason, I am prepared to appear in person before the Select Committee while I am in South Africa. My firm's correspondent, attorneys Adams & Adams will be in contact with you to ask about availability and to make arrangements.

Yours faithfully

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Resumé

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