



## EXCO MEETING, CAPE TOWN 13 & 18 APRIL 2015

COUNTRY REPORT	
TITLE:	Country report for ZA
DRAWN UP BY:	Mark Kemp
TABLED TO:	FICPI delegates
PURPOSE:	For information and consideration
SNIPPET:	News from and activities of the FICPI national group in ZA since the Barcelona ExCo in November 2014.



### SECTION A: ACTIVITIES OF FICPI ASSOCIATION/SECTION

The information supplied in Section A will remain confidential on FICPI's website after the ExCo (will require a password).

### SECTION B: CHANGES IN LAW

Information supplied under Sections B and C will be published on FICPI's website after the ExCo and will be available to the public.

#### B1. LEGISLATION

- Please provide details of any changes to IP legislation (patent, trade mark, design and other) in your country implemented or due to be implemented since you reported last in October 2014. [There has been no change to legislation, but there has been some related activity.](#)

#### [Intellectual Property Laws Amendment Act, 28 of 2013 \(previously reported\)](#)

The Intellectual Property Laws Amendment Act, 28 of 2013 (IPLAA) was assented to by the President and published in the Government Gazette on 10 December 2013, marking the penultimate step in the implementation of IPLAA.

The introduction of IPLAA, and the assentation thereto was reported on in our previous report. It was anticipated that it would come into effect during 2014, but it is not yet in effect.

#### [National IP Policy and substantive patent examination](#)

On 9 February 2015, the Department of Trade and Industry (DTI) hosted a roundtable discussion on a plan for the implementation of substantive patent examination in South Africa.

The DTI's chief director of policy, informed the meeting that South Africa's IP Policy has been redrafted and will be submitted to the South African Cabinet in February 2015. This redrafted document has not yet been made available to the public, and we are eagerly awaiting the publication thereof.

The chief director also informed the meeting that the DTI has made a decision to implement a substantive patent examination system in South Africa. It is no longer a question of if, but rather as to how the system will be implemented. The implementation of the system will require amendment to the Patents Act and also the promulgation of regulations. This could be effected in 2017/18 if all goes according to plan.

In a presentation, Mrs Elena Zdravkova, Senior Manager, Patents & Designs, Companies and



Intellectual Property Commission, confirmed that the South African Patent Office is exploring the best way to implement a patent examination system, which will include the appointment and training of patent examiners. It is pleasing to see that the DTI will be interested in hearing the views of the IP profession so that the profession can assist with the implementation of a well-functioning system. Mrs Zdravkova also mentioned that when the examiners assess the patentability of a new invention and in particular inventive step, guidance will be taken from the decisions of the South African courts.

The meeting was informed that CIPC has performed preliminary research and has identified five possible future scenarios on possible patent examination models:

1. full examination in all cases;
2. a partial validation or re-registration system;
3. the outsourcing or sub-contracting of the SSE function;
4. partial recognition of work done by other agencies; and
5. a mixed or hybrid system (ie full SSE only for certain sectors, a deposit system for others).

The model provisionally selected by CIPC would be a composite model having the following features:

1. a hybrid system will be used, namely a full SSE process in respect of domestic applications, and a partial recognition of the examination outcomes of an examination conducted by another authority in respect of foreign applications;
2. the SSE system will not be generally applied to all applications, but will be implemented only in respect of certain selected technology sectors, the selection of technology sectors to be made on the basis of the South African economic priorities.

## B2. MAJOR CASES

2. Please provide brief details of any new case law in the field of patents, trademarks, design or other IP of general interest.

No new cases.

### Patents (previously reported)

In the recent Supreme Court of Appeal decision in *Pharma Dynamics (Pty) Ltd v Bayer Pharma AG* (468/13) [2014] ZASCA (19 September 2014) issues surrounding divisional patent applications received judicial attention.

The first respondent, Bayer Pharma Aktiengesellschaft, is the patentee of South African Patent No 2004/4083 for an invention entitled 'Pharmaceutical combination of ethinylestradiol [EE] and drospirenone [DSP] for use as a contraceptive' (the 2004 patent). The appellant, Pharma Dynamics (Pty) Ltd (Pharma) is a local distributor of generic pharmaceuticals.

The 2004 patent was filed in terms of s 37 of our Act as a so-called 'divisional patent', based on patent 2002/1668, as its 'parent patent'.

Pharma obtained approval for an oral contraceptive called Ruby. This product is the generic equivalent of the Yasmin product sold by Bayer under the 2004 patent. Alleging that the sale of Ruby constituted an infringement of claim 1 of the 2004 patent, Bayer approached the court a quo for an interdict and ancillary relief.

Pharma denied that Ruby infringed the patent. It also denied that the 2004 patent was valid and counterclaimed for its revocation. The court a quo held that the 2004 patent was valid and



that Ruby infringed it. In consequence it granted the relief claimed by Bayer and dismissed Pharma's counterclaim, in both instances, with costs of suit.

Apart from non-infringement and a counterclaim for revocation Pharma contended that, in any event, the 2004 patent is invalid on the ground that it is not a true 'divisional' of the 2002 parent patent. In consequence, so Pharma's contention went, the 2004 patent lacked novelty in the light of the disclosures in the 2002 patent.

Pharma's first argument was that the body of the 2004 patent is the same as that of the 2002 patent and that it therefore is not a true divisional. The court found this to be allowable.

The second argument was that claims 1 of the 2004 and the 2002 patents are conterminous.

This was rejected by the court who held that the scope of claim 1 of the 2004 (divisional) patent is broader than claim 1 of the 2002 (parent) patent. The court held that a broader claim in a divisional patent is allowable.

#### Designs (previously reported)

We previously reported on a decision in favour of Grandmark International (Pty) Ltd when taken to task for design infringement by BMW. In the decision of the Supreme Court of Appeal (*Bayerische Motoren Werker Aktiengesellschaft v Grandmark International (Pty) Ltd and Another* (722/12) [2013] ZASCA 114 (18 September 2013)) stated that aesthetic designs are those that invite customer selection – and customer discrimination between articles – solely on their visual appeal. The Court proceeded to argue that even though the appearance of a vehicle per se may play a material role in customer selection thereof, the designs in issue were designs of individual components that make up a motor vehicle and such designs therefore have to be judged for the qualities of the individual components, independently of the design of the built-up vehicle. The Court was of the view that the articles embodying the designs (i.e. the spare parts or replacement parts) are not selected by customers for their appeal to the eye, but that they are selected solely for the function they perform - which function is to restore the vehicle to its original form.

A recent appeal decision by the High Court in *Chespak (Pty) Ltd v MCG Industries (Pty) Ltd* has brought some clarity to certain issues in the BMW judgment. Although this judgment does not overturn the BMW judgment, the judge's interpretation of what constitutes a functional feature appears to be in contradiction with the BMW judgment.

The Chespak judgment states a feature is not considered a functional feature simply because it serves a utilitarian purpose.

The judgment has been well received and is seen as positive for the protection afforded by registered (aesthetic) designs in South Africa.

#### Trade Marks (previously reported)

In *Foschini Retail Group (Pty) Ltd v Coetzee* 2013 JDR 0001 (GNP) the North Gauteng High Court caused quite a stir when it raised the need to limit anti-competitive practices when deciding whether the respondent's goods were similar to those covered by the trade mark registrations of the applicant. This was the first time, as far as we are aware, that a court raised competition law principles in a trade mark infringement matter of its own accord, and seems to form part of a general trend to limit IP monopolies being adopted by our courts.



In *Adidas AG & another v Pepkor Retail Limited* (187/12) [2013] ZASCA 3 (28 February 2013) the Supreme Court of Appeal handed down a judgment in terms of which a party was interdicted from infringing the well-known Adidas THREE STRIPE trademark by using two and four stripes. As in other cases around the world where Adidas has sought to enforce its three stripe marks, the respondent claimed that it was simply using the stripes decoratively. The court however held that it will be very difficult to persuade a court that any mark applied to goods for 'embellishment' or 'decoration' is not applied for the purpose of distinguishing the goods, i.e. that it is not trade mark use.

The Western Cape High Court, in *Discovery Holdings Ltd v Sanlam Ltd and Others* (8995/2012) [2014] ZAWCHC 109 (3 July 2014), recently considered an issue one often encounters in practice but which hasn't, as far as we are aware, been fully ventilated in our courts - that of the registrability of "limping" trade marks. That term denotes a mark that is weak in distinctiveness, which is always used together with another, stronger mark, so that the weaker mark relies on the strength of the stronger mark in order to act as a trade mark. The court found that in order to acquire distinctiveness, the weaker mark should be used independently of the stronger mark, thereby contradicting an earlier ruling of the European Court of Justice in *Nestlé v Mars*.

In *Woolworths (Pty) Ltd v KR Agencies CC* (4288/14) [2014] ZAGPPHC 369 (13 June 2014), the North Gauteng High Court found that a trade mark applicant cannot rely on the defence of honest concurrent use to save a trade mark in an opposition matter in circumstances where the applicant had used the mark under licence from a third party during the relevant period. The reason is that, in terms of the Trade Marks Act, use of a registered mark is deemed to be use of the owner of the mark and not the party seeking to rely on the defence.

### B3. OFFICIAL PRACTICE

3. Please provide details of any changes in official patent and trade mark office practice which would be of general interest to other members.

None

### B4. PROPOSALS FOR CHANGES

4. Please provide details of any proposed changes in IP laws or practice and indicate if your National Association/Section is involved in providing comments to such changes. Would it be of assistance to have input from the CET on any proposed changes?

See B1 above. No

## SECTION C: OTHER INFORMATION

Please provide details of any other information pertaining to your country or region that would be of general interest to FICPI members and other IP practitioners browsing FICPI's website.

None at present

### C1. QUALIFICATION AND THE RIGHT TO REPRESENT CLIENTS BEFORE A COURT

- 1.1 Please describe the qualification process for becoming a patent attorney in your country/region.

Qualification requirement contained in regulations made in terms of the Patents Act 57 of 1978.



To be admitted as a patent attorney a candidate should have a science/engineering qualification in addition to a law degree. The applicant should be an admitted attorney of the High Court of South Africa (board examinations, articles of clerkship) and should have passed all the examinations of the Patent Examination Board.

- 1.2 Has the patent attorney qualification process changed in any way in the past 5 years?  
No.
- 1.3 Does qualification as a patent attorney permit you any right of representation before any Court in your country?  
Right of appearance provided for in section 9(a) of the Patents Act 57 of 1978. Patent attorney still has to obtain general right of appearance in terms of the ordinary procedures of Court.
- 1.4 If so are there any special requirements or restrictions?  
No.
- 1.5 Are qualified lawyers in your country permitted to work in the patent field without any further qualification?  
No  
If so are there any restrictions on what they may do?  
N/A  
If so, please describe those restrictions.  
N/A
- 1.6 Please describe what privilege attaches to patent attorney communications including any restrictions.  
Ordinary attorney-client privilege
- 1.7 Please describe the qualification process for becoming a trade mark attorney in your country/region.  
An attorney can become a trade mark practitioner in South Africa by passing the requisite examinations set by the South African Institute of Intellectual Property Law.
- 1.8 Has the trade mark attorney qualification process changed in any way in the past 5 years?  
No.
- 1.9 Does qualification as a trade mark attorney permit you any right of representation before any Court in your country?  
A qualified trade mark attorney still has to obtain right of appearance in terms of the ordinary procedures of court.  
If so are there any special requirements or restrictions?  
No.
- 1.10 Are qualified lawyers in your country permitted to work in the trade mark field without any further qualification?  
Yes  
If so are there any restrictions on what they may do?  
No  
If so, please describe those restrictions.  
N/A
- 1.11 Please describe what privilege attaches to trade mark attorney client communications including any restrictions.  
Ordinary attorney-client privilege

## C.2 CET AND PEC SPEAKERS



- 2.1 Would your National Section/Association be interested in obtaining assistance from FICPI, through either the CET Work and Study Group or the Professional Excellence Commission (PEC), in providing speakers for seminars organized by your national group in your county?  
[Not at present](#)
- 2.2 If your group does, or in the future might, require such assistance, please identify topics that might be of interest to your members, with a view to raising FICPI's profile and providing added value from membership of FICPI in your country.  
[N/A](#)

### C.3 TOPICS OF INTEREST

- 3.1 Please list three IP topics that are of particular interest to you and/or your national section members.

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