

IPSP066 - Internet Aspects of Copyright and Trade Marks

EXAM

Nyameko Lisa

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I know that plagiarism is wrong.

I confirm that this assignment is my own work.

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NOTE

Please note that footnotes will be denoted as ¹ and will appear at the bottom of the page.

References will be denoted by [1] and will appear at the end of the document.

¹This is a footnote.

1 Give a list of fifteen (15) questions that you will ask Sibusiso in order to advise him in this matter.

1.1 What is the ‘nature’ of the Sound Recordings Sibusiso wishes to sell on his website?

As per the definitions of [section 2(1)][1] and given that the Republic is a Paris Convention Member State, [article 15(1)][2], [article 1(2)][3], it follows that ‘*UNITED.gTLD*’ and ‘*UNITED.ccTLD*’ will be understood to be **marks**, in that they are names or signs capable of being represented graphically. Moreover ‘*UNITED.COM*’ constitutes a **well-known registered service** or **trade mark** in the United States of America in relation to distinguishing their trade or use from other goods or services connected in the course of trade regarding ‘*airline and courier services.*’, as per the provisions of [Class 39 - Transport; packaging and storage of goods, travel arrangements][4].

As per the provisions of [4], Sibusiso would be advised to pursue trade mark registration of the ‘united’ mark under:

- Class 35: advertising; business management/administration - *“in particular the bringing together, for the benefit of others, a variety of goods enabling customers to conveniently view and purchase those goods; such services may be provided by... means of electronic media, for example, through web sites...”*, and
- Class 41: education; providing of training; entertainment; sporting and cultural activities.

1.2 Has Sibusiso already approached an ICANN-Accredited reseller to query the availability of UNITED.COM?

In order to reserve such a domain name in a general Top-Level Domain or **gTLD**, the **registrant** Sibusiso must register it with an ICANN-accredited registrar² [5]. The registrar will then check if the UNITED.gTLD domain name is available, and then either create or lookup a WHOIS (domain name registration record) with the registrant’s information [6]. The registrant would be advised against the pursuit of gTLD of the ‘united’ domain name, as he is not likely to be successful. In particular, while the ‘united’ trade mark may be territorial by its very nature, the specific ‘united.com’ domain name cannot be owned by multiple companies, irrespective of the uniqueness of their products and / or markets.

1.3 Has Sibusiso considered ccTLD registration or an alternative domain name?

The registrant would be advised to instead pursue registration of the country code Top-Level Domain or **ccTLD** domain ‘united.co.za’, through one of the ccTLD operators [section 59][7], particularly if the students he intends to sell sound recordings to are based within the Republic. This will be assigned on a first-come first-serve basis. Alternatively, he could pursue registration of a more descriptive domain name, such as ‘studentsoundz.co.za’, for example.

1.4 Does Sibusiso understand that he could be liable for trade mark infringement?

As per the provisions of [sections 10(6) and 35][1] (*for litigation within the Republic*), [Article 16 subsections (1), (2) and (3)][2], [Article 6^{bis}(1)][3], [Article 16][8] and [subsection 1125(c)][9] (*for actions within the United States of America*), the proprietors of the second level domain ‘united’, as is the case with the airline company, may argue that it is indeed a **well-known** mark and that registration of Sibusiso’s

²Or alternatively through a registrar’s resellers.

domain name in either a gTLD or ccTLD, constitutes trade mark infringement, through the **dilution** of a well-known mark.

1.5 Has Sibusiso already began trading under the ‘united’ and has he in any way exploited the good will or brand of the UNITED.Com airline company?

Dilution protection is not subject to the same limitations of ‘traditional’ trade mark infringement,³ in that it extends to use of the offending mark to *any* goods and services. The proprietors of the UNITED.com Airlines trade mark and domain name, need demonstrate that:

- Their mark is well known within the Republic, i.e. it would be sufficient for them to show that their trade mark has acquired a reputation amongst a substantial number of members of the public, *McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald’s Corporation v Dax Prop CC; McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* [10],
- Sibusiso has used the mark in the course of trade, where the courts of the Republic view this in the ‘traditional’ trade mark infringement³ sense, *Cowbell AG v ICS Holdings Ltd* [11], lastly
- Use of the infringing mark is likely to take unfair advantage of, or be detrimental to the distinctive character of the UNITED Airlines trade mark, amounting to unfair competition [articles 2(1) and 3(2)(a)(i)][12].

1.6 Is there any other procedure that could be instituted to resolve the dispute?

ICANN provides a Uniform Domain Name Dispute Resolution Policy which outlines provisions [section 4(a)(i)][6], within which mandatory administrative proceedings may be instituted, on the basis that as a **third party complainant** UNITED Airlines asserts that Sibusiso’s domain is identical or confusingly similar to their trade or service mark over which they have rights to.

As per the provisions of [Chapter 2, Paragraphs 110 - 111][13], Sibusiso may institute Submission to Jurisdiction and to Alternative Dispute Resolution Procedures. The ADR procedures to follow are described and outlined in Chapter 3: Resolving Conflicts in a Multijurisdictional World with a Global Medium: A Uniform Dispute-Resolution Policy.

1.7 Sibusiso wants to place samples from the sound recordings for sale on his web site.

As a Convention Member the provisions of [Article 9(1)][2], [section 5][14], [Article 1(2)][15], [Article 5(2)][16] and [Article 1(4)][17] which dictate that the statutes of the Republic shall govern international copyright protection as it pertains to the Internet. Furthermore as per the provisions of [sections 1 and 2(1)(b,e)][14] and [Article 2(1)][16] the sound recordings shall be considered as **protected artistic works** or **sound recordings**.

1.8 Which holders of intellectual property rights may be affected by this?

As per the provisions of [Article 14][2], [sections 1, 3, 4(1)(a)][14], [Articles 2 and 3][18], [Article 3 and 9(1)][16], the **authors**, and they are understood to be the performers, producers, licensees and broadcast-
ing organisations of the sound recordings.

³Restricted to goods and services which are the same or similar to those for which the mark is registered.

1.9 Which of their rights may be affected?

- Exclusive right of reproduction [section 9(a)][14], [Article 9(1) and (2)][16], [Article 7 and 11][18] and [Article 2(a-e)][19],
- Exclusive right of offering by way of trade, directly or indirectly, a reproduction of the sound recording [section 9(b)][14],
- Exclusive right of publication, distribution or broadcast to the public, or causing the sound recording to be transmitted in a diffusion service [section 9(c-d)][14], [Article 11^{bis}(1)(i)-(ii)][16], [Article 6(1)][17], [Article 8(1) and 12(1)][18] and [Article 4][19],
- Exclusive right of communication to the public of a performance [section 9(e)][14], [Article 11(1)(i)-(ii)][16], [Article 8][17], [Article 13-15][18] and [Article 3][19], and
- Exclusive right⁴ of adaptation, arrangement and other alteration [section 6(f-g)][14], [Article 12][16] and [Article 16][18].

1.10 Does he need their permission to do so? What form will such permission take?

Yes indeed, by way of a license, [section 22][14] and [Article 13(1)][16].

1.11 If he does not obtain their permission, will HostNet also be legally liable?

With respect to Sibusiso's intellectual property rights infringement, the intermediary service provider HostNet shall **not** be legally liable, for activities conducted during the course of its trade:

- Information transmission or acting as a '**mere conduit**' [Article 12][15],
- Temporary information storage '**caching**' [Article 13][15], and
- Hosting [Article 14][15].

Moreover there exist provisions against statutory requirements obliging HostNet to monitor Sibusiso's activities on their respective servers [Article 15][15].

1.12 Will Sibusiso be liable if consent from the rights holders has not been obtained? To whom will he be liable?

As a Convention Member the provisions of [section 5][14], [section 104(c,d)][20], [Article 9(1)][2], [Article 1(2)][15], [Article 5(2)][16] and [Article 1(4)][17] which dictate that the statutes of the Republic shall govern international copyright protection as it pertains to the Internet. Furthermore as per the provisions of [sections 1 and 2(1)(b,e)][14], [sections 101 and 102(a)(2,7)][20] and [Article 2(1)][16] the sound recordings shall be considered as **protected artistic works** or **sound recordings**, where the samples of those works constitute **adaptations** or **derivative works**.

As per the provisions of [sections 1, 3, 4(1)(a)][14], [section 101][20], [Article 14][2], [Articles 2 and 3][18], [Article 3 and 9(1)][16], the **authors**, will in this instance be considered as the rights holders of the sound recording samples, and they are understood to be the performers, producers, licensees and broadcasting organisations of the sound recordings.

Linking is a means of exploiting third-party content on the Internet, and thus enhancing a web-page with coloured or underlined descriptive words **Hyperlinked** to Uniform Resource Locator (URL), linking

⁴Sampling constitutes an adaptation.

to the audio samples. The mere creation of the links does not in and of themselves constitute copyright infringement.

However, depending on the licensing / contractual conditions of the links to the samples, Sibusiso may find himself liable to the proprietors and content generators of the sites hosted on servers in the United States of America on which the samples appear, **in addition to** the original authors of the sound recordings for contributory infringement, should the sound recordings be hosted on those American servers illegally.

1.13 Where will an infringement action against him be instituted?

Infringement action can be instituted against within the Republic or within the United States of America. In particular however, given that the defendant Sibusiso is domiciled or resident of, and his business is registered within the Republic, the High Courts of the Republic have jurisdiction.

However should Sibusiso, the defendant, be a foreign peregrinus (neither domiciled nor resident) of all South African High and Magistrate Courts, then the plaintiff's area of residence, or where the conclusion and/or breach of contract occurred, i.e. the United States, will hold jurisdiction. Regardless however, the parties cannot themselves submit to or choose a specific magistrate's courts in their agreement.

1.14 What law will apply?

Issues of contract or trade practice law or both may arise in addition to issues of copyright law. Deepening on the "click-wrap" or implied license, a number of subjective implications may arise pertaining to the whether Sibusiso was in fact eligible or not to hyperlink the multimedia material for commercial purposes on his own website.

The following are potential statutory rights of the respective holders that may be affected, specifically as it pertains to copyright law:

- Exclusive right of reproduction [section 9(a)][14], [section 106(1)][20], [Article 9(1) and (2)][16], [Article 7 and 11][18] and [Article 2(a-e)][19],
- Exclusive right of offering by way of trade, directly or indirectly, a reproduction of the sound recording [section 9(b)][14], [section 106(3)][20],
- Exclusive right of publication, distribution or broadcast to the public, or causing the sound recording to be transmitted in a diffusion service [section 9(c-d)][14], [Article 11^{bis}(1)(i)-(ii)][16], [Article 6(1)][17], [Article 8(1) and 12(1)][18] and [Article 4][19],
- Exclusive right of communication to the public of a performance [section 9(e)][14], [section 106(6)][20], [Article 11(1)(i)-(ii)][16], [Article 8][17], [Article 13-15][18] and [Article 3][19], and
- Exclusive right⁵ of adaptation, arrangement and other alteration [section 6(f-g)][14], [Article 12][16] and [Article 16][18].

References

- [1] Trade Marks Act No. 194, 1993.
- [2] Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994.

⁵Sampling constitutes an adaptation.

- [3] Paris Convention for the Protection of Industrial Property, 1883.
- [4] NICE Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 1957.
- [5] Rules for Uniform Domain Name Dispute Resolution Policy, 2013.
- [6] Uniform Domain Name Dispute Resolution Policy, 1999.
- [7] Electronic Communications and Transactions Act No. 25, 2002.
- [8] Trademark Law Treaty, 1994.
- [9] Title 15 of the United States Code: Chapter 22 - Trade Marks, 1946.
- [10] *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald's Corporation v Dax Prop CC; McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC*, 1997 (1) SA 1 (A).
- [11] *Cowbell AG v ICS Holdings Ltd*, 2001 (3) SA 941 (SCA).
- [12] Model Provisions on Protection Against Unfair Competition, 1996.
- [13] WIPO, The management of internet names and addresses: Intellectual property issues, 1999.
- [14] Copyright Act No. 98, 1978.
- [15] Directive 2000/31/EC of the European Parliament and of the Council, 2000.
- [16] Berne Convention for the Protection of Literary and Artistic Works, 1886.
- [17] WIPO Copyright Treaty, 1996.
- [18] WIPO Performances and Phonograms Treaty, 1996.
- [19] Directive 2001/29/EC of the European Parliament and of the Council, 2001.
- [20] Title 17 of the United States Code: U.S. Copyright Act, 1976.