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Copyright compliance

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February 23, 2016



Digital Era and Copyright Infringement

Opportunities for copyright infringement are rampant in the digital era. The ability to share content and access it is critical. We increasingly depend on information gleaned on the internet to enable us to do our jobs.

But did you know that you may be putting your company at risk?

Sharing content from a journal or research report with colleagues, customers or others outside your company.



Consider the following

Using images found freely on the internet.

Sharing and distribute articles found freely on the internet.

Vicarious liability imparts liability on a party if the party is in a position or has the right to supervise or control the infringer or be in a position to control the infringing activity

Lowry v Legg Manson

- Legg Manson Inc. was **ordered to pay \$20 million** for damages in a copyright suit.
- For over a decade **purchased a single subscription** to *Lowry's Reports' Lowry's Market Trend Analysis*, which is an analysis of the stock market, for approximately \$700 a year.
- This subscription was always **received electronically** by an employee in the research department who would **distribute as many as 1,300 copies** of the report by fax, e-mail or intranet to Legg Mason stockbrokers and favoured clients.

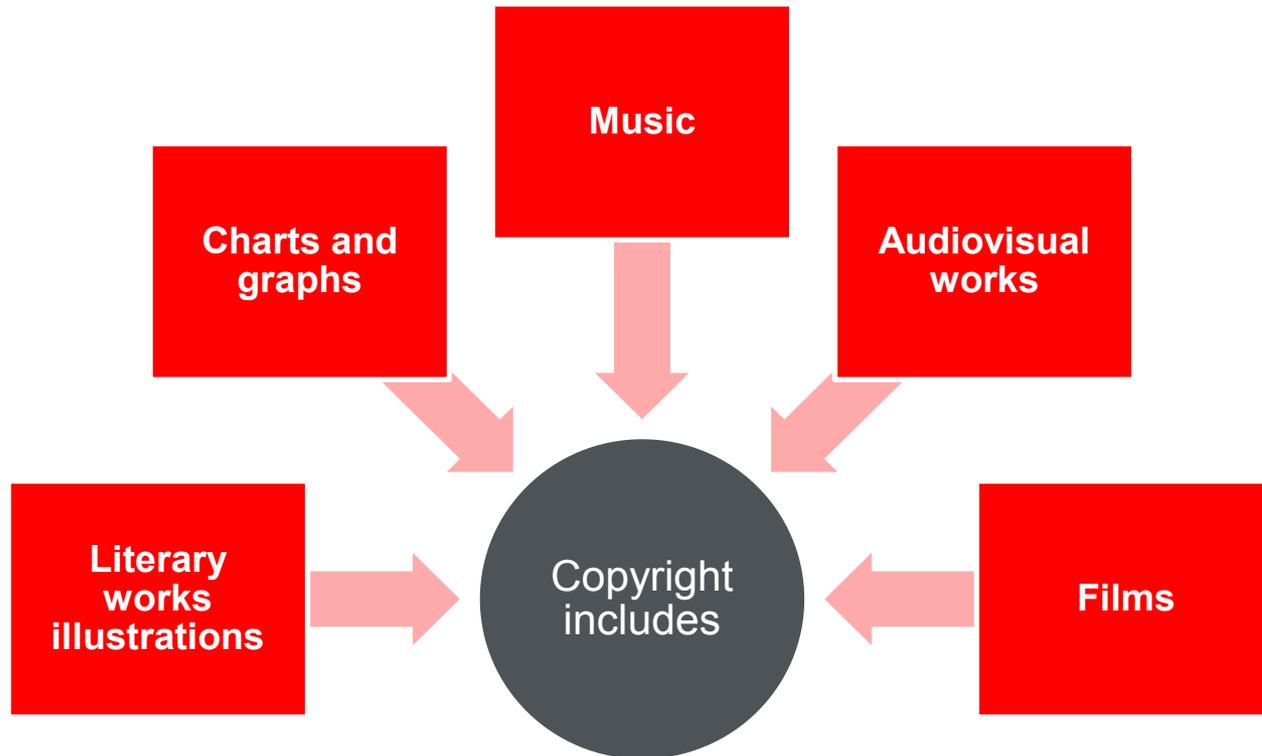
Liability under copyright

Copyright does not take cognisance of knowledge or intent.

The intent to:

“infringe or knowledge of infringement is not necessary in determining liability”

Copyright is a bouquet of rights



Copyright gives the copyright owner the exclusive right to

- Reproduce
- Lend
- Distribute
- Publicly perform the subject of the copyright

Risks Have Grown

The **pace** at which electronic media is growing forces companies to become **vigilant** about copyright infringement.

Sharing **digital** information gets **faster** and **easier** every day, and as a result the **risk** of copyright infringement in the workplace **grows** proportionally.

Mitigating Risk

Insurance

- Obtaining insurance professional indemnity liability insurance policy.
- Some local insurance companies provide such cover,

Copyright policy

- Explain what copyright infringement is and what it's not.
- List examples of copyright infringement in the workplace.
- Explain fair use.
- Explain the consequences of copyright infringement.
- Explain the procedural steps on what the employee should do if they are uncertain about copyright compliance.

Education & awareness

- Implementing a copyright policy and making employee aware of the policy and consequences of non-compliance.
- Conducting periodic training.

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Death by Genericism

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February 23, 2016

Consider the following examples...

- Vaseline
- Zipper
- Hoover
- Kreepy Krauly



What about these?

- Nike
- Apple
- Nestle
- Disney

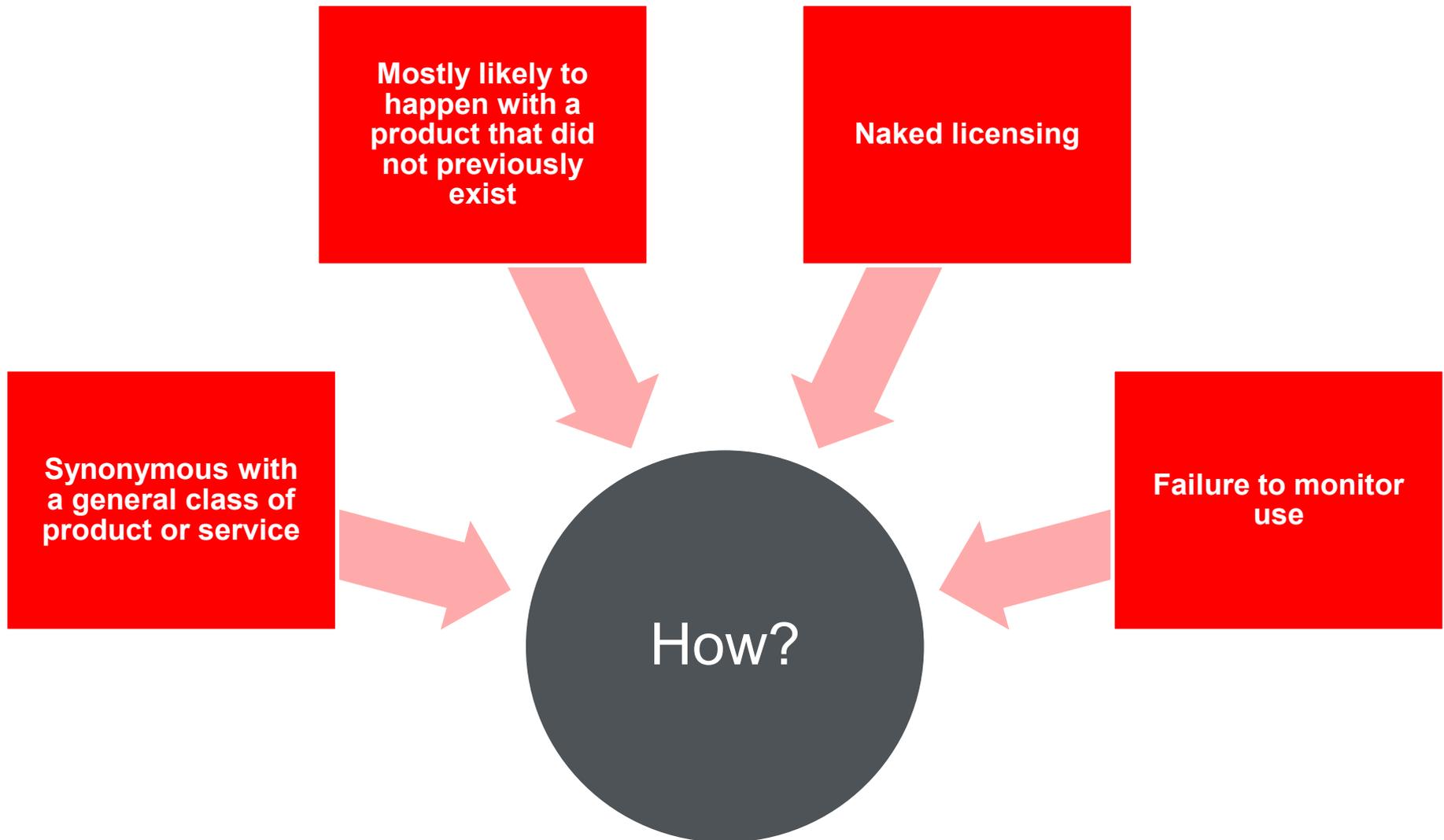


Definition

A trademark is said to become genericized when it began as a distinctive **product identifier**, but has changed in meaning to become the **name of the product itself**.

The process where a brand name or trademark is transformed through popular usage into a common noun.

How does it happen?



Examples

Trade Mark

Meaning

Escalator

moving staircase

Cellophane

transparent cellulose sheets

Pilates

form of exercise

Thermos

vacuum-insulated bottles

Aspirin

acetylsalicylic acid pain reliever



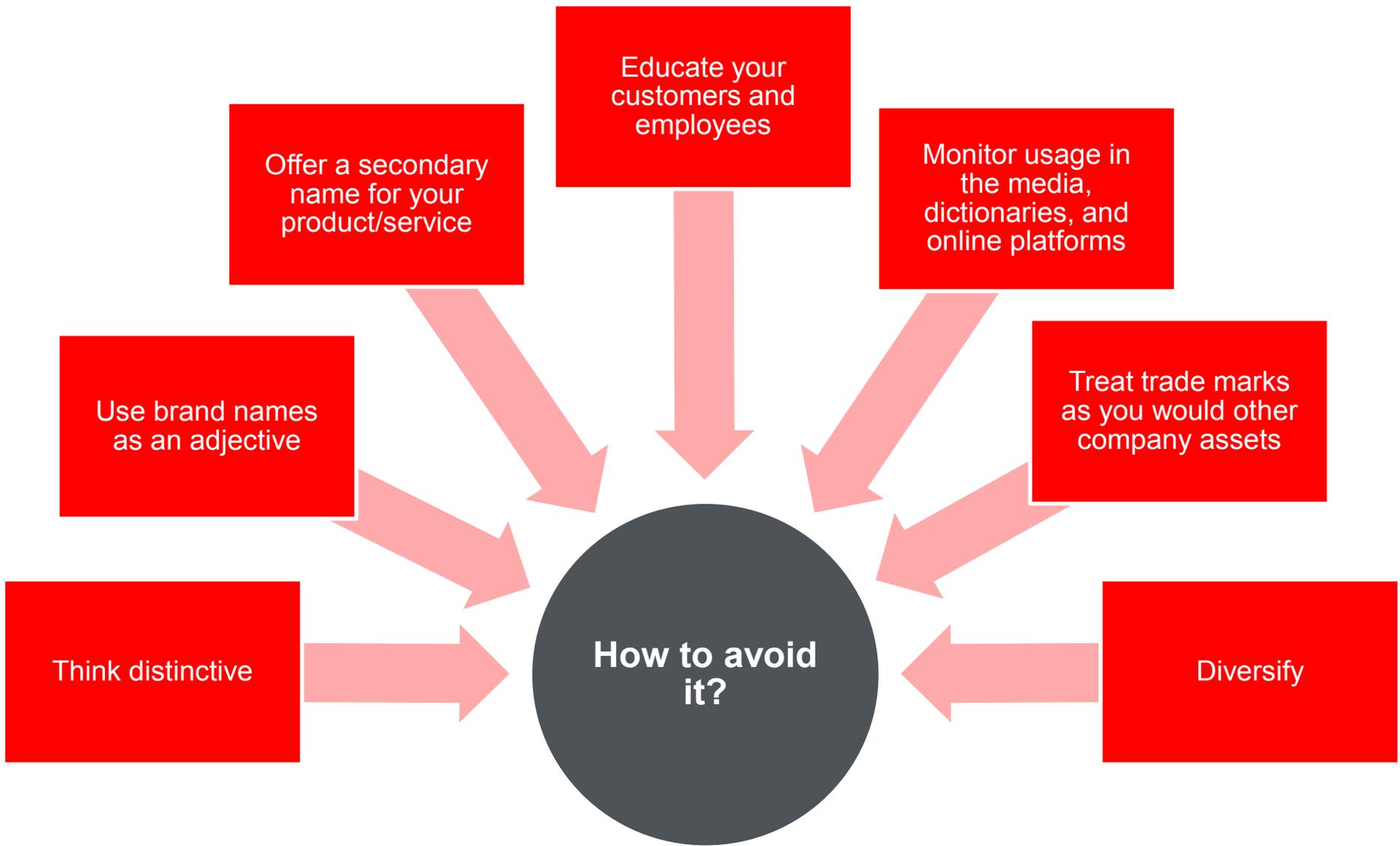
Dangers of it happening?

Enforcement of rights

- defence to trade mark infringement
- impairs ability of trade mark to function as a badge of origin
- diminishes likelihood of confusion

Ability to register trademarks

- trade mark examination



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Madrid system

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February 23, 2016

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Why use the Madrid system?

Expand protection

- As your business strategy evolves, the Madrid System can be used to **expand protection into new markets**.
- Obtain an **international registration covering multiple territories**.

Single international application

- Filing a **single international application** is equivalent to filing a bundle of national applications.
- File in **one language** (English, French or Spanish) - no need to pay for translations into multiple languages or work through the administrative procedures of multiples offices.

Save time and money

- The Madrid system **saves you time and money**.
- Pay **one set of fees in one currency** (Swiss francs).
- **Renew** every 10 years with one simple procedure.

Central and efficient

- The system's **centralized registration** also offers a simple and **efficient** way to manage your mark portfolio.
- **Manage** your portfolio of marks through one centralized system.

Which jurisdictions does it cover?

- The Madrid System offers the potential for simultaneous protection in up to **113 territories** of its 97 members, including
 - the European Union (EU) and
 - the African Intellectual Property Organization (OAPI).
- The majority of developed countries and many developing and transitioning countries.
- These countries represent in **excess of 80% of world trade** and membership is growing every year

Applicants who are domiciled in a member country of the Madrid Agreement or Protocol

or

An applicant that has a real and effective industrial or commercial establishment in a member country

Who qualifies for Madrid?

South Africa looking forward to accede to Madrid

- It is known that despite the current delay experienced at the South African Trade Marks Office, the **Registrar of Trade Marks is committed** to accommodate Madrid into the South African filing system.
- However, due to the current delay in examining of trade mark applications we anticipate a **further twelve months** before the South African Trade Marks Act no.194 of 1993 will be amended to accept International Trade Marks applications filed through the Madrid System.
- Once South Africa is a joined member of Madrid Agreement or Protocol, it would be possible to assist Applicants who are domiciled in South Africa.

How to position yourself now?

It is highly recommended that you **start incorporating Madrid's International Filing System** into your future Intellectual Property **expansion plan** to ensure that you are positioned to gain the benefit to expand protection into new markets

Advantages of filing through the Madrid System

- **ONE** application for a number of countries
- **ONE** set of fees – one currency
- **ONE** language (English/French/Spanish)

- **ONE** set procedural rules – no need to adhere to national procedural rules
- Uniform period of protection of 10 years
- EASY post registration management

Disadvantages

- We would **caution** against applying for new international registrations (“**IRs**”) designating African jurisdictions, as there is **uncertainty with the way** that IRs are handled in many African countries.
- Many countries which have acceded to the Madrid Protocol and/or the Madrid Agreement **have not actually promulgated the necessary legislation to give effect to IRs.**
- In some countries where some legislation has been passed, this legislation is often **not implemented on the ground** resulting in **proprietors not being able to enforce their IRs against infringers.** With the exception of Egypt and Morocco, which have updated their legislation to fully recognise IRs, we do not therefore recommend filing IRs designating any African countries until the uncertain position of IRs has been rectified.

Disadvantages of filing through the Madrid System (cont)

- The rights granted by an International Registration can be extinguished if
 - (a) its home application **does not mature to registration** or
 - (b) its home **registration is cancelled during its first five years** (this concept is commonly referred to as “**central attack**”), which is a distinct disadvantage.

- The **total cost** would actually be higher than if the **national route** had been used at the outset. In addition, the transformed national application may have to be **reexamined *de novo* by the national office**, although practice on this point may vary.

Disadvantages of filing through the Madrid System (cont)

- The trademark search at WIPO's website does not allow one to conduct searching trademark-in-part, which makes the evaluation on the registrability of the mark based on the criteria of confusingly similarity more difficult to the trademark owners.

- Restriction or amendment is not permitted in an international registration that may cause inconsistencies between the international registration and basic application/registration.
- The change in the ownership of an international registration is permitted if the transferee is a person who is entitled to file an international application.

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Exchange control issues

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Intellectual Property

February 23, 2016

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Exchange control issues

2004: Couve v Reddot

- 'Capital' meant **anything with a monetary value**
- Rights in and to patent applications and the right to receive royalties = 'capital'

2011 SCA: Oilwell v Protec

- Had to be a difference between 'capital' and 'assets'.
- Concluded that **intellectual property was territorial and could not be exported.**
- Patents do not create a right to royalties – the royalty agreement creates such rights.

8 June 2012:

- Amendment to Excon regulation 10
- 'Capital' includes intellectual property
- **Prohibition on export of intellectual property rights without prior Excon approval.**
- IPR includes registered and unregistered.
- Export includes cession, assignment or transfer to a non-resident.

2014:

- Relaxation
- Applies to private companies in TMT, exploration and R&D.
- Seek approval for a **primary listing offshore or to raise capital offshore.**
- IP transferred to new offshore company provided the company operates as a SA tax resident and managed and controlled from SA.

Get in touch

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The logo for Norton Rose Fulbright, featuring a gold chevron icon above the text "NORTON ROSE FULBRIGHT" in red, bold, uppercase letters.

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