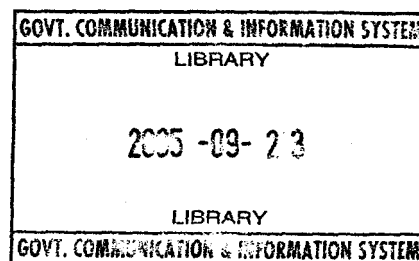


REPUBLIC OF SOUTH AFRICA

PATENTS AMENDMENT BILL

*(As amended by the Portfolio Committee on Trade and Industry (National Assembly))
(The English text is the official text of the Bill)*

(MINISTER OF TRADE AND INDUSTRY)



[B 17B—2005]

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GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the Patents Act, **1978**, so as to insert certain definitions; and to require an applicant for a patent to furnish information relating to any role played by an indigenous biological resource, a genetic resource or traditional knowledge or use in **an** invention; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of **South** Africa, as follows:—

Amendment of section **2** of Act **57** of **1978**, as amended by section **1** of Act **76** of **1988**, section **1** of Act **49** of **1996** and section **27** of Act **38** of **1997**

1. Section **2** of the Patents Act, **1978** (hereinafter referred to as the principal Act), is hereby amended— **5**

(a) by the insertion after the definition of “date of application” of the following definitions:

“‘genetic resource’ means—

- (a) any indigenous genetic material; or **10**
(b) the genetic potential or characteristics of any indigenous species;

‘indigenous biological resource’ means **an** indigenous biological resource as defined in section 1 of the National Environmental Management: Biodiversity Act, **2004** (Act No. 10 of 2004);” and **15**

(b) by the insertion after the definition of “this Act” of the following definitions:

“‘traditional knowledge’ means the knowledge that **an** indigenous community has regarding the use of **an** indigenous biological resource or a genetic resource;

‘traditional use’ means the way in which or the purpose for which an **20**

Amendment of section **30** of Act **57** of **1978**, as amended by section **33** of Act **38** of **1997**

2. Section 30 of the principal Act is hereby amended by the insertion after subsection **(3)** of the following subsections: **25**

“(3A) Every applicant who lodges an application for a patent accompanied by a complete specification shall, before acceptance of the application, lodge with the registrar a statement in the prescribed manner stating whether or not the invention for which protection is claimed is based on or derived from an indigenous biological resource, genetic resource, or traditional knowledge or use. 5

(3B) The registrar shall call upon the applicant to furnish proof in the prescribed manner as to his or her title or authority to make use of the indigenous biological resource, genetic resource, or of the traditional knowledge or use if an applicant lodges a statement that acknowledges that the invention for which protection is claimed is based on or derived from an indigenous biological resource, genetic resource, or traditional knowledge or use.”. 10

Amendment of section 61 of Act 57 of 1978, as amended by section 12 of Act 58 of 2002 15

3. Section 61 of the principal Act is hereby amended by the substitution in subsection (1) for paragraph (g) of *the* following paragraph

“(g) that the prescribed declaration lodged in respect of the application for the patent or the statement lodged in terms of section 30(3A) contains a false statement or representation which is material and which the patentee knew or ought reasonably to have known to be false at the time when the [declaration] statement or representation was made;” 20

Short title and commencement

4. This Act is called the Patents Amendment Act, 2005, and comes into operation on a date fixed by the President by proclamation in the *Gazette*. 25

**MEMORANDUM ON THE OBJECTS OF THE PATENTS
AMENDMENT BILL, 2005**

1. BACKGROUND

- 1.1 The Patents Act, 1978, does not empower the registrar of patents to refuse, invalidate or revoke an application for a patent which does not disclose or which wrongfully discloses the origin of the biological material upon which the invention is based.
- 1.2 Non-disclosure or wrongful disclosure of biological material results in the registration of patents which do not meet the criteria for patenting. The criteria are that a patent must—
- * be new;
 - have no prior art or no obviousness;
 - have an inventive step;
 - have novelty; and
 - be capable of trade or agricultural or industrial application.
- 1.3 An example of such non-disclosure is the patenting of the Ayahuasca plant. Ayahuasca (*Banisteriopsis caapi*) is a plant used for many medicinal and ritual purposes. Ayahuasca is the vernacular name among the Amazon Quichia people, and Ayahuasca means “vine of the spirits”. It is a sacred plant for many indigenous peoples. In 1986, after research in Ecuador, a United States scientist and President of the International Plant Medicine Corporation was granted a patent on Ayahuasca—US plant patent No. 5,751.
- 1.4 The US Patent and Trademark Office (USPTO) revoked the patent in November 1999 and based its decision on the fact that publications describing *Banisteriopsis caapi* were “known and available” prior to the filing of the patent application. This decision came in response to a request for re-examination of the patent by the Co-ordinating Body of the Indigenous Organisations of the Amazon Basin (COICA), the Coalition for Amazonian Peoples and their Environment, and lawyers at the Centre for International Environmental Law (CIEL).

2. INTERNATIONAL OBLIGATIONS/IMPACT

- 2.1 It is envisaged in this regard that if South Africa ratifies the proposed Hague Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters or if an international instrument on the protection of genetic resources, biological material and traditional knowledge is concluded at the World Intellectual Property Organisation (WIPO) or at the World Trade Organisation (WTO), enforcement of national judgments or decisions in international jurisdiction is possible.
- 2.2 The Bill is not in conflict with South Africa’s obligations under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), in particular article 27(1) and the Convention on Biological Diversity (CBD).

3. INTERDEPARTMENTAL COOPERATION

The implementation of this will require concerted action on the part of several state Departments such as:

- Department of *Arts* and Culture (DAC);
- Department of Education (DoE);
- Department of Environmental Affairs and Tourism (DEAT);
- Department of Health (DoH);
- Department of Provincial and Local Government (**DPLG**);
- Department of Science and Technology (DST);
- Department of Water Affairs and Forestry (DWAAF).

4. OBJECTS

4.1 The Bill seeks to—

(a) empower the registrar of patents to—

- refuse or revoke a patent which is based on biological material;
- refuse, revoke or invalidate a patent which is based on prior knowledge associated with such materials;

(b) authorise the DEAT—

- to grant approval prior to such biological materials being used for invention purposes;
- to impose certain conditions such as co-ownership, compensation, benefit-sharing and other forms of controls before approval is granted; and
- or any interested **person** to contest any application for a patent all over the world based on such biological resource. In this regard, the problems associated with the granting of patents on South African biological resources could be avoided.

4.2 The Bill will benefit and empower mainly the holders and the practitioners of genetic or biological resources and indigenous knowledge systems.

4.3 In view of paragraph 4.2 above, it will be possible to outlaw bio-piracy activities, i.e. trafficking in biological materials with a view to developing patent inventions without prior approval from the relevant authority,

5. FINANCIAL IMPLICATIONS FOR STATE

None.

6. CONSTITUTIONAL IMPLICATIONS

None.

7. CONSULTATION WITH OTHER DEPARTMENTS

Department of *Arts* and Culture;
 Department of Education;
 Department of Environmental Affairs and Tourism;
 Department of Health;
 Department of Provincial and **Local** Government;
 Department of Science and Technology;
 Department of Water Affairs and Forestry.

8. PARLIAMENTARY PROCEDURE

- 8.1 The State Law Advisers and the Department of Trade and Industry are of the opinion **that** this Bill must be dealt with in accordance with the procedure established by section **75** of the Constitution, since it contains no provision to which the procedure set out in section **74** or **76** of the Constitution applies.
- 8.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. **41** of **2003**), since it does not contain provisions pertaining to customary law or customs of traditional communities.