

PATENTS

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Patents 2017

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A practical cross-border insight into patents law

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South Africa



Alexis Apostolidis



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1 Patent Enforcement

1.1 Before what tribunals can a patent be enforced against an infringer? Is there a choice between tribunals and what would influence a claimant's choice?

Patents are enforced by way of a patent infringement action that is instituted in a specialised Court, namely the Court of the Commissioner of Patents. In practice, the Commissioner is a judge of a particular division of the High Court of South Africa, being appointed per matter. There are no tribunals other than the Court of the Commissioner of Patents available as a Court of first instance.

1.2 What has to be done to commence proceedings, what court fees have to be paid and how long does it generally take for proceedings to reach trial from commencement?

A combined summons and particulars of claim document is prepared, which is then issued by the Registrar for the Court of the Commissioner of Patents. Thereafter, the document is given to the sheriff located in the area of the defendant who will serve it on the defendant. The sheriff charges a small fee for attending to the service. While the defendant only becomes aware of the proceedings when the sheriff serves the summons, the proceedings are deemed to be instituted when the Registrar issues the summons.

1.3 Can a party be compelled to disclose relevant documents or materials to its adversary either before or after commencing proceedings, and if so, how?

A party can only be compelled to disclose relevant documents or material after the commencing of proceedings and, in particular, during the discovery phase. If the adversary refuses to discover documents, an application to compel discovery may be brought in the Court of the Commissioner of Patents.

1.4 What are the steps each party must take pre-trial? Is any technical evidence produced, and if so, how?

Looking at specific time periods associated with the pre-trial procedure:

- an infringement action is commenced by the issuance of a combined summons (including a statement of particulars);

- within 10 Court days (which excludes Saturdays, Sundays and public holidays) or 21 days from the service of the combined summons (depending on the location of the defendant), the defendant must deliver a notice of intention to defend;
- within 20 Court days after the delivery of the notice of intention to defend, the defendant must deliver a plea setting out its defence, for example, non-infringement and invalidity of the patent plus any counterclaim, such as revocation of the patent;
- within 15 days after delivery of the defendant's plea or counterclaim, the plaintiff must deliver a replication or plea to the counterclaim; and
- within 10 days from the delivery of the plaintiff's replication or plea, the defendant must file its replication in reconvention.

Once pleadings are closed, each party calls on the other to discover documents that are relevant to any matters in the action, and the possibility exists for the filing of one or more interlocutory applications relating to further and better discovery, compelling discovery, or inspection. A pre-trial conference is held with both parties as soon as possible after the discovery stage but no later than six weeks before the trial date. The parties may hold more than one pre-trial conference. Insofar as technical evidence is concerned, as has been stated, if there is an intention to lead expert evidence the parties must, before the trial commences, file a notice of such intention and provide a summary of each expert's reasoned opinion.

1.5 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

The parties commence a trial with opening arguments. Thereafter, the witnesses are called for the purposes of oral evidence. This is commenced by examination-in-chief followed by cross-examination. The party calling the witness also has an opportunity to re-examine the witness. Expert witness statements providing a summary of the evidence are exchanged between the parties in advance of the trial. At the conclusion of the evidence, both parties submit closing arguments. Usually, in patent matters, the Court is adjourned until a future date for closing arguments and the parties submit written heads of argument in advance of the allocated date.

It is open to a party to amend its pleadings at any time prior to the commencement of a trial. An opposing party is entitled to oppose any such amendment (for example, on the grounds that the amended pleadings are excipiable). Generally, absent any substantive grounds for opposing an amendment, a Court favours the grant of amendments, provided that any prejudice occasioned by the grant of

an amendment shortly prior to trial could lead to a postponement of the trial at the cost of the amending party.

1.6 How long does the trial generally last and how long is it before a judgment is made available?

A trial usually lasts two to four weeks for complex matters, but for less complex matters, this period could be as short as three to five days. Judgment is usually available fairly soon after conclusion of the trial, for example three to five weeks, but delays can be experienced, depending on the complexity of the matter.

1.7 Are there specialist judges or hearing officers, and if so, do they have a technical background?

As stated, the Court of first instance in all patent matters is a specialist Court, the Court of the Commissioner of Patents. The Court of the Commissioner of Patents is presided over by a High Court Judge (of the North Gauteng Provisional Division located in Pretoria). The judge is unlikely to have a technical background.

1.8 What interest must a party have to bring (i) infringement, (ii) revocation, and (iii) declaratory proceedings?

- (i) Proceedings for infringement of a patent may be instituted only by the patentee (or joint patentee). In addition, a licensee under a patent endorsed (licence of right) may call upon the patentee to institute an infringement action and if the patentee does not do so, the licensee may institute proceedings. The plaintiff must also give notice to every registered licensee under the patent, and such a licensee may intervene as co-plaintiff to recover any damages that he or she may have suffered as a result of the infringement.
- (ii) Any interested person may apply for revocation of a patent at any time.
- (iii) Proceedings for a declaratory order (i.e. declaring that a patent was infringed) may be instituted by the patentee.

1.9 If declarations are available, can they address (i) non-infringement, and/or (ii) claim coverage over a technical standard or hypothetical activity?

A declaration of non-infringement can be applied for to the Commissioner by an interested party under Section 69(1). Such an application must prove: (i) that such an interested person has applied in writing to the patentee for a written acknowledgment to the effect of the declaration that is sought, and has furnished the patentee with full particulars of the process or article which the interested party wishes to exploit; and (ii) that the patentee has failed to give such an acknowledgment. The declaration can address non-infringement and an assessment of claim coverage, but it is unlikely that a hypothetical activity would be acceptable.

1.10 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of, but not all of, the infringing product or process?

The South African Patents Act provides no specific statutory remedy for contributory infringement. However, it has been recognised, most recently by the Supreme Court of Appeal, that certain acts of contributory infringement (including aiding and abetting an

infringement) are actionable in terms of the South African common law of delict in the Court of the Commissioner of Patents.

1.11 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

Section 67(1) of the South African Patents Act provides that any claim in a patent in respect of a process or an apparatus for producing any product shall be construed as extending to such a product when it has been produced by the process or the apparatus claimed.

1.12 Does the scope of protection of a patent claim extend to non-literal equivalents?

South African patent law has developed past purposive constructions and the doctrine of equivalents to a contextual approach. The claims of a patent are not to be interpreted literally and in isolation of the body of the specification. The claims must be interpreted in the context of the specification having regard to, *inter alia*, any definitions provided in the specification and whether any terms used in the claims have special meanings derived from the art to which they relate. Notwithstanding the context of the specification, expert evidence is admissible in proceedings to assist the Court in ascertaining the meaning of terms used in the claims. Put differently, the patent specification must be interpreted through the eyes of the skilled addressee having regard to the context of the specification. It may therefore be, on such a reading, that the scope of a claim may extend to non-literal equivalents.

1.13 Can a defence of patent invalidity be raised, and if so, how? Are there restrictions on such a defence e.g. where there is a pending opposition?

Usually, in an action for patent infringement, a defence of invalidity of a patent takes the form of a counterclaim for patent revocation (as alluded to above in question 1.2). It is also possible to raise invalidity simply as a defence, which, if successful, would not result in the revocation of the patent. Accordingly, the latter procedure is often not used. The grounds for revocation are as follows:

- the patentee is not entitled under Section 27 of the South African Patents Act 57 of 1978 as amended (Patents Act) to apply for the patent (Section 27(1) states that an application for a patent in respect of an invention may be made by the inventor or by any other person acquiring from the inventor the right to apply or by both such inventor and such other person);
- the grant of the patent is in fraud of the rights of the applicant or of any person under or through whom he or she claims;
- the invention concerned is not patentable under Section 25 (see question 5.1; additionally, unpatentability may exist by reason of lack of novelty or inventive step);
- the invention as illustrated or exemplified in the complete specification concerned cannot be performed or does not lead to results and advantages set out in the complete specification;
- the complete specification concerned does not sufficiently describe, ascertain and, where necessary, illustrate or exemplify the invention and the manner in which it is to be performed in order to enable the invention to be carried out by a person skilled in the art of such inventions;
- the claims of the complete specification concerned are not clear or fairly based on the matter disclosed in the specification;

- the prescribed declaration lodged in respect of the application for the patent contains a false statement or representation that is material and that the patentee knew or ought reasonably to have known to be false at the time the declaration was made;
- the application for the patent should have been refused under the terms of Section 36 (i.e. if the application is frivolous on the grounds that it claims anything obviously contrary to well-established natural laws, or if the invention will encourage offensive or immoral behaviour); or
- the complete specification claims as an invention a microbiological process or a product thereof and that the provisions of Section 32(6) have not been complied with (i.e. samples of any micro-organism must be made available before acceptance).

It is noteworthy that “any person” may apply for revocation of a patent at “any time” after the patent has been granted, and thus not only by way of a counterclaim in infringement proceedings. The Patents Act provides a specific procedure for applying for revocation. This procedure involves the filing of a statement of particulars to which the patentee has an opportunity to respond with a counterstatement. Thereafter, the applicant is required to file its founding evidence in the form of one or more affidavits, and the patentee has an opportunity to file answering evidence. Thereafter, the applicant has an opportunity to file replying evidence limited to matters strictly in reply. It is possible for the parties to apply to refer the application to oral evidence in circumstances in which a dispute of fact has arisen on the papers.

1.14 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

See question 1.13.

1.15 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

This is at the Court’s discretion, but usually, particularly where a counterclaim for revocation has been made, the question of patent validity will most likely be addressed before patent infringement is addressed. This usually takes place in the same proceedings, especially if application has been made to consolidate the proceedings; however, this is at the discretion of the Court.

1.16 What other grounds of defence can be raised in addition to non-infringement or invalidity?

Prior use has been recognised in terms of South African law as an available defence. It sometimes manifests itself as the so-called *Gillette* defence. Our Courts have held that raising prior use or the *Gillette* defence amounts to nothing more than an attack on the novelty of the claimed invention on the basis that the invention has been made available to the public before the relevant date on account of its prior use. Generally speaking, because the invention must have been made available to the public by such prior use, any use of the invention that is private in nature would not provide a suitable defence. However, the South African Patents Act provides that an invention used secretly and on a commercial scale within the Republic of South Africa shall also be deemed to form part of the state of the art for the purposes of evaluating the novelty of an invention. Thus, it is widely accepted that such secret use (i.e. on a commercial scale within South Africa) could be relied on to raise a prior use defence. The defendant may also raise the defence that the

patentee granted him a licence or otherwise authorised the allegedly infringing conduct.

1.17 Are (i) preliminary, and (ii) final injunctions available, and if so, on what basis in each case? Is there a requirement for a bond?

Both preliminary and final injunctions are available in South Africa. In order to obtain a preliminary injunction, it is necessary to show: (i) a *prima facie* right; (ii) a reasonable apprehension of irreparable harm if the preliminary injunction is not granted; (iii) the non-existence of any alternative remedy; and (iv) a balance of convenience in favour of the applicant which also includes a consideration of whether it is in the public interest to award a preliminary injunction. In order to obtain a final injunction, the applicant must show: (i) the existence of a clear right; (ii) the availability of no alternative remedy; and (iii) damage. Although there is no specific requirement for a bond, security for the costs of the injunction may be requested, notwithstanding the fact that the grant thereof is at the discretion of the court should the party requested to provide security refuse to do so.

1.18 On what basis are damages or an account of profits assessed?

Successful patentees in infringement actions may recover damages from infringers if they can provide, on the balance of probabilities, proof that they have suffered LOSS as a result of the infringement. Damages in South Africa are not punitive in nature and are limited to the loss of profits suffered by the patentee. In order to prove that it has suffered damages, it is necessary for the patentee to show, on the balance of probabilities, that were it not for the infringement, it would have made the relevant sale or process (whatever the case may be). Traditionally, providing damages has been difficult in South Africa, since the standard requires that each loss of sales must be proved as described above. A patentee in an infringement action is entitled to claim, *in lieu* of damages, a reasonably assessed royalty that would have been payable by a hypothetical licensee under the patent. Calculating damages based on an account of profits of a defendant does not form part of South African law.

1.19 What other form of relief can be obtained for patent infringement? Would the tribunal consider granting cross-border relief?

A successful plaintiff in an action for infringement is entitled, in addition to damages or a reasonable royalty *in lieu* of damages, to an interdict and delivery of any infringing product or any article or product of which the infringing product forms an inseparable part. There are no statutory provisions for cross-border relief.

1.20 How common is settlement of infringement proceedings prior to trial?

It is our experience that more infringement matters are settled prior to proceeding to trial than proceeding to trial. Often, a commercially acceptable outcome may be achieved prior to proceeding to trial.

1.21 After what period is a claim for patent infringement time-barred?

Proceedings for infringement of a patent in which injunctory relief is sought may be brought at any time, provided that any claim

for damages prescribes within three years from the date on which an infringement took place. It will be appreciated that there are continuing acts of infringement, although damages in respect of some infringements may prescribe others which may still fall within the three-year period before prescription applies. Furthermore, it is possible to interrupt the period of prescription.

1.22 Is there a right of appeal from a first instance judgment, and if so, is it a right to contest all aspects of the judgment?

There is no automatic right of appeal from the Court of the Commissioner of Patents. A party seeking leave to appeal needs to apply to the Court of the Commissioner of Patents. Leave to appeal will be granted if the Court is satisfied that there is a reasonable prospect that another Court will arrive at a different finding. Although it is, in principle, possible to obtain leave to appeal to a full bench of the relevant high Court Division (consisting of three judges) or the Supreme Court of Appeal (the highest Court in patent matters in South Africa consisting of five judges), it is normal practice in patent matters for leave to appeal to be granted directly to the Supreme Court of Appeal. An appeal from the Supreme Court of Appeal to the Constitutional Court is also possible, where it is in the public interest for the Constitutional Court to hear the matter. One could also conceivably apply directly to the Constitutional Court, assuming that the requirements for such an appeal are met.

1.23 What are the typical costs of proceedings to first instance judgment on (i) infringement, and (ii) validity? How much of such costs are recoverable from the losing party?

The costs of patent infringement actions are difficult to quantify since the costs will be affected by factors such as the volume and technical complexity of the evidence, the number of expert witnesses, the number of interlocutory applications and, in particular, whether or not both a junior and a senior barrister are instructed. In a complex matter, a cost of US\$300,000 to US\$600,000 could be expected. In less complex matters in which only a junior counsel is instructed, costs of US\$100,000 to US\$300,000 would be expected. Generally speaking, 30 to 40 per cent of these costs would be incurred before the trial; the remainder of the costs would be incurred shortly before and during the trial, although this may vary depending on the length of the trial. The costs of an appeal are substantially less than the cost of a trial, and are usually between US\$100,000 to US\$300,000 approximately.

1.24 For jurisdictions within the European Union: What steps are being taken in your jurisdiction towards ratifying the Agreement on a Unified Patent Court, implementing the Unitary Patent Regulation (EU Regulation No. 1257/2012) and preparing for the unitary patent package? For jurisdictions outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your jurisdiction?

There is no formal recognition, but past experience has shown that the judgment of foreign Courts, particularly English Courts, can have persuasive influence on issues where the legislation or principles before a South African Court are similar to those considered by an English Court. Recently, in *Pharma Dynamics (Proprietary) Limited v Bayer Pharma AG and Another* (468/2013)

[2014] ZASCA 123, the Supreme Court of Appeal adjudicated on a patent infringement and revocation matter, the patent having been both successfully enforced and revoked in other jurisdictions. Both parties relied on the respective judgments that supported their cases. The Court said the following:

“But as I see it, we must decide the matter on the evidence before us. Helpful as these foreign cases may be on matters of law, we can derive no guidance from them on issues of fact.”

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant, and if so, how?

After a grant, a patent can be amended, but the application for amendment will be advertised routinely by the Registrar of Patents for an opposition period of two months succeeding the advertisement, during which period any interested party may oppose the amendment. The requirements for allowing a post-grant amendment are that: (i) the effect of the amendment is not to introduce into the specification new matter or matter not in substance disclosed in the specification before the amendment; (ii) the specification as amended does not include any claim not fairly based on matter disclosed in the specification before the amendment; and (iii) the specification after the amendment does not include a claim that is not wholly within the scope of a claim included in the specification before the amendment.

2.2 Can a patent be amended in *inter partes* revocation/invalidity proceedings?

Section 51(9) of the South African Patents Act provides that where proceedings relating to an application for a patent or a patent are pending in any Court, an application for the amendment of the relevant specification can be made, but shall be made at that Court. The Court may then deal with such an application as it deems fit, but subject to the requirements for the allowing of amendments. The Court may also, as an option, stay such pending proceedings and remit such an application for amendment to the Registrar of Patents (Registrar) to be dealt with in accordance with statutory practice.

2.3 Are there any constraints upon the amendments that may be made?

The requirements for the allowing of an amendment after a grant have been set out under question 2.1. Before a grant, the last requirement falls away, with the requirements for allowing the amendment therefore only comprising requirements discussed in question 2.1 (i) and (ii) above. In other words, before a grant, it is possible to broaden claim scope; after a grant, it is not possible to do so.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

In addition to competition and regulatory considerations (which are not discussed here), the Patents Act provides, in Section 90 thereof, that certain conditions are excluded from contracts relating to the

sale of a patented article or to a licence under a patent, particularly any condition where the effect will be:

- to prohibit or restrict the purchaser or licensee from purchasing or using any article or class of articles, whether patented or not, supplied or owned by any person other than the seller or licensor or his nominee;
- to prohibit or restrict the licensee from using any article or process not protected by the patent;
- to require the purchaser or licensee to acquire from the seller, licensor or his nominee any article or class or articles not protected by the patent;
- to require or induce the purchaser to observe a specified minimum resale price in respect of any article or class of articles protected by the patent; or
- to prohibit or restrict the making, using, exercising or disposing of the invention concerned in any country in which the invention is not patented.

The exclusions are qualified by Section 90(2) of the Patents Act, which provides that nothing in Section 90(1) shall:

- affect any condition in a contract whereby a person is prohibited from selling any goods other than those of a particular person; or
- affect any condition in a contract for the lease of or a licence to use a patented article, whereby the lessor or licensor reserves for himself or his nominee the right to supply such new parts of the patented article, other than ordinary articles of commerce, as may be required to put or keep it in repair.

The licensing of a patent also falls under the competition laws of South Africa.

3.2 Can a patent be the subject of a compulsory licence, and if so, how are the terms settled and how common is this type of licence?

Whilst compulsory licence has not yet been granted by any South African Court, the granting of compulsory licences is provided for in Section 56 of the Patents Act. An interested party who can show that the rights in a patent are being abused may apply to the Commissioner of Patents for a compulsory licence under the patent. The rights of a patentee shall be considered to be abused in circumstances in which:

- the patented invention is not being worked in South Africa on a commercial scale or to an adequate extent after the expiry of a period of four years subsequent to the date of the application for the patent or three years subsequent to the date on which that patent was sealed, whichever period expires last, and there is, in the opinion of the Commissioner, no satisfactory reason for the patent not being worked;
- the demand for the patented article in South Africa is not being met to an adequate extent and on reasonable terms;
- by reason of the refusal of the patentee to grant a licence or licences upon reasonable terms, the trade, industry or agriculture of South Africa or the trade of any person or class of persons trading in South Africa or the establishment of any new trade or industry in South Africa is being prejudiced, and it is in the public interest that a licence or licences should be granted; or
- the demand in South Africa for the patented article is being met by importation and the price charged by the patentee, his or her licensee or agent for the patented article is excessive in relation to the price charged in countries where the patented article is manufactured by or under licence from the patentee or a predecessor or successor in title.

A compulsory licence may also be granted in respect of a dependent patent (i.e. where the working of a patent is dependent upon

obtaining a licence under a prior patent). The Commissioner will determine the conditions of such a licence, and include a condition that such a licence shall be used only for the purpose of permitting the dependent patent to be worked.

Compulsory licensing may also be available under competition law, in particular where the patent is considered to be an essential facility and the patentee is dominant in the relevant market.

4 Patent Term Extension

4.1 Can the term of a patent be extended, and if so, (i) on what grounds, and (ii) for how long?

Patent term extension is not available in South Africa.

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable, and if not, what types are excluded?

Patentability is dealt with in Section 25 of the Patents Act, which excludes from patentability the following subject matter:

- a discovery;
- a scientific theory;
- a mathematical method;
- a literary, dramatic, musical or artistic work or any other aesthetic creation;
- a scheme, rule or method for performing a mental act, playing a game or doing business;
- a program for a computer; or
- the presentation of information.

A patent shall also not be granted:

- for an invention, the publication or exploitation of which would be generally expected to encourage offensive or immoral behaviour; or
- for any variety of animal or plant or any essentially biological process for the production of animals or plants, not being a microbiological process or the product of such a process.

Further, an invention comprising a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body shall be deemed as not being capable of being used or applied in trade or industry or agriculture, thus rendering it unpatentable.

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

As the South African Patent Office is a non-examining Patent Office, no such duty exists.

5.3 May the grant of a patent by the Patent Office be opposed by a third party, and if so, when can this be done?

It is not possible to oppose a grant, but a patent may be revoked on the grounds and following the procedure as set out in question 1.13 above. Any appeal on a decision by the Patent Office is made to the Commissioner.

5.4 Is there a right of appeal from a decision of the Patent Office, and if so, to whom?

Section 75 of the Patents Act provides that an appeal shall result from a decision of the Registrar or the Commissioner.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

Such disputes are resolved in applications to the Court of the Commissioner of Patents.

5.6 Is there a “grace period” in your jurisdiction, and if so, how long is it?

No grace period is provided.

5.7 What is the term of a patent?

The term of a patent is 20 years from the effective application date.

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products, and if so, how quickly are such measures resolved?

Outside of the normal remedies available for preliminary injunctive relief (on an urgent basis), there are no specific border control measures available in South Africa applicable to patent infringement. The normal border control measures that might appropriately be relied on in relation to counterfeiting and trademark infringement are specifically excluded from being applicable in relation to patent infringement.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

There are no specific provisions in the South African Competition Act 89 of 1998 (the Competition Act) to allow this. That said, the enforcement of intellectual property, including patents, is subject to competition law, and could therefore be used to prevent or frustrate obtaining relief for patent infringement. By way of analogy, and with respect to the enforcement of rights in and to a design registration, the case of *Grand Mark v BMW* is instructive. It was argued by Grand Mark that the enforcement of valid design registrations in the market must match automotive spare parts. This would be anti-competitive, and the Court *a quo* could not make a decision concerning whether the valid design registrations were infringed or not without referring the matter to the South African Competition Tribunal to adjudicate upon the question as to whether the mere enforcement of those valid design registrations would be anti-competitive having regard to the nature and dynamics of the market for must-match automotive spare parts. This question was neither considered by the Court *a quo* nor on appeal in the Supreme Court of Appeal in its decision, due to its finding that the design registrations were invalid.

7.2 What limitations are put on patent licensing due to antitrust law?

Unlike the EU, the South African competition law authorities have not issued any guidelines concerning what limits are specifically to be placed on the licensing of patents or, generally for that matter, technology; nor are there any specific conditions in this regard. Terms of a patent licence are to be judged on whether they fall within the outright restrictions set out in the Competition Act (e.g. Section 4(1)(b) – allocation of markets, customers, fixing of trading conditions as between competitors and Section 5(2) – minimum resale price maintenance) or the restrictions that require an analysis based on whether there is a substantial lessening and prevention of competition.

Should one believe that a patent licence may contravene the Competition Act, an application for the exemption of the exercise of an intellectual property right may be applied for to the Competition Commission. Such application, if granted, may be subject to conditions, and may be of a limited period.

See question 3.1 above.

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

A draft Intellectual Property policy currently under discussion makes provision for the introduction of searching and substantive examination (SSE) at the South African Patent Office. Currently, patent applications are only examined for compliance with formal requirements and not whether they meet the substantive requirements of patentability such as novelty and inventiveness. The Department of Trade and Industry, during round table discussions held in early 2015, proposed that 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. 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. Patent searchers have already been appointed and are undergoing training. By the time that the necessary amendments to the relevant legislation (primarily the Patents Act and Regulations) have been enacted, it is envisaged that these patent searchers will be trained and ready to start the search and examination process. The SSE may nevertheless be implemented in phases, by initially commencing examination only of some of the selected technology fields.

8.2 Are there any significant developments expected in the next year?

No significant developments are expected.

8.3 Are there any general practice or enforcement trends that have become apparent in your jurisdiction over the last year or so?

In *Trustco Group International (Pty) Ltd v Vodacom (Pty) Ltd* (82/2015) [2016] ZASCA 56 (1 April 2016), the Supreme Court of Appeal concerned an appeal by Vodacom against a decision of

the Registrar of Patents to allow Trustco a two-month extension of time to file a counterstatement, whereby the request was made after the expiry of the initial two-month period within which Trustco had an opportunity to file the counterstatement. Vodacom argued that Regulation 83 of the patent regulations was couched in peremptory language which excluded application of the general remedial Section 16(2) of the Patents Act, which grants the Registrar a general discretionary power to grant an extension of time before or after the expiry thereof. The Court held that Regulation 83 does not, in express terms or otherwise, limit or in any way impinge on the Registrar's express remedial power as provided for in Section 16(2) of the Act, and that it is generally impermissible to use regulations created by a minister as an aid to interpret the intention of the legislature in an Act of Parliament, notwithstanding that the Act may include the regulations.

Merck Sharpe Dohme Group v Cipla Agrimed (Pty) Ltd (20282/2014) [2015] ZASCA 175; 2016 (3) SA 22 (SCA) (27 November 2015) dealt with the assessment of the novelty of a patent by a prior disclosure, and in particular, whether the disclosure must be an enabling one or not. The Court held that in assessing the disclosure in a particular document, it is "important to appreciate that a finding of anticipation requires more than a throw-away reference to the same subject matter in a prior art document". The subject matter in the prior art document must be taught so that the skilled person is enabled, on reading the document, to appreciate its import and implement its teaching. To this end, the Court endorsed the view, from UK case law, that the test for enablement is the same as the test for enablement for purposes of determining whether an invention is sufficiently disclosed in a patent specification.



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