

May 17, 2013

Mr. MB Coetzee
Secretary to Parliament
PO Box 15
Cape Town 8000
South Africa
mbcoetzee@parliament.gov.za

Dear Secretary Coetzee,

The International Trademark Association (INTA) is a global organization of 6,100 trademark owners and professional firms from over 190 countries, including 26 members in South Africa. INTA is a not-for-profit membership association dedicated to supporting trademarks and related intellectual property in order to protect consumers and promote fair and effective commerce. Founded in 1878, INTA is the global leader in trademark research, policy development, education, and training. More details about INTA are available at www.inta.org.

INTA greatly appreciates the opportunity to comment on the Protection of Traditional Knowledge Bill as set out in Government Gazette Vol. 574 No. 36354, General Notice 376 of 2013 dated April 9, 2013. The scope of our comments will be limited to the section of the Bill that affects trademarks and their ability to protect consumers, prevent unfair competition between businesses, and promote innovative commerce. We do not take a position on other sections affecting other areas of the law.

INTA General Position

INTA notes that when developing legislation for the protection of traditional knowledge the choice of legal mechanisms is a matter of national discretion.

While INTA supports the recognition of traditional knowledge, INTA strongly believes that any protection afforded to traditional knowledge must not prejudice existing trademark rights.

Further, INTA strongly opposes any proposal that would seek to grant special trademark status to traditional marks. INTA takes this position with respect to all such initiatives and has advocated in individual countries against any "special interest" trademark legislation that provides specific groups exclusive trademark rights.

INTA is concerned that any system introduced to protect traditional knowledge and enable the coexistence of traditional knowledge with trademark rights should be consistent with the well established intellectual property principles of territoriality, exclusivity, priority, and notice. In particular, any new system should include a process where the owner of an existing trademark right will receive notice and be afforded an opportunity to object to the granting of a new right. This process will help to prevent potential abuse and enhance reliability and confidence in the system while providing existing rights holders with certainty and stability.

INTA has concluded that the adoption of these types of systems, without taking these principles into consideration, could result in an unfavorable outcome, including:

- complete loss of, or diminution of value, in rights previously held and enjoyed by trademark owners,
- consumer confusion as to source and
- impairment of trade.

Chapter 3 - Protection of Traditional Marks

Section 13 – Conditions for protection

INTA is concerned that the conditions for protection for traditional marks are vague and introduce ambiguity. For example, section 13 reads:

In order to qualify for protection under this Act, a traditional mark shall be –

- a) represented graphically*
- b) thus represented by or on behalf of the originating traditional community; and*
- c) recognised as being derived from, and characteristic of, that community by persons outside that community.*

It is unclear how many “persons outside that community” would be sufficient to meet the requirements of recognition in this clause. Also, important terms, such as “recognised” and “persons” should be defined to provide clear and consistent interpretation and to prevent abuse of the system.

Section 14 – Traditional mark right

Section 14(2) states that when any party other than the owner of the protected traditional mark seeks registration of that mark, it shall be deemed to be a mark that falls within Section 10(12) of the Trade Marks Act – which provides that “*a mark which is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class of persons,*” is unregistrable. INTA is of the view that any rejection, cancellation or objection that arises under Section 10(12) of the Trade Marks Act due to section 14(2) of this Bill should only be done with a showing of proof -- for example, proof of likelihood of deception or confusion, proof the mark is contrary to law, or proof the mark is likely to give offence to any class of persons. Omitting a proof requirement could also result in potential abuse of this provision.

Section 15 - Duration of traditional mark right

The scope and term of protection has no limit. The lack of minimum criteria for determining whether and how a traditional mark right continues to be maintained and used makes for an indefinite and unduly burdensome system.

Trademark owners require, as far as possible, some degree of certainty in selecting, and adopting in good faith, signs for use as trademarks, including knowledge when those rights have been terminated or otherwise extinguished.

Section 17 – Effect on common law

As discussed above, INTA strongly opposes any proposal to grant special status to traditional marks. Therefore, INTA opposes the proposal to grant well-known status and reputation amongst a substantial

number of persons to traditional marks in section 17 (1) without the same sort of proof that would be required of trademarks seeking to establish that they are “well known.”

Section 30 – Register to be constructive notice

Section 30(1)(b) presumes the alleged infringer is acting without the required authority of the traditional community unless the contrary is proved.

INTA is opposed to this presumption, because a trademark owner, acting in good faith, could be unfairly sanctioned. The imposition of a sanction against an innocent adopter without an opportunity to be heard is inequitable.

Section 41 – Moral rights

The scope and term of protection for moral rights has no limit. The lack of minimum criteria for determining whether and how a moral right in relation to a traditional mark continues to be maintained and used makes for an indefinite and unduly burdensome system.

INTA is of the view that trademark owners require, as far as possible, some degree of certainty when selecting, and adopting, in good faith, signs for use as trademarks, including knowledge of rights in a claimed traditional mark and when those rights have been terminated or otherwise extinguished.

This submission was prepared by INTA with the assistance of the Indigenous Rights Subcommittee of the Related Rights Committee, as well as members of INTA’s policy staff. If you have any questions about the enclosed comments or INTA, please contact Mr. Seth Hays, External Relations Manager for Asia-Pacific at shays@inta.org.

Sincerely,

A handwritten signature in black ink that reads "Alan C. Drewsen". The signature is written in a cursive, flowing style.

Alan C. Drewsen
Executive Director