

IP COMPLIANCE CAMPAIGN

A Lotharingen
25 April 2016
SMME Sustainability



Companies and Intellectual
Property Commission

a member of **the dti** group

COPYRIGHT

Copyright protects the livelihoods of creators and the value of original expression and creativity.

It's the only way we can enjoy original content in a global digital arena.

It not only protects the creator, but ensures a future.

Copyright is the right to have your own.

The role of CIPC

Drive awareness across businesses, and consumers of the increased risk of cyber security issues as a direct result of pirated software.

Reaffirm the connection between piracy and malware.

Establish the relevancy of Cybercrime as a critical component in the reducing of global cyber security threats.

The role of cyber forensics.

How? CIPC has identified certain “strategic ‘partners’” as key resources to assist the CIPC in delivering on its broader mandate. BSA and DALRO

CIPC's strategic objective

The campaign ties in with the CIPC's strategic objective of unlocking value for all our customers by being a gateway to sustainable formal economic participation and investment.

This is an opportunity to increase your chances of becoming or staying a sustainable business that adds real value to the South African Economy.

Participation in the campaign will lighten your business's compliance burden and assist in guiding you towards responsible leadership that is embedded in your business strategy.

The CIPC is the custodian

The CIPC is the custodian of a number of pieces of legislation that impact on the corporate governance framework that South African businesses, are guided by.

The Companies Act, 2008 (Act No 71 of 2008) and

Copyright Act, 1978 (Act 98 of 1978)

Counterfeit Goods Act, 1997 (Act No 37 of 1997)

As a regulator of market conduct, the CIPC is required to take the necessary steps to visibly, effectively and efficiently monitor and enforce compliance with the laws it administers.

Collaboration Partnerships

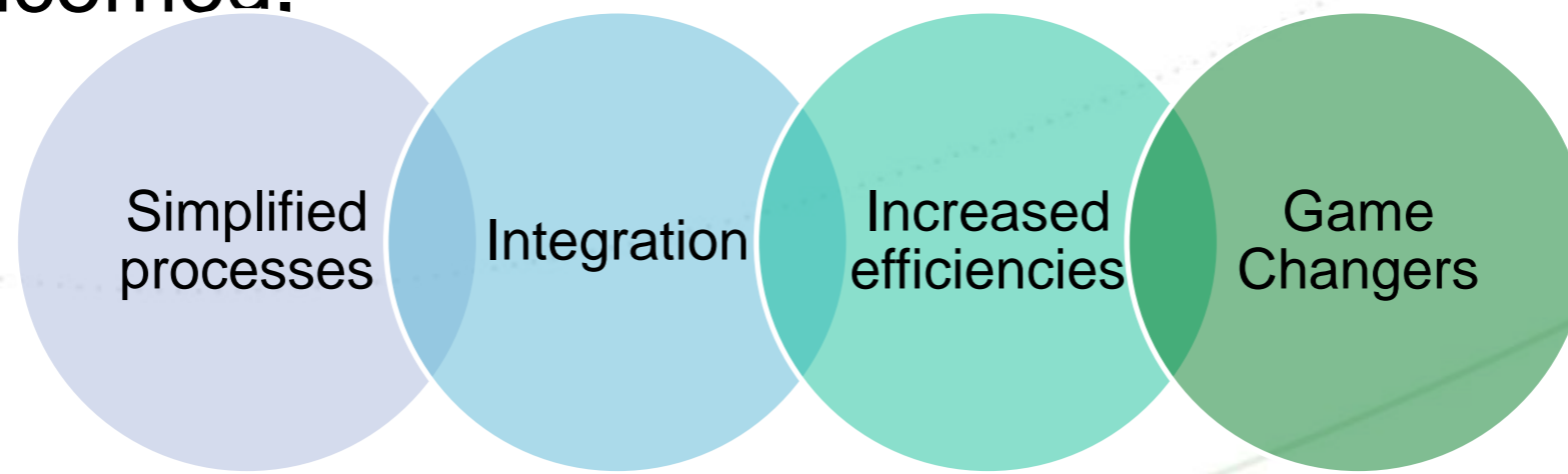
Partnerships with the two core partners DALRO and BSA are beneficial as they provide for :

Simplified processes

Integrating multiple services through innovative collaboration

Increase efficiencies

Introducing services in completely new ways that benefit all parties concerned.



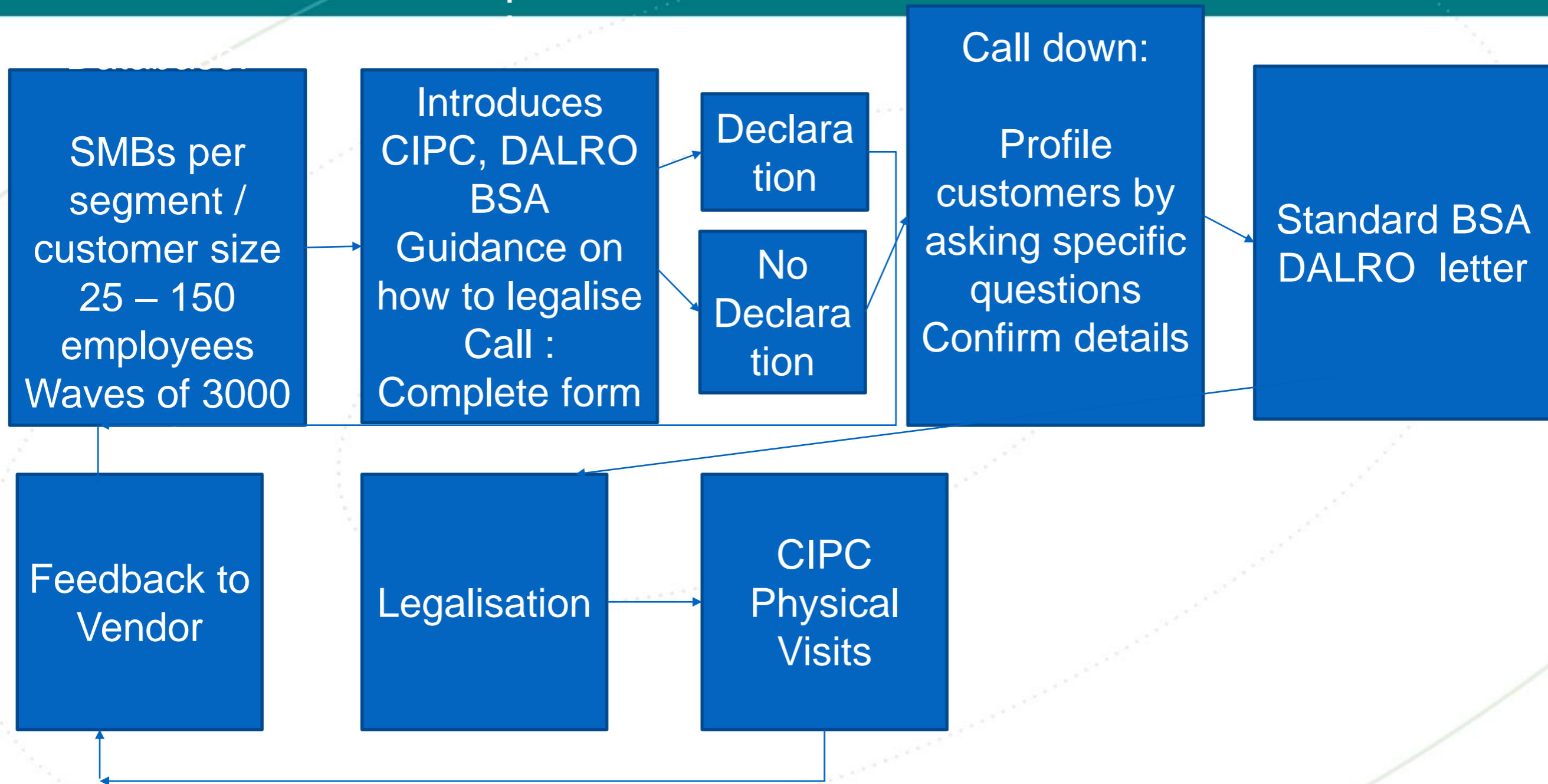
CORPORATE GOVERNANCE -THE PATH TO SUSTAINABLE BUSINESSES

This campaign has as its main focus to;

- Drive awareness ('Conservation of Ideas (Anti-Piracy and compliance)
- Build pipeline for enforcement.
- Build Respect for Intellectual Property Rights (IPR) in general
- Increase Levels of Compliance in regard to IP laws in specific.

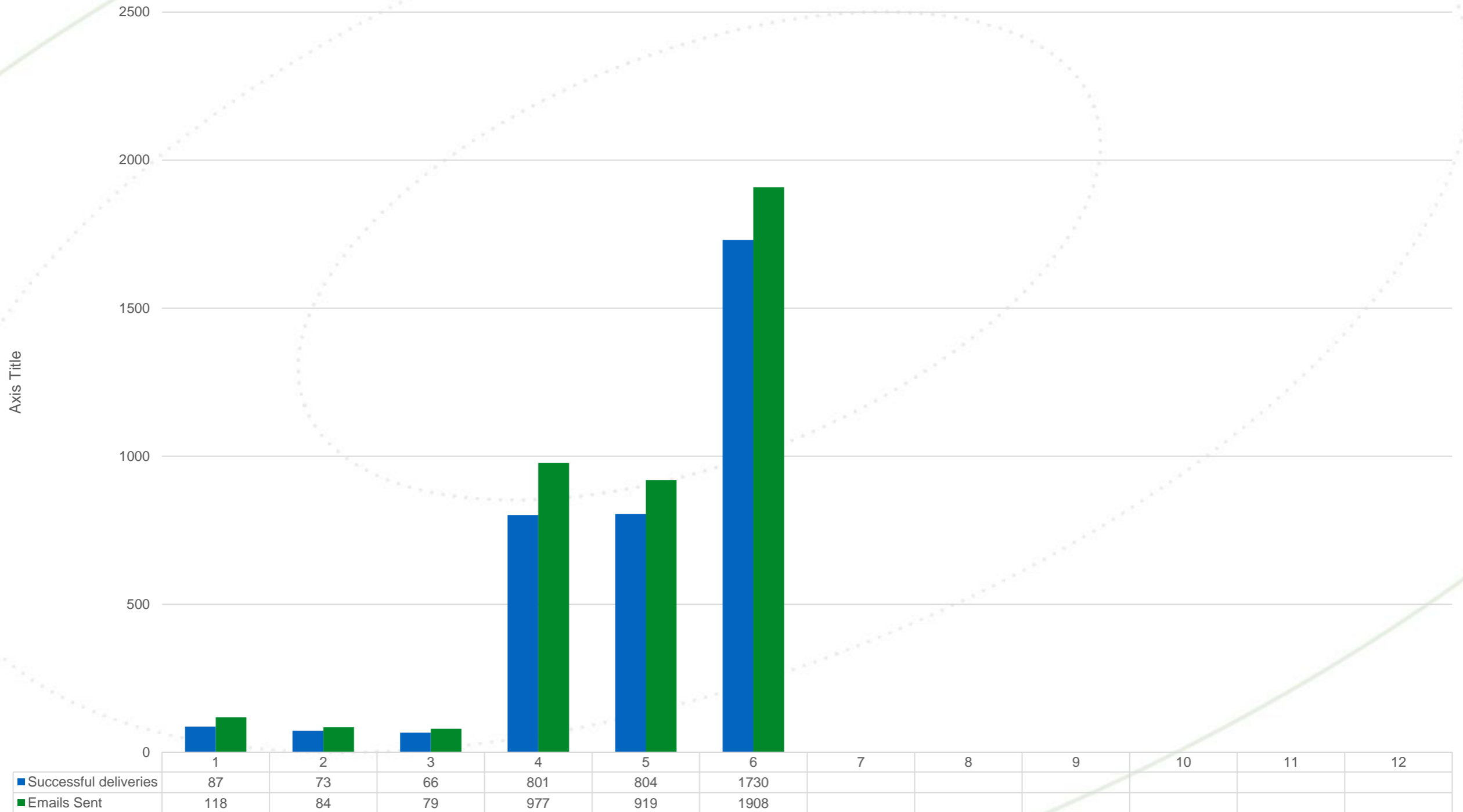
Objective for Vendors: Increase reach and Legalise

CIPC / BSA Compliance Campaign Process explained



Results

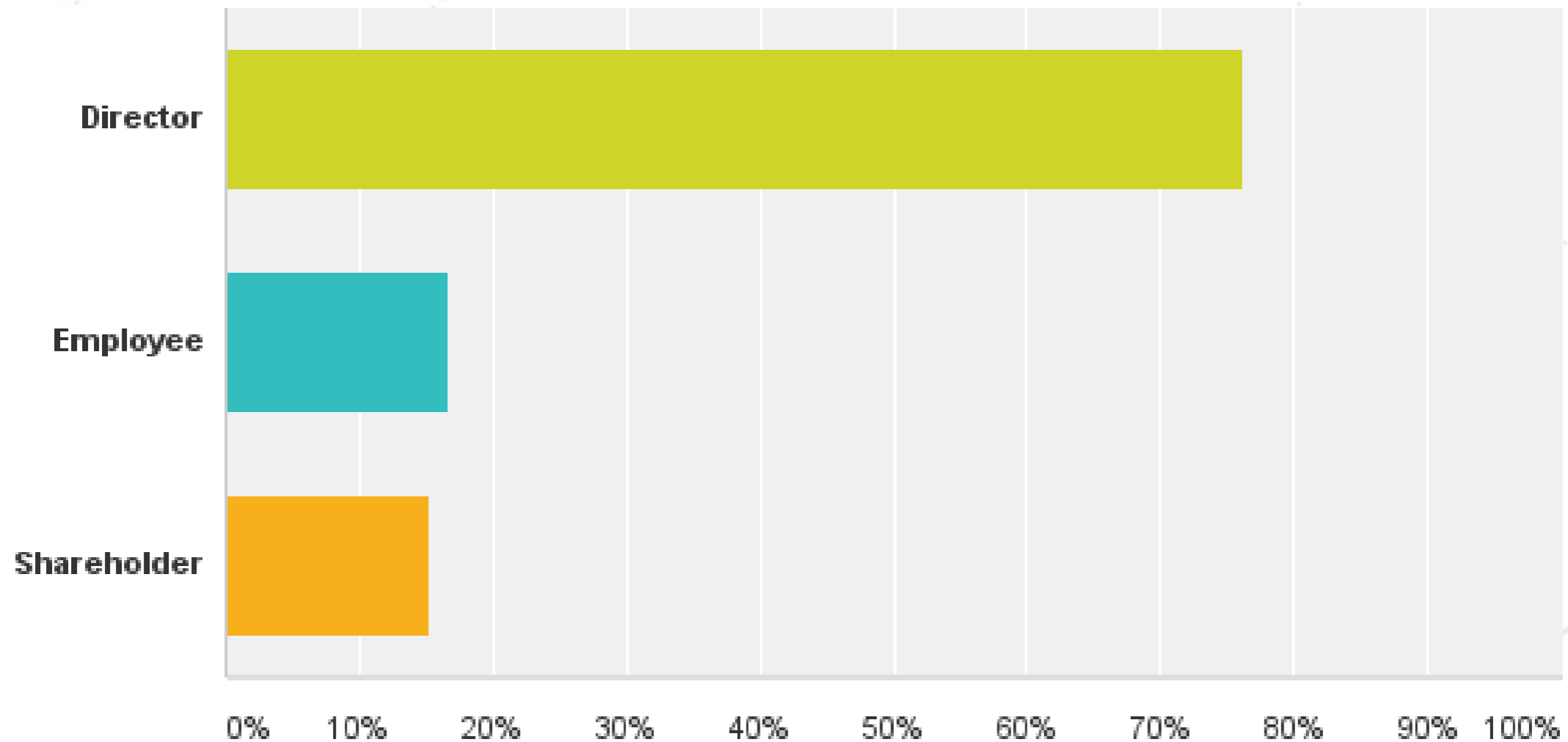
Database Quality



Numbers

Total Responses 1696 Completed questionnaire 980

Mostly Directors that completed the questionnaires
76.22% rest Employees and Shareholders



Are directors aware of the compliance requirements contained in these Acts

Knowledge on the tested legislation is at an average of 63%

Did the businesses take active measures to comply with the Acts

62 % directors agreed that they did, only 23% strongly agreed

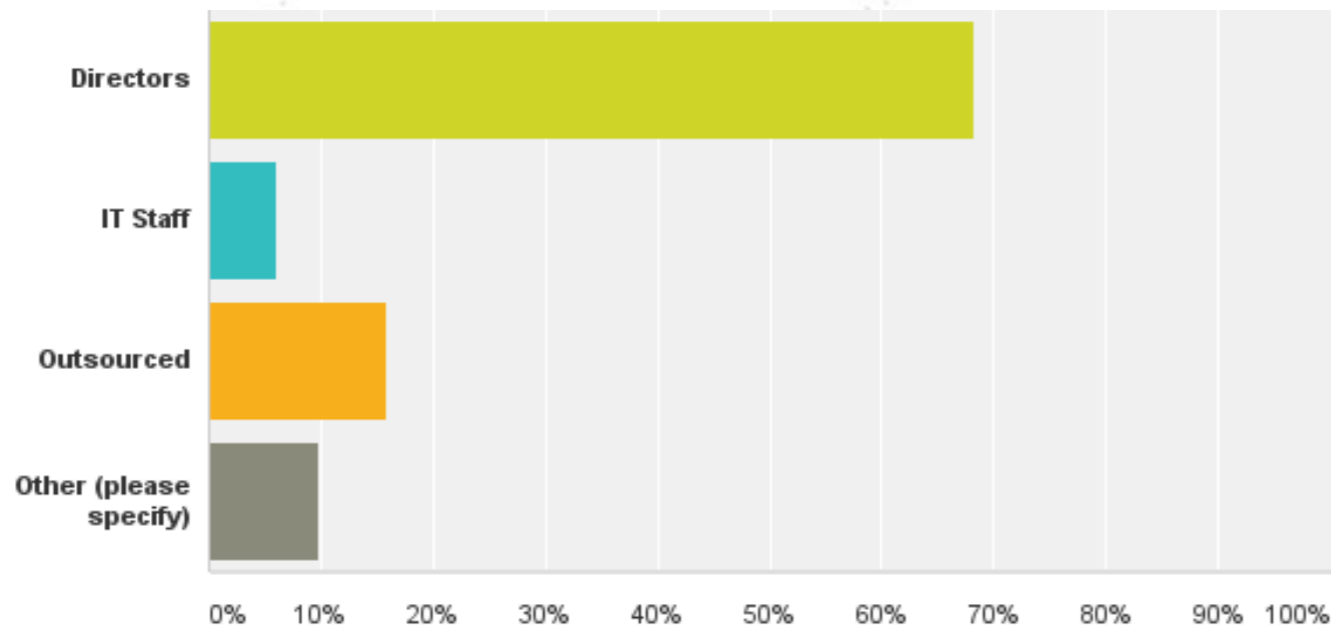
	Strongly Disagree	Disagree	Agree	Strongly Agree	Total	Weighted Average
Counterfeit Goods Act, 1997 (Act 37 of 1997)	4.55% 16	11.08% 39	60.51% 213	23.86% 84	352	3.04
Copyright Act, 1978 (Act 98 of 1978)	4.84% 17	9.12% 32	62.39% 219	23.65% 83	351	3.05
Companies Act, 2008 (Act No 71 of 2008)	3.93% 14	3.65% 13	64.04% 228	28.37% 101	356	3.17

Businesses are generally of the view that they are compliant and do take active steps.

Ignorance is bliss it seems.

To whom does your company delegate the responsibility of IP compliance matters?

Directors take responsibility, 68%.

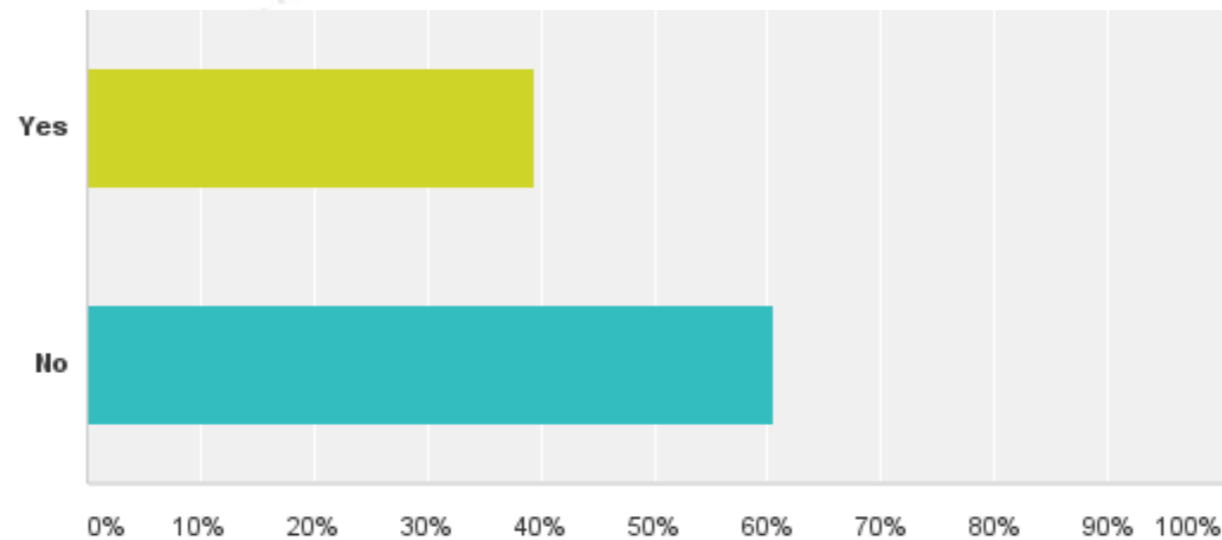


Answer Choices	Responses
Directors	68.22% 249
IT Staff	6.03% 22
Outsourced	15.89% 58
Other (please specify)	9.86% 36
Total	365

Does your board meeting agenda contain a standard agenda item on compliance and is it a formal report ?

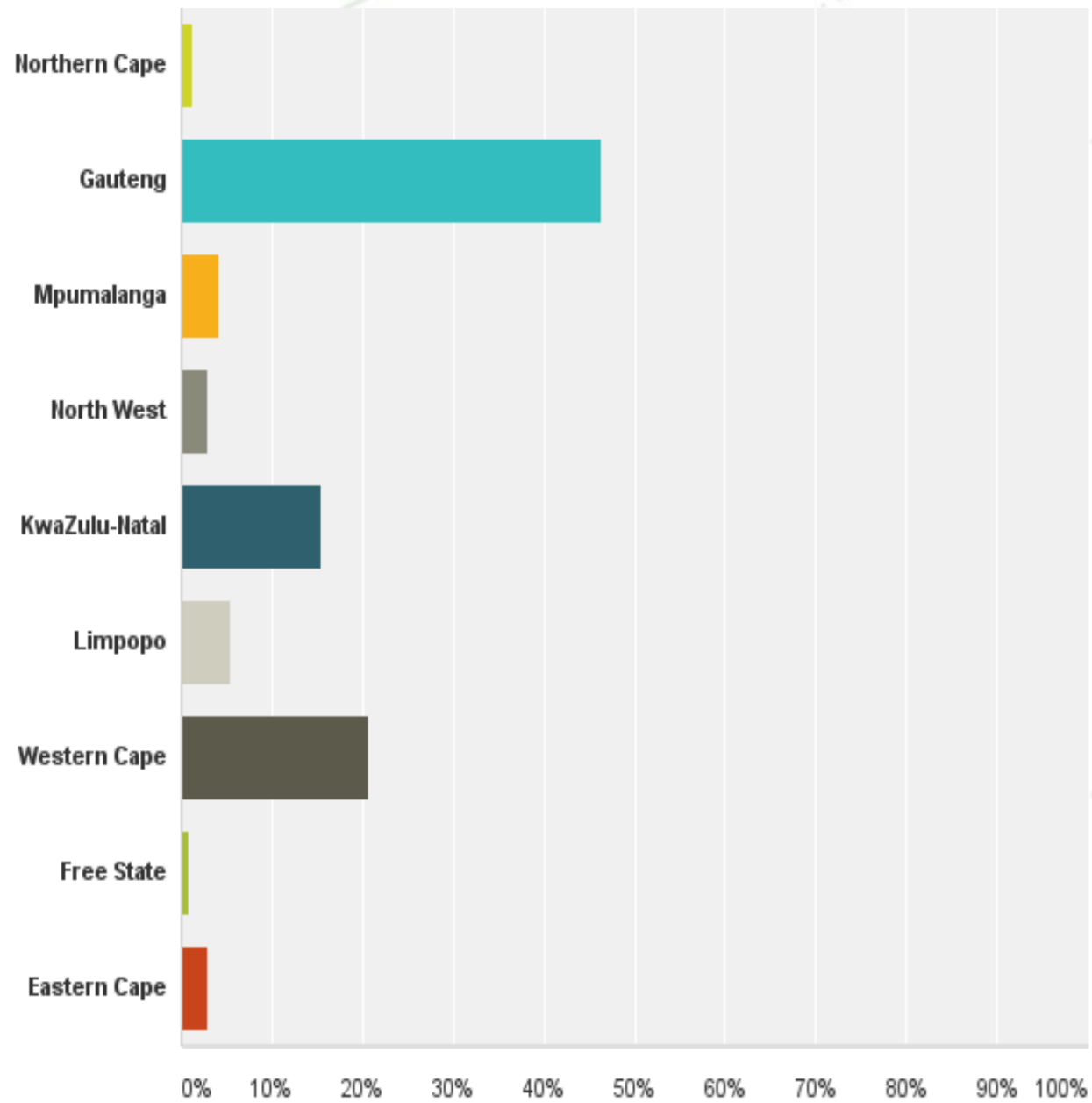
How important can it then be?

78% said a formal report is not submitted



Answer Choices	Responses
Yes	39.50% 143
No	60.50% 219
Total	362

Provincial demographics



Answer Choices	Responses
Northern Cape	1.19% 4
Gauteng	46.29% 156
Mpumalanga	4.15% 14
North West	2.97% 10
KwaZulu-Natal	15.43% 52
Limpopo	5.34% 18
Western Cape	20.77% 70
Free State	0.89% 3
Eastern Cape	2.97% 10
Total	337

Businesses that use unlicensed software do so because

Too expensive 35% with not a priority shortly on its heels 32%.

Knowledge is also a factor at 25%

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree	Total	Weighted Average
It is not a priority for them	9.48% 33	10.06% 35	39.37% 137	32.47% 113	8.62% 30	348	3.21
Compliant software is too expensive	8.62% 30	9.20% 32	33.62% 117	35.63% 124	12.93% 45	348	3.35
They do not know how to run compliant software	11.78% 41	15.23% 53	39.94% 139	25.29% 88	7.76% 27	348	3.02

What are the views on how big the risks are of encountering malware when unauthorised software packages are installed or PC's with unlicensed software are bought ?

It is clear that directors know that the risk are high. 55% said that the risks are between 41%-50%

Answer Choices	Responses	
0% - 10%	13.24%	45
11% - 20%	6.47%	22
21% - 30%	13.53%	46
31% - 40%	11.47%	39
41% - 50%	55.29%	188
Total		340

Infringement on Copyright

DALRO Copyright compliance in literary works

Every business distributes protected material but very few have been licensed. Knowledge about requirement to have a licence, 50% /50% split

	Yes	No	Total	Weighted Average
Copies of newspaper and magazine articles	9.12% 31	90.88% 309	340	1.91
Articles or sections of books for in-house training, copying of articles for presentations to client	10.32% 35	89.68% 304	339	1.90
Pictures or photographs	16.32% 55	83.68% 282	337	1.84
Third-party material (text or graphics) for in-house training or presentations to staff or clients?	15.18% 51	84.82% 285	336	1.85

Declaration on the use of compliant software

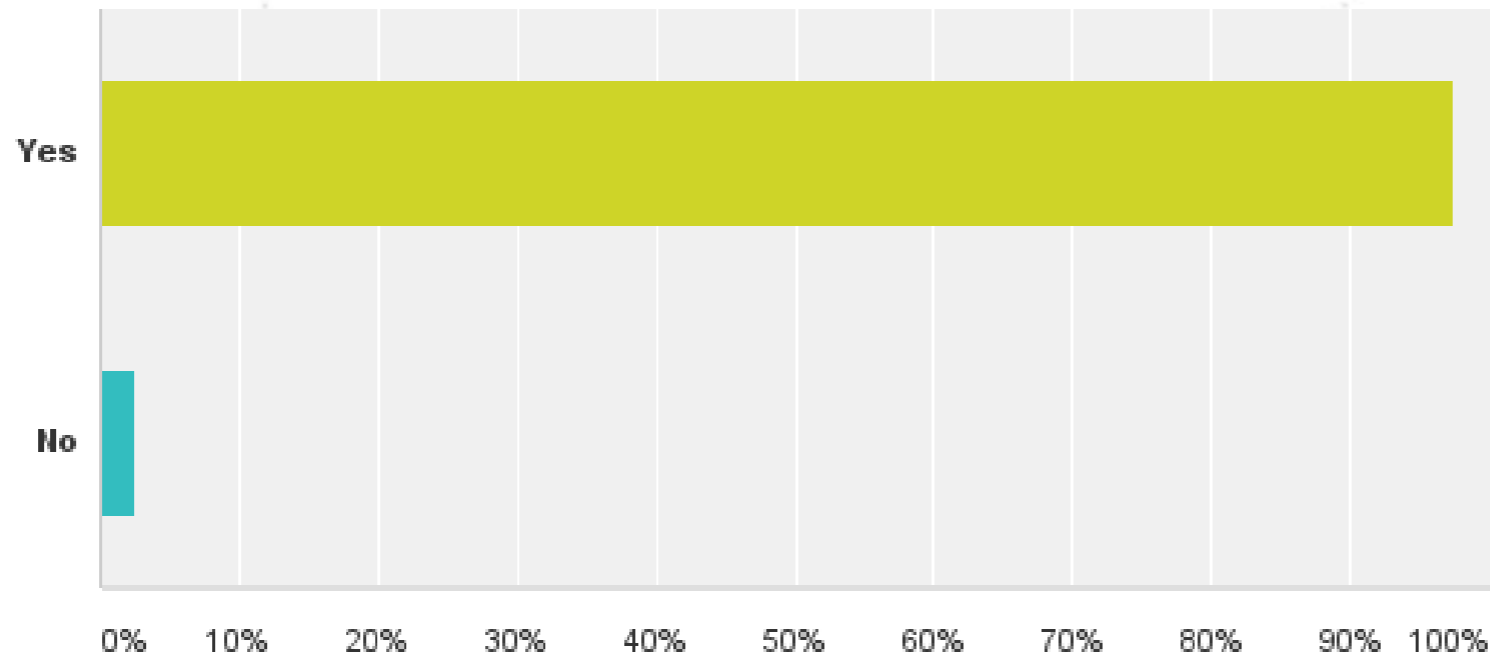
This is good news, 88% declared that they do use compliant software. Ad hoc visits from BSA and the IP Enforcement team will only start in June to verify.

Answer Choices	Responses	
This business uses compliant software	88.54%	286
This business is not sure	11.76%	38
This business refuses to participate in this initiative	3.10%	10
Total Respondents: 323		

We asked to pledge respect for IP

Goodwill was definitely demonstrated.

Answer Choices	Responses
Yes	97.52% 315
No	2.48% 8
Total	323



Success Criteria

We can tick the following boxes:

- CIPC: - Education and Awareness
- Contributes to implementation of CIPC mandate, through an increase in levels of compliance
- End User Enforcement
- BSA: - Lead Generation
- Effective enforcement
- DALRO - Increase in legal distribution of Copyright protected material

In Conclusion

The first collaboration of its kind in the world involving Government, software and creative content Industry Bodies!

This Pilot study provides insight into the mindset of South African businesses when it comes to IP Compliance!

An increase in compliance has significant ramifications for cyber security and employment in the creative sector.

It reveals the vulnerability of companies to legal actions based on IP infringement and or deregistration under the Companies Act, 2008.

THANK YOU

CONTACT DETAILS FOR ENQUIRIES :

alotheringen@cipc.co.za

Physical Address

the dti Campus Block F
Sunnyside
0001

Postal Address

Companies
P O Box 429
Pretoria
0001

Customer Contact Centre

National: 086 100 2472
International: (+27) 83 900 2427