TRAINING COURSE
12-14 February 2009
Main Campus, University of Pretoria

INTELLECTUAL PROPERTY RIGHTS
AND
PHARMACEUTICAL PRODUCTS
AND PROCEDURES

RELEVANCE OF TRADE MARK
AND COPYRIGHT LAW

by
Alan Smith
Adams & Adams
SUBSISTENCE OF COPYRIGHT

- Requirements

- Originality work must be original
  - work must be product of the creator’s own efforts and skills
  - it should not be copied from other sources

INITIAL OWNERSHIP OF COPYRIGHT

- Creator or author of the work
- Employer – if author under contract of service
- Commissioner – only for photograph / portrait / film / sound recording / gravure
- State - work made under it’s direction or control
MOST COMMON FORMS OF RESTRICTED ACTS

- Reproducing the work in any manner or form
- Publishing the work in any manner or form
- Performing the work in public
- Making an adaptation of the work
- Letting or offering or exposing for hire by way of trade a certain work

INFRINGEMENT OF COPYRIGHT

- There must be actual copying of the work
- Copyright is not infringed if a second work is created independently
- Must be a copy of a substantial part of the original work
**INFRINGEMENT OF COPYRIGHT**

- Knowledge of the copyright is not a component of direct copyright infringement (copying, reproduction, adaptation, etc).
- Guilty knowledge on the part of the person committing an act of indirect infringement is required (importation, distribution, arranging public performances, etc).

**EXEMPTIONS FROM INFRINGEMENT OF COPYRIGHT**

- Fair dealing
- Use for judicial proceedings
- Quotations
- Illustrations for teaching
- Works delivered in public
- Background material
- Reverse engineering
- Back-up copies of computer programs, etc
CRIMINAL OFFENCES [SEC 27]

- Various infringing acts are criminal offences when a person commits them in respect of articles that he knows to be infringing copies of the work.

TRADE MARK INFRINGEMENT

4 Types of infringement

- Sec 34 (1)(a)
  - use of registered trade mark or of mark so nearly resembling it to be likely to deceive or cause confusion
  - identical goods or services
- Sec 34 (1)(b)
  - use of registered trade mark or of similar mark
  - goods or services similar
TRADE MARK INFRINGEMENT

- Sec 34 (1) (c)
  - use of registered trade mark or similar mark
  - registered trade mark must be well-known in RSA
  - use will take unfair advantage of or be detrimental to the distinctive character or repute of the registered trade mark
  - level of awareness in the public mind is critical
  - any goods or services

TRADE MARK INFRINGEMENT

- Sec 35: Protection of well-known trade marks
  - well-known in RSA
  - proprietor is a national of or domiciled or established in a convention (Paris Convention)
  - a reproduction, imitation or translation of his well-known mark
  - identical / similar goods or services
  - deception or confusion
- Does not need to carry on business or have any goodwill in RSA
- Determining if trade mark is well-known
  - reputation
  - knowledge of trade mark in relevant sector of public
  - spill-over advertising
  - traveling abroad
DEFENCES TO INFRINGEMENT

- Section 34 (2) - inter alia
  - bona fide use of own name / place of business
  - bona fide use of a description or indication of the kind, quality, quantity etc. of the goods or services
  - trade mark applied with consent of proprietor
  - use of an identical or confusingly similar trade mark that is registered

- Section 36
  - saving of vested rights resulting from use
MARKING

- copyright – 2009 © Alan Smith
- Creates a presumption
- Trade marks ® when registered
  ™ when not
- Creates awareness and may help under Counterfeit Goods Act
CRIMINAL OFFENCE ITO TRADE MARKS ACT

- Section 62
  - cannot state that trade mark is registered by using ® in relation to goods if not the case
  - penalty on conviction is a fine and/or maximum of 12 months imprisonment.

MERCHANDISE MARKS ACT

- May not make false trade description as to number, quantity, measure, weight, manufacturer, place of production, materials, etc
- May not alter or efface a trade mark
DUAL BRANDS

- Trade Mark is to distinguish goods of proprietor from those of others
- Two marks of same proprietor used together serve this purpose
- As soon as two brands of different proprietors are used, there is uncertainty
- Strong statements on packaging to avoid confusion
PACK INSERTS

- Probably the subject of copyright
- Inserts can result in infringement if copied or bear infringing brands
- Must not bear misleading statements

COUNTERFEITING

- “Counterfeiting”
  - protected goods imitated – substantially identical copies
  - applying intellectual property right – confused with original
  - prohibited mark used
  - intellectual property right must be infringed
**PROHIBITED ACTS & WHEN OFFENCES**

- **Acts**
  - possession/control in course of business for purpose of dealing
  - manufactured, produced or made
  - sold, hired out, bartered, exchanged or offered therefore
  - exhibited in public for purposes of trade
  - distributed for purposes of trade or so that brand holder is prejudiced
  - imported or exported
  - disposed in course of trade

- **Offences**
  - knew / had reason to suspect that counterfeit
  - failed to take reasonable steps to avoid act

**PROCEDURE 1**

(Inspector acts on warrant)

- Complaint laid
- Evaluate complaint
- Obtain warrant
- Enter, search, seizure, etc
- Prepare inventory
- Removal to depot
- Written Notice 1 – Sect 7(1)(d) and 7(2)
- Other notices and actions required
- Release of goods if not complied with
PROCEDURE 2

(Inspector acts on own initiative)

- Receives information and has reasonable grounds to believe [s3(4), s4(4)]
- Prerequisites present [s5(2)]
- No warrant [s5(2)]
- Enter, search, seizure etc. [s5(3), s5(5)]
- Prepare inventory [s7(1)(a) & (b)]
- Removal to depot [s7(1)(c)]
- Actions confirmed by Court within 10 court days of seizure [s5(4)(a)]
- Written Notice 1 – Sect 7(1)(d)(ii)(bb) and 7(2)(b)
- Other notices and actions required
- Release of goods if not complied with

LIABILITY

- The Act creates liability for the complainant if the complaint is wrongly made or wrongly executed
- The owner of the goods must be compensated
COMPARATIVE ADVERTISING

- Trade Marks Act – litigation indicated that comparative advertising is unlawful
- A recent SCA case indicated that, to infringe, an allegedly infringing mark must create the impression that the goods are from the proprietor
- This may undermine the earlier case law

ADVERTISING STANDARDS AUTHORITY

- The code of the ASA can be used to stop comparative advertising if:
  - misleading
  - not a fair comparison
  - compares different characteristics
  - not relevant or verifiable claims
Thank you for your attention

Questions?