

Answer all questions.

SECTION A

Question 1 (20 Marks)

Smith was a Master of Laws (LLM) student in the University of the Witwatersrand (Wits) from 2005 to 2007. He wrote a research report, entitled “Copyright concessions for special educational needs in South Africa”. The report was written under the supervision of Margaret, a professor of intellectual property Law in Wits, and was in partial fulfilment of the requirements for the degree, which was awarded in 2007.

Here is the contents page of Smith’s research report

- (i) Introduction: background information on copyright
- (ii) Special educational needs
- (iii) Copyright restrictions on educational needs
- (iv) Possible concessions for special educational needs
- (v) Proposed amendments to the Copyright Act to accommodate special educational needs

Smith has been employed as a permanent senior lecturer by Monash South Africa (a campus of Monash University, Australia) since 2008. One of the subjects which Smith teaches is the copyright component of the Intellectual Property Law course.

In 2009 Smith submitted a book proposal to Speedy Publishers (Pty) Ltd. The proposal was for the publication of a book entitled *Copyright concessions for special educational needs in South Africa*, which is based on his LLM research report without any additional updates.

The book proposal was accepted and the book was published in January 2011. The book consists of five chapters, which follow exactly the same order of materials in the LLM research report.

Here is the contents page of the of the book

Copyright concessions for special educational needs in South Africa

Chapter one: Introduction-background information on copyright

Chapter two: Special educational needs

Chapter three: Copyright restrictions on educational needs

Chapter four: Possible concessions for special educational needs

Chapter five: Proposed amendments to the copyright Act to accommodate special educational needs

Smith has received a letter from Wits University’s attorneys demanding that the book is removed from the booksellers due to infringement of Wits University’s copyright. The letter specifically mentions that the university owns copyright in the research report on which the book is based.

The following extract from the relevant clause of Wits University’s intellectual property policy is also enclosed with the letter:

4. Ownership of Intellectual Property (IP)

4.1 Unless the University and any originator of IP enter into an agreement that provides for the contrary then IP developed or originated by the following members of the University Community is owned by the party or parties as stipulated below:

4.1.1 Employees

Subject to paragraph 4.3 the University owns all IP originated or developed by its employees in the course and scope of their employment other than private work carried out by the employee under the University's rules governing private work including consultations and commissions....

4.1.6 Students (Including Teaching, Research & Graduate Assistants)

4.1.6.1 The same provisions regarding the ownership of IP made or created in the course of their employment by the University that apply to other employees of the University apply to students enrolled at the University.

4.1.6.2 The University owns any IP devised, made or created by any student carrying out research under the supervision of an employee of the University.

4.3 The University does not claim ownership of the copyright in books, plays, musical scores and lyrics and artistic works other than those it has specifically commissioned.

a) Discuss the eligibility for copyright of the two 'works' in question (the LLM research report and Smith's book).

(10 marks)

In relation to the research report:

1 mark for explaining that Smith's research report qualifies as 'work', which warrants protection under the Copyright Act- section 1(1) or alternatively that it fits within the categories of protectable works in terms of s 2(1) of the Act as literary work.

1 mark for explaining the following point that should be taken into consideration in relation to the existence of 'work':

That the work is not too commonplace (trite, trivial or does not excite peculiar attention) and mentioning the relevant case of *Waylite Diary CC v First National Bank Ltd*.

2 marks for explaining the following conditions for subsistence of copyright:

Originality; the work should be of the author's or maker's own labours and endeavors and mentioning the court's explanation in the case of *Kalamazoo Division (Pty) Ltd v Gay*: "It must be shown that some labour, skill or judgment has been brought to bear on the work before copyright can be claimed successfully for such work."

Existence in a material form; i.e. there is no copyright in ideas but the material form of expression of the idea (artistic features or attributes). The relevant case here is *Natal Picture Framing Co Ltd v Levin*; and for explaining the requirement of qualified person.

1 mark for reaching the correct conclusion that the research report is eligible for copyright protection.

In relation to the book:

1 Mark for explaining that the book falls under the Copyright Act- section 1(1) or alternatively that it fits within the categories of protectable works in terms of s 2(1) of the Act as literary work.

3 marks for explaining that the book however fails to meet an important requirement of originality as it is an adaptation/reproduction of the research report without any labour, skill or judgment having been brought to bear in the book (*Kalamazoo Division (Pty) Ltd v Gay*).

1 mark for reaching the correct conclusion that the book is not eligible for copyright protection.

b) Assuming that the works are eligible for copyright, discuss the ownership of the copyright in the works.

(5 marks)

1 mark for explaining that in terms of s21 (1) (a), the creator of a work ordinarily owns copyright in it but this is subject to any other arrangements e.g., contractual or special relationships (*King's case*; s21 (1) (d)).

2 marks for explaining that in terms of para 4.1.6.2 of Wits IP Policy, the University owns any IP devised, made or created by any student carrying out research under the supervision of an employee of the University. Therefore Wits owns copyright in the LLM research report.

2 marks for the correct application; by virtue of this special relationship with the university, Smith does not own copyright in his research report and since the book does not qualify for copyright protection due to lack of originality there is no copyright to own in it.

c) Assuming that Wits University owns the copyright in the LLM research report, discuss the merits of its infringement claim against Smith and Speedy Publishers (Pty) Ltd. (5 marks)

2 marks; for explaining the relevant legal principle from *Juta v De koker* that 'in order for there to have been an infringement of the copyright in the original work it must be shown that the original work was the source from which the alleged infringing work was derived, i.e. that there is a causal connection between the original work and the alleged infringing work, the question to be asked being whether the defendant has copied the plaintiff's work or is it an independent work of his own.' (At 506A-B.)

2 marks for using the court's decision in the case of *Galago Publishers (Pty) Ltd v Erasmus* as the basis for arguing that Wits' claim will be meritorious if it is proved "that there is sufficient objective similarity between the infringing copy and the original work for infringing copy to be properly described, not necessarily as identical with, but as a reproduction or copy of the original – it must also be shown that the original was a source from which the infringing work was derived - The question is whether the defendant copied the plaintiff's work or is it an original work of his own". Or for supporting the position that an author of a

work who does not own copyright in the work can be liable for infringement if ownership was transferred to the claimant.


1 mark; for reaching the correct conclusion that Wits' action can succeed against both Smith and the publishers since in terms of s23, they were not authorised by Wits to publish the research report as a book.

Question 2 (10 marks)

MTN® is a registered trade mark of the MTN Group Limited (MTN Group), a leading provider of communication services. The MTN Group operates in a number of African countries including South Africa. It employs over 17 000 people in South Africa and MTN as a brand is valued at R32-billion. The trade mark is registered for use in class 38 (telecommunications).

Better Options (Pty) Ltd (Better Options) is the owner of the mark *Better Options*, which was registered in 2008 for use in class 38 (telecommunications). Better Options has relatively fewer subscribers in South Africa and it considers its principal competitor to be the MTN Group.

Better Options places an advertisement in the newspaper which reads as follows:



If you thought that there is ...
there are *Better Options*
Everywhere you go...
Choose Better Options.
If you thought that *MTN* connects you *everywhere you go*, try *Better Options*.
Better Options offers you cheaper and faster connection.
Save up to R200 per month on airtime by choosing *Better Options*.

a) Consider MTN's prospects of success in an infringement action against Better Options in terms of s 34(1) (a) of the Trade Marks Act. (5 marks)

2 marks for explaining the requirements, according to *Abbot Laboratories* case, that MTN needs to prove:

- (a) use of the registered trade mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;
- (b) that the use is in relation to the goods or services in respect of which the trade mark is registered;
- (c) that the use is in the course of trade; and

(d) that the use is unauthorised.

Abbot establishes that use of a trade mark in publicity material and advertising constitutes use 'in relation to' goods or services

So there is no dispute about (a), (b), and (d). This is use of MTN's mark (ie, the same mark, MTN's not a resembling mark).

2 marks for explaining that this is use of a rival's trade mark in the course of comparative advertising and that according to *Verimark v BMW*, trade mark use in this context does not infringe s 34(1)(a) **unless the use creates an impression of a material link between MTN's service** and Better options– i.e., that MTN's and Better options' services are linked. The use of a mark for 'purely descriptive purposes' will not [usually] create that impression. Though this is not a 'purely descriptive' use of the rival mark – MTN is compared not described - this is not 'trade mark use' of the MTN mark.

1 mark for explaining that there is no link suggested. No one would be confused into thinking that Better Options' and MTN are the same or linked. Therefore MTN's claim cannot succeed under section 34(1) (a).

b) Consider MTN's prospects of success in an infringement action against Better Options in terms of s 34(1) (c) of the Trade Marks Act. (5 marks)

1 mark for explaining that according to *Verimark*, comparative advertising may infringe s 34(1)(c) since the subsection protects the reputation, advertising value or selling power of a well-known mark. If unfair advantage is taken of the mark's reputation or if the use is detrimental to it, this will infringe s 34(1)(c).

1 mark for explaining that MTN is a trade mark that is well known in the Republic; the test is set out in *McDonalds* and, given the size and reach of MTN, its trade mark in all likelihood qualifies as well known.

1 mark for explaining that according to *Laugh it off*, the anti dilution provision must be read in a way that balances freedom of expression with commercial interests. This case is arguably distinguishable from the political parody in *Laugh it off* – it is a case of commercial rivalry.

2 Marks for explaining that Better Options is taking unfair advantage of MTN by being able to 'ride on the coat-tails' of a famous brand since by mentioning MTN, Better Options can use the attractive force of the brand to increase interest in its obscure services. Moreover, the message of the advertisement is detrimental to MTN.

Section B

Multiple choice questions

Answer all questions by writing down the question number and the letter corresponding to the correct answer.

There are ten questions in total. There is only one correct answer per question. There is no penalty for the wrong answer.

3. Which of the following statements is correct?
- a) An amendment of a complete specification which has become open to public inspection after the publication of the acceptance of the specification is allowed.
 - b) An application for amendment may be brought at any time and can be in respect of a provisional patent application or a complete patent application before or after publication.
 - c) An amendment to a provisional specification will only be allowed by way of correction of an obvious mistake.
 - d) A clerical error, in terms of South African patent law, has generally been held to include errors made deliberately.
 - e) A clerical error, in terms of South African patent law, has generally been held to include errors made in sheer ignorance.
4. Which of the following statements is correct?
- a) In terms of Section 50(1) (a) of the Patents Act of 1978 one can only apply to the Commissioner to correct a clerical error.
 - b) Restoration can be considered when a patent lapses as a result of the non-payment of renewal fees.
 - c) An invention is not patentable under Section 25 if it is novel.
 - d) On being sued for infringement of a patent, one may not raise the ground of revocation as a defence.
 - e) The innocent possession, purchase, transport or storage of a patented article can be considered as infringement.
5. Which of the following statements is correct?
- a) Any person may dispose of a patented article.
 - b) The first step in considering the case of infringement is to consider whether the patent that is allegedly infringed is in full force and effect.
 - c) In the case of a sole licence the patentee may exercise the invention and may licence other people as well.
 - d) In the case of an exclusive licence the patentee and the licensee are the only ones who may exercise the invention.
 - e) Extrinsic evidence is admissible to construe a patent specification as such evidence would enable interested members of the public to understand the specification better.

6. Which of the following statements is correct?
- a) Although it is permissible to mosaic documents when considering obviousness, it must be a mosaic which can be put together by an unimaginative man with no inventive capacity.
 - b) A patent is invalid if the invention in respect of which the patent was granted or any part thereof was disclosed, used or known prior to the priority date of the invention.
 - c) The priority date is the second filing date of an application for a patent.
 - d) An invention shall be deemed to be new if it does not form part of the state of the art immediately after the priority date of that invention.
 - e) A computer program is per se patentable.
7. Which of the following statements is correct?
- a) The first step in considering patentability is whether that which is sought to be patented is indeed applicable to the trade or industry.
 - b) All issues, in the first instance, relating to a matter under the Patents Act are to be heard by the High Court.
 - c) A patent shall endure for 20 years provided that one pays renewal fees, first due two years after the lodging date and then annually thereafter.
 - d) An international search report on the patentability of the invention is included with the filing fees for a PCT application.
 - e) Having filed an application for a provisional patent specification, the applicant has a 18 month period within which to refine the invention, develop it further, market it and thereby disclose it to other parties, and for example obtain funding for the patent procedure and/or the production/marketing of the invention.
8. If a disclaimer had been made in the case of *Cadbury (Pty) Ltd v Beacon Sweets and Chocolates (Pty) Ltd* 2000 (2) SA 771 (SCA), which of the following would have been the result?
- a) The trade mark 'Liquorice Allsorts' would have become unregistrable because it was descriptive of the kind of goods to which it was applied.
 - b) The composite trade mark 'Beacon Liquorice Allsorts' would have been registered but the proprietor would have disclaimed any right to the exclusive use of the words 'Liquorice Allsorts'.
 - c) The trade mark 'Liquorice Allsorts' would have been registered but the proprietor would have disclaimed any right to the exclusive use of the words 'Liquorice Allsorts'.

- d) Though the trade mark 'Liquorice Allsorts' was not inherently distinctive, it was registrable because it had become distinctive through use.
- e) Though 'Liquorice Allsorts' could be registered as a trade mark, any competitor could apply at any time for the removal of the trade mark from the register.
9. Which of the following best sums up the court's decision in *Verimark (Pty) Ltd v BMW AG* 2007 (6) SA 263 (SCA)?
- a) Using a rival's trade mark in the course of comparative advertising is prohibited by s34 (1) (a) of the Trade Marks Act.
- b) A 'purely descriptive' use of a trade mark is not an infringement of s 34(1)(a) unless the mark is used to create the impression of a material link between the goods concerned and the trade mark proprietor.
- c) Using a rival's trade mark in the course of comparative advertising is trademark dilution in terms of s34 (1)(c)of the Trade Marks Act.
- d) Comparative advertising is contrary to public policy and is therefore prohibited.
- e) Using a rival's trade mark in the course of comparative advertising is not an infringement in terms of s 34 of the Trade Marks Act.
10. Which of the following statements is correct?
- a) Copyright only vests in published works.
- b) An author of a musical work, which is recorded, owns copyright in the sound recordings of the music.
- c) To qualify for copyright protection, broadcasts and programme carrying signals must satisfy the requirement of existence in a material form.
- d) A juristic person can be an author of a work under s 3(1) b of the Copyright Act.
- e) In terms of the Copyright Act, a cinematograph film includes the scenario of the film.
11. Where would you classify video games in terms of the South African intellectual property law?
- a) An artistic work in terms of the Copyright Act;
- b) A computer programme in terms of the Copyright Act;
- c) A patentable invention;
- d) A registered trade-mark;
- e) A cinematograph film in terms of the Copyright Act.

12. Which of the following statements is correct?

- a) The court's decision in the case of *Capital Estate and General Agencies (Pty) Ltd v Holiday Inns Inc* 1977 (2) SA 916 (A) confirms that there is no possibility of passing off unless the plaintiff and defendant are competitors in a common field of activity.
- b) The mere proof of reputation in a passing off action is sufficient.
- c) The consideration of distinctiveness is sufficient in determining whether goods are calculated to deceive in a passing off action.
- d) Reputation is the only component of good will that is capable of being damaged by means of passing off.
- e) The comparison of competing marks is sufficient for establishing a claim for passing off.

Total for section B: 10 marks

Total for paper: 40 marks