

REPUBLIC OF SOUTH AFRICA

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**PORTFOLIO COMMITTEE AMENDMENTS  
TO  
INTELLECTUAL PROPERTY  
LAWS AMENDMENT BILL**

**[B 1—97]**

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*(As agreed to by the Portfolio Committee on Trade and Industry (National Assembly))*

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**[B 1A—97]**

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REPUBLIEK VAN SUID-AFRIKA

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**PORTEFEULJEKOMITEE-AMENDEMENTE  
OP  
WYSIGINGSWETSONTWERP  
OP INTELLEKTUELE  
GOEDEREWETTE**

**[W 1—97]**

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*(Soos goedgekeur deur die Portefeuljekomitee oor Handel en Nywerheid (Nasionale Vergadering))*

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**[W 1A—97]**

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**AMENDMENTS AGREED TO**  

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**INTELLECTUAL PROPERTY LAWS AMENDMENT BILL**  
**[B 1—97]**

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CLAUSE 1

1. On page 6, in line 5, before “any” to insert:  
  
the Commissioner for Customs and Excise or
2. On page 6, in lines 20 and 21, to omit “trade mark registered in the register of trade marks kept under” and to substitute:  
  
registered trade mark [**registered in the register of trade marks kept under**] as defined in section 2(1) of

CLAUSE 4

Clause rejected.

NEW CLAUSE

1. That the following be a new Clause to follow Clause 3:

**Substitution of section 4 of Act 17 of 1941, as amended by section 2 of Act 47 of 1954**

**4.** The following section is hereby substituted for section 4 of the Merchandise Marks Act, 1941:

**“Powers of inspectors to enter and search premises and seize certain articles**

**4.** (1) If an inspector suspects that an offence in terms of this Act has been committed, is being or is likely to be committed or that preparations or arrangements for the commission of an offence in terms of this Act are being or are likely to be made on or in any premises (in this section referred to as the “alleged offence”), he or she may, on the authority of a warrant issued under subsection (3)—

- (a) enter the premises and search the premises or the person referred to in the warrant or the owner or person in control of the premises, and there make, subject to subsection (2), the enquiries he or she considers necessary;
- (b) examine any document or thing found on or in the premises, and make copies of or make extracts from that document;
- (c) subject to subsection (2), request the owner or person in control of the premises or any person in whose possession or control that document or thing is, or who may reasonably be expected to have the necessary information, to furnish information regarding that document or thing;

- (d) seize for further examination or safe custody any document or thing on or in the premises which has a bearing on the alleged offence;
- (e) seal or otherwise safeguard any premises on or in which any document or thing which has a bearing on an alleged offence is found;
- (f) take the steps that he or she considers necessary to terminate or prevent the commission of an offence in terms of this Act.

(2) An inspector requesting information from a person in terms of subsection (1)(a) or (c) or (4)(a) shall, before so requesting information, inform the person in a language that the person understands of—

- (a) the right to remain silent; and
- (b) the consequences of not remaining silent.

(3) (a) A warrant referred to in subsection (1) shall be issued by a magistrate or a judge of a High Court, if it appears to the magistrate or judge from information on oath or affirmation that there are reasonable grounds for believing that a document or thing that has a bearing on the alleged offence—

- (i) is or will be in the possession or under the control of any person or on or in any premises within the area of jurisdiction of that magistrate or judge; and
- (ii) cannot reasonably be obtained otherwise.

(b) The warrant shall specify which of the acts contemplated in subsection (1)(a) to (f) may be performed thereunder by the inspector to whom it is issued.

(c) The warrant may be issued on any day and shall be of force until—

- (i) it is executed;
- (ii) it is cancelled by the person who issued it or, if such person is not available, by any person with similar authority;
- (iii) the expiry of three months from the day of its issue; or
- (iv) the purpose for which the warrant was issued no longer exists,

whichever may occur first.

(d) An inspector shall, immediately before commencing the execution of the warrant—

- (i) identify himself or herself to the person referred to in the warrant or the owner or person in control of the premises, if such person is present;
- (ii) hand to such person a copy of the warrant or, if the person is not present, affix that copy to a prominent place on the premises;
- (iii) supply such person at his or her request with particulars regarding his or her authority to execute the warrant.

(4) (a) Subject to paragraph (b) of this subsection and subsections (2) and (5) to (10), any inspector may, without a warrant—

- (i) enter any premises, if the person who is competent to do so consents to that entry, and perform such of the acts contemplated in subsection (1)(a) to (f) which the person who is competent to do so consents to; or
- (ii) enter any premises other than a private dwelling and perform any of the acts contemplated in subsection (1)(a) to (f), except the search of any person, if there are reasonable grounds for believing that—

- (aa) a warrant would be issued to the inspector under subsection (3) if the inspector were to apply for that warrant; and
- (bb) the delay in obtaining that warrant would defeat the purpose of the entry.
- (b) An inspector shall, immediately before entering premises in accordance with paragraph (a), identify himself or herself.
- (c) Any acts performed by an inspector by virtue of paragraph (a)(ii) will cease to have any legal effect unless a magistrate or a judge of a High Court having jurisdiction in the area where the acts were performed, confirms those acts on the application of an inspector brought within 10 days of the day on which those acts had been performed.
- (5) An entry, search and seizure under this section shall be—
  - (a) conducted with strict regard to decency and order, including the protection of a person's right to dignity, to freedom and security and to privacy; and
  - (b) executed by day unless the execution thereof by night is justifiable and necessary.
- (6) The seizure of a document or thing under this section shall be effected by removing it from the premises concerned or, if that removal is not reasonably practicable, by sealing or otherwise safeguarding it on or in the premises.
- (7) An inspector who may under this section enter and search any premises—
  - (a) shall, immediately before the entry, audibly demand admission to the premises and make known the purpose of the entry and search, unless there are reasonable grounds for believing that a document or thing in respect of which the search occurs, may be destroyed, disposed of or tampered with if that admission is first demanded and that purpose is made known;
  - (b) may use the force that is reasonably necessary to overcome resistance to the entry or search or the seizure of a document or thing under this section;
  - (c) may utilize or request the assistance of any person to identify any document or thing which has a bearing on the alleged offence or to otherwise conduct the entry or search or the seizure of any document or thing under this section.
- (8) A person from whose possession or control a document has been removed under this section may, at his or her own expense and under the supervision of an inspector, make copies thereof or excerpts therefrom.
- (9) (a) An inspector who removes a document or thing from any premises under this section shall issue a receipt to the person who is the owner or in possession or in control thereof or, if that person is not present, affix it to a prominent place on the premises.
  - (b) If an inspector who is not a member of the South African Police Service removes a document or thing under this section, he or she shall forthwith hand it over to any member of that Police Service.
- (10) (a) If, during the conduct of a search under this section, a person claims that a document or thing found on or in the

premises contains privileged information and refuses the examination or removal of the document or thing, the inspector conducting the search shall, if he or she is of the opinion that the document or thing contains information which has a bearing on the alleged offence, request the registrar of the High Court which has jurisdiction or his or her delegate, to seize the document or thing for safe custody until a court of law has made a ruling on the question whether the information is privileged or not.

(b) If that information is held not to be privileged, the document or thing concerned shall be available for inspection and testing or analysis under subsection (12).

(11) Subject to subsections (12) to (15), any document or thing seized under this section shall be disposed of in accordance with the applicable provisions of the Criminal Procedure Act, 1977 (Act No. 51 of 1977), as if it has been seized in terms of that Act.

(12) Subject to subsection (10), a document or thing seized under this section shall—

- (a) be open for inspection by any interested person during normal office hours;
- (b) on request of any interested person, be made available for testing or analysis, if the person in whose custody the document or thing is kept or any inspector is satisfied, after taking into account the nature of the document or thing and of the testing or analysis, the purpose of the testing or analysis and the suitability of the person by whom the testing or analysis is to be conducted, that the request is reasonable.

(13) (a) If criminal proceedings are not instituted in connection with a document or thing seized under this section within a reasonable time after the seizure or, if it appears that the document or thing is not required in criminal proceedings for the purposes of evidence or an order of court, it shall—

- (i) subject to paragraph (b), be returned to the person from whom it was seized or, if that person may not lawfully possess it, to the person who may lawfully possess it; or
- (ii) be released from the safeguarding on or in the relevant premises,

as the case may be.

(b) The person in whose custody the document or thing is kept, shall 72 hours before the return notify every complainant (if any) in respect of the alleged offence to which the document or thing relates of the intended return of the document or thing.

(14) In criminal proceedings in connection with a document or thing seized under this section, the court concerned may, without limiting any other powers of the court, order that—

- (a) if the document or thing is the subject of an offence in terms of this Act, it be destroyed;
- (b) the document or thing be released to a specified person.

(15) When a court holds that imported goods which are destined for exportation and were seized under this section are the subject of an offence in terms of this Act, the court shall not allow the exportation of those goods in an unaltered state,

except if it, after due regard to the circumstances regarding the offence, thinks it fit to allow that exportation.”.

#### CLAUSE 5

1. On page 14, in line 28, after “false” to insert “or misleading”.

#### CLAUSE 6

Clause rejected.

#### NEW CLAUSE

1. That the following be a new Clause to follow Clause 5:

##### **Substitution of section 6 of Act 17 of 1941, as amended by section 1 of Act 26 of 1951**

**6.** The following section is hereby substituted for section 6 of the Merchandise Marks Act, 1941:

##### **“Applying false trade description**

**6. (1)** Any person who applies any false trade description to goods shall be guilty of an offence, if—

- (a) at the time of the commission of the alleged offence, the person knew or had reason to suspect that the trade description was not genuine; or
- (b) the person did not take all reasonable steps in order to avoid the commission of the alleged offence.

(2) Any person who alters any trade mark, whether by addition of effacement or in any other manner, shall be guilty of an offence, if the person did not take all reasonable steps in order to avoid the commission of the alleged offence.”.

#### CLAUSE 7

Clause rejected.

#### NEW CLAUSE

1. That the following be a new Clause to follow Clause 6:

##### **Substitution of section 7 of Act 17 of 1941**

**7.** The following section is hereby substituted for section 7 of the Merchandise Marks Act, 1941:

##### **“Sale and hiring out of goods bearing false trade descriptions**

**7.** Any person who sells or lets or offers for sale or hire any goods to which any false trade description is applied, shall be guilty of an offence, if—

- (a) at the time of the commission of the alleged offence, the person knew or had reason to suspect that the trade description was not genuine; or

- (b) the person did not take all reasonable steps in order to avoid |  
the commission of the alleged offence.”.

#### CLAUSE 16

Clause rejected.

#### NEW CLAUSE

1. That the following be a new Clause to follow Clause 15:

##### **Amendment of section 20 of Act 17 of 1941**

**16.** Section 20 of the Merchandise Marks Act, 1941, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) (a) Any person convicted of an offence in terms of this Act, except section 5, shall be liable—

- (i) in the case of a first conviction, to a fine not exceeding R5 000 for each article to which the offence relates or to imprisonment for a period not exceeding three years or to both such fine and such imprisonment;
- (ii) in any other case, to a fine not exceeding R10 000 for each article to which the offence relates or to imprisonment for a period not exceeding five years or to both such fine and such imprisonment.

(b) Any person convicted of an offence referred to in section 5 shall be liable to a fine or to imprisonment for a period not exceeding six months.”.

#### CLAUSE 20

1. On page 22, in lines 21, 22 and 23, to omit “is a party to the Agreement on Trade Related Aspects of Intellectual Property Rights” and to substitute:

is a member of the World Trade Organization

#### CLAUSE 23

- 1. On page 24, in lines 17, 18 and 19, to omit “not exceeding **[fifty rand]** the amount determined by the Minister from time to time by notice in the Gazette” and to substitute “**[not exceeding fifty rand]**”.
- 2. On page 24, in line 27, after “Minister” to insert “, in consultation with the Minister of Justice,”.
- 3. On page 24, in lines 29, 30 and 31, to omit “not exceeding **[one hundred rand]** the amount determined by the Minister from time to time by notice in the Gazette” and to substitute “**[not exceeding one hundred rand]**”.

#### CLAUSE 27

1. On page 26, from line 5, to omit paragraph (a).

## CLAUSE 40

1. On page 36, from line 53, to omit paragraph (b).

## NEW CLAUSE

1. That the following be a new Clause to follow Clause 48:

**Substitution of long title of Act 57 of 1978**

**49.** The following long title is hereby substituted for the long title of the Patents Act, 1978:

“ACT

**To provide for the registration and granting of patents for inventions and for matters connected therewith.”.**

## CLAUSE 63

1. On page 50, in line 36, to omit “division of the Supreme Court of South Africa” and to substitute “High Court”.

## CLAUSE 68

1. On page 52, from line 49, to omit paragraph (a).

## CLAUSE 72

1. On page 56, in line 8, after “design,” to insert “for private purposes or”.
2. On page 56, from line 23, to omit paragraph (b).

## NEW CLAUSE

1. That the following be a new Clause to follow Clause 72:

**Amendment of section 21 of Act 195 of 1993**

**73.** Section 21 of the Designs Act, 1993, is hereby amended by the addition of the following subsection:

“(14) If the registered design in respect of which an application is made under subsection (1) for the granting of a compulsory licence is an integrated circuit topography, a mask work or a series of mask works—

- (a) subsections (2)(b), (5), (6), (11) and (12) shall not apply;
- (b) the court shall consider that application on its merits in deciding whether or not to grant a licence as provided for in subsection (4);
- (c) a licence granted under subsection (4) upon that application shall include a provision that, subject to adequate protection of the legitimate interests of the licensee, the licence shall, on application by the registered proprietor of the registered design,



- be terminated if the circumstances which led to its grant cease to exist and, in the opinion of the court, are unlikely to recur; and
- (d) a licence granted under subsection (4) upon that application shall be non-exclusive and shall not be transferable except to a person to whom the business or part of the business in connection with which the rights under the licence were exercised has been transferred.”.

#### CLAUSE 78

1. On page 58, in line 50, to omit “(2), (3) and (4)” and to substitute “(2) and (3)”.
2. On page 58, from line 54, to omit subsection (3) and to substitute:
 

(3) If on the date of the first publication of this Act in the Gazette, the Patent Cooperation Treaty of 19 June 1970, as amended from time to time, has not been approved by resolution in both the National Assembly and the National Council of Provinces under section 231(2) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), sections 26, 27(c), 38 and 47 shall come into operation on the date immediately following the date on which the Treaty is so approved.
3. On page 60, from line 7, to omit subsection (4).

#### LONG TITLE

Long Title rejected.

#### NEW LONG TITLE

1. That the following be a new Long Title:

**To amend the Merchandise Marks Act, 1941, so as to substitute, to delete or to amend certain definitions; to define certain expressions; to repeal the provisions relating to the unlawful trading in counterfeit goods in so far as these provisions are to be superseded by other envisaged legislation regarding the counterfeiting of goods; to adjust the powers of inspectors to enter and search premises and attach goods; to substitute or delete certain obsolete provisions and references; to delete a provision imposing a burden of proof on an accused; to provide for a presumption with respect to the offence of offering for sale or hire goods to which any false trade description is applied; and to adjust the provisions regarding penalties for offences; to amend the Performers’ Protection Act, 1967, so as to delete or to amend certain definitions; to define certain expressions; to protect performances in countries which are members of the World Trade Organization; to lengthen the term of protection for performances to fifty years; to provide for all broadcasters; to adjust the provisions regarding penalties for offences; and to extend the application of the Act to performances which took place before its commencement to correspond with the Agreement on Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement); to amend the Patents Act, 1978, so as to define certain expressions; to amend or to substitute certain definitions; to clarify the provisions with respect to the payment of renewal fees, the priority dates of matter as opposed to patent claims, the principle of privilege regarding communications by**

or to patent agents and the assessment of damages; to bring the Act in line with the Trade Marks Act, 1993, the Designs Act, 1993, and the TRIPS Agreement; to provide for the implementation of the Patent Cooperation Treaty in the event of South Africa's accession thereto; to effect a correction in the Afrikaans text; to repeal or amend certain obsolete provisions and references; and to amend the long title; to amend the Copyright Act, 1978, so as to substitute, to amend or to delete certain definitions; to elaborate the requirement that a work must exist in a material form to qualify for copyright; to adjust the term of copyright in a cinematograph film and to extend the scope of copyright in computer programs in view of the TRIPS Agreement; to provide for all broadcasters; to amend the provisions relating to damages and other compensation for the infringement of copyright in order that it corresponds with the Trade Marks Act, 1993, and the Designs Act, 1993; and to substitute a certain word in the Afrikaans text; to amend the Trade Marks Act, 1993, so as to amend the provisions regarding marks that may not be registered as trade marks and those regarding the protection of well-known trade marks to ensure compliance with the TRIPS Agreement and Article 6ter of the Paris Convention; to effect a correction in the English text; to further regulate the relief for the infringement of registered trade marks; to provide that the registrar must keep a list of emblems of convention countries and international organisations; and to replace an incorrect reference; to amend the Designs Act, 1993, so as to define an expression; to delete a definition; to adjust the requirements for the registration of a design; to amend the provisions regarding the notification of registration and the certificate of registration; to adjust the provisions regarding compulsory licences in respect of certain registered designs and to further regulate the effect of the registration of a design and the amendment of an application for registration, and of a registration of a design, to ensure compliance with the TRIPS Agreement; and to correct or to clarify certain provisions; and to provide for matters connected therewith.