

# NEWSLETTER

Volume 1 / Issue 2 / October 2014

The logo for SAIPL, featuring the letters 'SAIPL' in a bold, sans-serif font. The letter 'I' is stylized with a red and orange curved shape above it, resembling a drop or a flame.

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## FROM THE EDITOR

Dr. MM Kleyn

Our second News Letter sees the light!

*"If you write anything criticizing editing or proofreading, there will be a fault of some kind in what you have written."*<sup>1</sup> My sincere apology to Dr. Burrell for the publishing glitch of the law report summary in Issue 1. We inadvertently repeated the findings of the Court in the previous column case, Shezi Industrial Holdings v Feltex Holdings under the heading of the BASF Agro case.

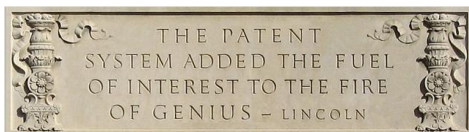
SAIPL is hosting its annual dinner on 1 November 2014 at the Sheraton Hotel in Pretoria. This will be followed by the last formal event of the year which is our AGM scheduled for 5 November 2014 at 14:30 at the Irene Country Lodge in Centurion. Members have received the notice and preliminary agenda. We look forward to welcoming our members to these events.

The Patent and Design Law committee is arranging a seminar for early February 2015 to be presented by the members of the European Patent Office. The program and details will be communicated shortly.

As this is the last newsletter for 2014, we wish all our members a blessed festive season and a prosperous New Year.

Please feel free to offer any suggestions for the improvement of our Newsletter!

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<sup>1</sup> Bangsund, John (March 1992). "Scenes of editorial life: Muphry's law". John Bangsund's Threepenny Planet. Retrieved 2008-07-18.



Marco van der Merwe  
Institute/CIPC Liaison Committee

### **THE INSTITUTE AND CIPC – A SUCCESSFUL “PARTNERSHIP” - 202 ESSELEN STREET**

It may not be common knowledge but the Institute and CIPC entered into a “partnership” to share offices at 202 Esselen Street in Sunnyside, Pretoria in 2005. Whilst this arrangement has now come to an end, it is perhaps worthy noting the history and specifically the structural “challenges” experienced when we first moved in.

In so far as the history is concerned, CIPC (or as it was then, The Registrars of Trade Marks, Patents, Designs and Copyright) moved from the Zanza building in Proes Street, Pretoria to the newly established DTI Campus. It elected to outsource its filing but had to acquire room for a limited number of files (generally speaking, pending files) and the so-called “Cardex” design and patent proprietor and novelty search records. The Institute firms, in turn, needed to find office space for its searchers and staff who dealt with CIPC on a daily basis

## **TRUE “PARTNERSHIP”**

CIPC found premises fairly close to the DTI Campus and informed the Institute that the landlord may be amenable to leasing floor space in the same building. Unbeknownst to the landlord, CIPC and the Institute, the weight of the “Cardex” cabinets could not be supported by the structure on the 5<sup>th</sup> floor of the building leased by CIPC. In fact, once the cabinets had been moved into the CIPC offices at “202” (as it was called), a number of windows cracked and rumours had it that one could feel the floor/building “moving”. A structural engineer was duly appointed and indeed, a plan had to be made, failing which the consequences could have been dire! Our personnel also seemed somewhat reluctant to go to work ....

This is where the word “partnership” reveals its true meaning – a deal was made in terms of which the Institute and CIPC agreed to share the combined floor space. The Cardex cabinets were spread out over the entire area, most notably directly next to supporting pillars (with the engineers’ approval) and “structural stability” was regained.

Apart from sharing the office space, CIPC kindly made furniture available for our use, arranged security and cleaning services and installed a microwave link directly to the Campus to facilitate searches. In 2005, the microwave link was our “lifeline”, especially for trade mark searches as the Internet bandwidth available at that time could not manage full search enquiries and simply “timed out”.

CIPC terminated their lease at the end of September 2014 and the Institute’s lease comes to an end in November 2014. We understand that the filing section maintained by CIPC will be housed close to Campus in the Sunnypark Centre. The Cardex novelty search records are in the process of being computerised and will be done away with. The Institute has agreed to retain and house the “patent proprietor/name search books” and the name search “Cardex” system for designs for the time being.

We are currently in the process of arranging accommodation for the “Institute searchers” in the Sunnypark Centre and the costs will be shared by the firms. For further information, please contact Marco van der Merwe at [m.vdmerwe@spoor.com](mailto:m.vdmerwe@spoor.com)



David Cochrane\*



Ntombi Bungane \*\*

## “Parallel importation and exhaustion of patent rights in South Africa”

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Parallel importation refers to the importation of goods produced and sold by or under the authority of a patent holder in one country into another, for resale purposes, without the consent of the patent holder.

The first sale of a patented article by or with the consent of the patentee is of fundamental importance in that it paves the way for what is commonly termed “exhaustion of rights”. The main thrust of the exhaustion of rights doctrine is that it prohibits the patentee from benefiting repeatedly from an article by controlling its use or distribution. This doctrine comes in three forms, viz.: national, regional and international exhaustion.

In the case of national exhaustion of rights, exhaustion of rights takes place only in the country where the patented goods are sold or disposed of. In the case of regional and international exhaustion of rights, exhaustion takes place when the patented goods are sold or disposed of in a particular country within a region (e.g. the European Union), or in the case of international exhaustion, in any country in the world.

The doctrines of regional and international exhaustion are often characterised by the concept of parallel importation: After the initial authorised sale of a patented product in country A the patentee’s rights terminate. A dealer can then purchase the product and re-sell or re-distribute it in country B, where the patentee also has patent rights, without the permission of the patentee. One of the most important ramifications of international exhaustion is that should goods be sold in country A at a lower price than in country B, a person can buy the goods in country A and sell them in country B as parallel imported goods at a lower price than that charged by the patentee.

The South African Patents Act confers certain exclusive rights on a proprietor of a patent, which rights are terminated at the end of the lifetime of the patent whether upon expiry, lapse or voluntary abandonment. Section 45 of the Patents Act specifically provides that:

- 1) The effect of a patent shall be to grant the patentee in the Republic, subject to the provisions of this Act, for the duration of the patent, the right to exclude other persons from *making, using, exercising, disposing or offering to dispose of, or importing* the invention, so that he shall have and enjoy the whole profit and advantage accruing by reason of the invention.
- 2) The disposal of a patented article by or on behalf of a patentee or his licensee shall, subject to other patent rights, give the purchaser the right to *use, offer to dispose of and dispose of* that article.

In terms of Section 45(2) of the South African Patents Act, the sale of a patented article by or on behalf of a patentee or his licensee shall, subject to other patent rights, give the purchaser the right to use and dispose of that article. It is clear therefore that in South Africa the exhaustion of patent rights takes place nationally.

The South African Patents Act is however silent as to whether international exhaustion of rights applies in South Africa.

The only judgment on this point in South Africa is in the case of Stauffer Chemical Company v Agricura Ltd 1979 BP 168 (CP).



Van Reenen J considered the principles developed in Great Britain and the United States and came to the conclusion that South African Courts would adopt the same principles as they are based on what appears to be sound common sense. Van Reenen J distilled the following principles from these cases:

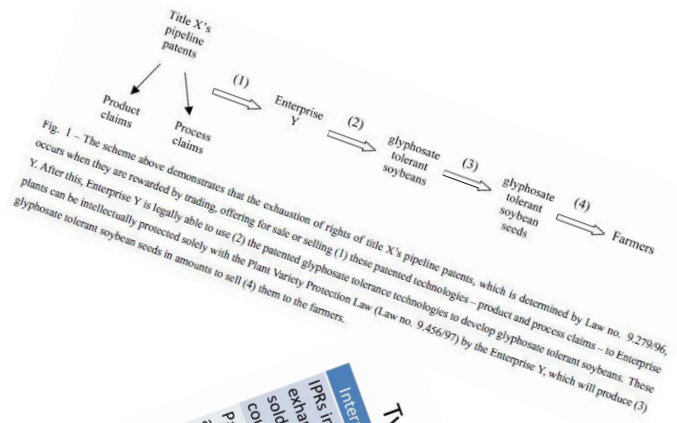
1. Where a patentee himself sells or disposes of the patented article, that article is freed from all restraints which the patentee's monopoly had imposed upon it.
2. Where the patented article is disposed of by the patentee's assignee or his agent, acting within the scope of his authority, it is similarly freed from such restraints.
3. Where the sale of the patented article is by a licensee of the patentee, the matter must depend on the extent of the authority conferred on the licensee by the licensor under the licence or the agreement.

Van Reenen J went further to hold that the provisions of Section 45(2) apply only to licensees under the South African patent. He said that to hold otherwise would be tantamount to accepting that the South African legislature would be extending its legislative powers beyond the borders of its domain, a proposition which is rightly abhorred by all courts.

In the United Kingdom, in the case of Betts v Willmott (1871) LR Ch App 239, it was held that there is a presumption that when a patentee sells a patented product outside the United Kingdom an implied licence is granted to a purchaser to resell the product in the United Kingdom, unless restrictions against resale are communicated to the purchaser.

In view of the Stauffer case and the United Kingdom case law, it would appear that a strict application of the doctrine of international exhaustion of rights does not apply in South Africa. Instead, when a patentee sells goods in another country either itself or through a licensee, an implied licence is granted to the purchaser to import and resell the goods in South Africa, unless a restriction on the importation and resale in South Africa is made and the restriction is communicated to the purchaser.

An important consideration is that the words “or importing the invention” were included in Section 45(1) of the South African Patents Act in 1997, after the judgment in the Stauffer case. It has been suggested that because the importation right is now expressly mentioned in Section 45(1) of the Patents Act and because Section 45(2) does not grant the purchaser the right to import the product, parallel importation into South Africa would constitute infringement. The writers submit that this is not the case. When a patentee sells goods in another country either itself or through a licensee, the acts of infringement in terms of Section 45(1), including the act of importation, only kick in if a restriction on the importation and resale in South Africa is made. In the writers views, the Stauffer case and the United Kingdom case law still apply: when a patentee sells goods in another country either itself or through a licensee, an implied licence is granted to the purchaser to import and resell the goods in South Africa, unless a restriction on the importation and resale in South Africa is made and the restriction is communicated to the purchaser.



		Typical types of exhaustion		
		International	Regional	National
Least protection Most access	country	IPRs in good exhausted once sold in any country	IPRs in good exhausted once sold within the region	IPRs in good exhausted once sold within the country
	country	Parallel imports allowed once sold in any country	Parallel imports only allowed from countries within the region	Parallel imports not allowed from any other country
Least protection Most access	country	IPRs in good exhausted once sold in any country	IPRs in good exhausted once sold within the region	IPRs in good exhausted once sold within the country
	country	Parallel imports allowed once sold in any country	Parallel imports only allowed from countries within the region	Parallel imports not allowed from any other country

# The Prohibition of the use of certain trademarks in terms of the Draft Amendment to the Regulations on the Labelling and Advertising of Foods

Janusz Luterek is a partner in the patent department at Hahn & Hahn Inc where he specializes in food law and intellectual property law. Janusz serves on the Department of Health Food Law Advisory Group and has been intimately involved in the current food Labelling regulations



JANUSZ LUTEREK

The Department of Health recently published a draft amendment to the Regulations Relating to the Labelling and Advertising of Foods, GNR 429 of 29 May 2014, which was open for comment until 29 August 2014. This amendment was drafted in accordance with the mandate in terms of Section 15 of Act 54 of 1972 and the broader mandate of the Department to take relevant action to promote the combatting of Non-Communicable Diseases (NCD's) and the misleading and deception of the public by the trade in respect of the ingredients and benefits of foodstuffs.

Of the more controversial provisions in GNR429 are Regulations 16(2), 16(3), 53(2) and 53(11). In short, these regulations aim to prohibit the use of trade names and brands which claim certain beneficial nutrients or category of nutrients and/or ingredient(s) with health benefits in the brand or trade name or which contain a health claim in the brand or trade name.

It seems that in the case of the latter, in terms of 53(2), where these health claims fall within the permitted health claims under GNR429 and are substantiated, they may continue to be used, although this is not entirely clear.

In addition, in terms of 53(11), the Department of Health has targeted non-nutritive sweeteners and fructose, added fluoride or added aluminium may not make any energy, nutrition, ingredient content or health claim; neither shall it be eligible to carry any endorsement logo(s) concerning health, ingredient content, nutrition, public health or reduction of risk for the development of non-communicable disease matters.

The above has been met with outrage in the food industry with certain companies claiming that these regulations, if amended as proposed, would amount to an infringement of their freedom of speech and expropriation of their trademarks.

A careful analysis of the history of Act 54 of 1972 and the Food Labelling and Advertising Regulations is required to understand why the current draft amendment has these provisions.

Firstly, it should be clearly understood that the Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972 came into effect on 1 January 1973 and, in terms of Section 5 thereof, it is a criminal offence to publish a false or misleading advertisement of any foodstuff, for purposes of sale, describe any foodstuff in a manner which is false or misleading as regards its origin, nature, substance, composition, quality, strength, nutritive value or other properties or the time, mode or place of its manufacture, or sell, or import for sale, any foodstuff described in the manner aforesaid.

Thus, the prohibition on these trademarks of the use of these claims, where these are not substantiated, was already prohibited since 1973.

On 29 October 1993, GNR 2034 being the Regulations Governing the Labelling and Advertising of Foodstuffs, were published and came into effect on 1 May 1995 (which is where the date of 1 May 1995 is derived in Regulations 16(2) and 16(3) under GNR 429). In GNR 2034 there is a broad prohibition in Regulation 2(9) and 2(10) on all health claims as well as the use of any claims not specifically permitted in terms of GNR 2034. It should be noted that GNR 2034 was broadly ignored by industry, much to the ire of the Department of Health.

On 1 March 2010, after almost 10 years of consultation with industry, GNR 146 being the Regulations Relating to the Labelling and Advertising of Foodstuffs were published and came into effect on 1 March 2012. In GNR 146 there was a broad prohibition of all claims, not just health claims, on foodstuffs, as well as a broad prohibition on endorsements on foodstuffs unless the endorsements were pre-approved by the Director General of Health. Again, a large section of the food industry roundly ignored these prohibitions or made legalistic arguments as to why they did not apply them, prompting the Department of Health to formulate the draconian provisions in GNR 429, some of which are specifically targeted at certain products and certain companies (as expressed by the Department of Health in a briefing session).

The question thus arises whether the claims that the intentions expressed in GNR 429 are firstly unconstitutional as they limit the freedom of speech of food corporations and the freedom of choice of consumers, and secondly whether these prohibitions, if implemented, would amount to expropriation of registered and unregistered trademarks targeted in these prohibitions.

There is little doubt that the drafting of GNR 429 leaves much to be desired.

The contradictions and grammatical errors therein need to be corrected before GNR 429 can be published and brought into effect, and that is the purpose of the three month period allowed for comment during which time the critics of GNR 429 should have formulated their criticisms and proposed corrections to the draft.

However, when considering the intentions expressed in GNR429 and the briefing sessions held both before and after publication of GNR 429 for comment, it is clear that the Department of Health is aiming to achieve its mandate of reducing NCD's through the prohibition of enticing labelling and advertising of foodstuffs by preying on the fears of consumers through often unsubstantiated health claims and nutrient claims, whether as a trade name, trade mark, or otherwise, as well as the prohibition of claims on products using non-nutritive sweeteners, fructose, fluoride, and aluminium, which the Department of Health believe to be harmful or at the very least unhealthy and the use thereof should not be promoted on the basis that these are a healthier option to sugars and the like.

One should also consider the wording of Section 15(1)(h), (k) and 15(2) of the Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972. This Act clearly permits the Minister to make regulations to the effect of which is to stop the deceptive and misleading use of trade marks on foodstuffs, although in the case of trademarks already registered before 1 January 1973, the Minister must consider each trade mark on its own merits and cannot pass a general regulation, such as GNR 429, affecting the continued use of these trademarks. Clearly GNR 2034 which came into effect on 1 May 1995 already provided for a prohibition of the use of trademarks registered after 1 January 1973 to make health claims or in any manner not specifically provided for in GNR 2034, so the one question which arises is what is the position of trademarks which were first used after 1 January 1973 but before 1 May 1995 and which complied with Section 5 of Act 54 of 1972 but would not have complied with GNR 2034.

It would seem that under the assumption against retrospectivity, GNR 2034 would not apply to this limited class of trademarks, however, in the view of the writer, this issue has to a large extent been made moot by the coming into effect of Section 41 of the Consumer Protection Act 68 of 2008 which, in the interests of consumers, created a broad prohibition on the use of any misleading or deceptive trade names at the time of marketing or sale of the goods (foodstuffs).

The remaining class of trade names and trademarks which were not prohibited by Section 5 of Act 54 of 1972, but which may or may not have been broadly prohibited by Regulation 2(10) of GNR 2034 and Regulation 51(1) of GNR 146, are those targeted in Regulation 16(2) of GNR 429, being trade names and brands which claim certain beneficial nutrients or category of nutrients and/or ingredient(s) with health benefits in the brand or trade name and to the extent that the benefits claimed are substantiated scientifically in terms of GNR 429, these should be allowed to continue to be used in terms of the saving provision in Regulation 53(2).



Thus, when considering the Constitutionality of these prohibitions in GNR 429 (ignoring for now the drafting errors and rather focussing on the expressed intention), the same consideration seem to apply as in the



SCA case of British American Tobacco South Africa (Pty) Ltd v Minister of Health SCA 463/2011, in which it was held that *“The public health considerations and the countervailing right to a healthy environment make a strong case for the limitation of the right which the appellant seeks to enforce. I am accordingly satisfied that the limitation is reasonable and justified as required by s 36(1) of the Constitution .....”*.

The Constitutional Court declined to hear an Appeal on this from the SCA.

It seems that the same reasoning would apply to any challenge on the grounds of Constitutionality if the presently proposed prohibitions were to be challenged on these grounds. It is also not clear why this should be argued now and has not been raised in respect of GNR 2034 and GNR 146, at least the latter of which came into effect under the current Constitutional dispensation and to date has not been challenged.

The second argument proffered by the opponents of the prohibitions in R429 is that this would amount to the expropriation of their trademarks. This appears to be clearly incorrect since the registration of a Trade Mark under the Trade Marks Act 194 of 1993 does not confer an unfettered right to use a trade mark in any way the proprietor may deem fit and rather the registration of a trade mark confers a negative right to prevent others from using a trade mark which is the same or similar to that which is registered. Furthermore, GNR 429 does not propose that any registered trademark be expunged but merely prescribes how it may not be used and, other uses thereof are unaffected by GNR 429, for example for products registered under Act 101 of 1965.

Thus, in conclusion, once GNR 429 has been corrected with the contradictions therein removed and the grammar improved, the intentions expressed in Regulations 16(2), 16(3), and 53(2) should be sustainable and many existing trademarks will no longer be able to be used in the manner which they are currently being used.



## INTERESTING IP NEWS FROM AROUND THE WORLD

In April 2013 **Australian** patent law changed to up the bar for patentability requirements, making the novelty and inventiveness test stricter than before.

**New Zealand** followed suit by enacting the new patent law that raises the requirements for patentability and the description requirements for patent specifications for all complete applications (including PCT national phase applications) filed on or after 13 September 2014, and also expands the list of exclusions from patentability. However, any new divisional applications filed from pending patent applications that are subject to the old Act will still be subject to the patentability and specification requirements of the old law. The new Act will align New Zealand more closely with Australia and other jurisdictions.

**United Kingdom** - New measures came into force on 1 October 2014, modernizing copyright law and helping designers and patent holders protect their valuable IP; key intellectual property reforms include:

- the Intellectual Property Act 2014. The act will help simplify and strengthen protection for the UK designs industry, worth more than £15 billion to the UK economy, and help improve the efficiency of the IP rights system
- the creation of a criminal offence for intentional copying of a registered design
- providing new protections for pre-publication research to ensure the UK's universities and the research sector remains a world-leader
- web-marking to display your patent rights, allowing a company to put a web address rather than more detailed information about the patent status of a product

- the expansion of the patent opinions service, providing quick and affordable opinions on a wider range of patent disputes the promotion of international 'patent work sharing' to cut backlogs.

On 10 October 2014 the **USPTO** announced the launch of a new service that allows certain patent application documents to be electronically exchanged with China's State Intellectual Property Office (SIPO). With the new service, applicants are able to provide permission for one office to obtain electronic copies of priority documents filed with the other office. The priority documents are exchanged through secure, electronic connections using the "Trilateral Document Access (TDA) Web Services." The new service is free to applicants.

The State Intellectual Property Office (SIPO) of China announced that the Patent Prosecution Highway Pilot Program (PPH) between SIPO and UKIPO, IPO and PRV formally began on July 1, 2014. These program will run for 2 years, ending on June 30, 2016.

## The unitary EU patent

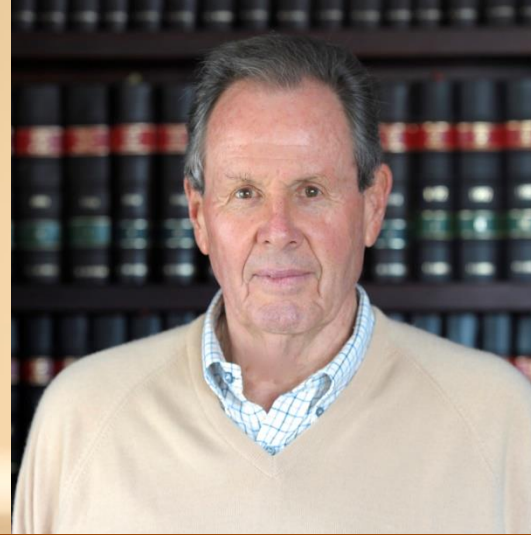
A unitary patent will provide uniform protection with equal effect in all of the participating countries in the EU.

Any decisions on disputes relating to infringement or validity of a unitary patent will apply across the whole of the territory of the patent. Unitary patents will be subject to the payment of a single set of renewal fees to the EPO, which will manage the scheme centrally. The current system of patents granted by the EPO and validated in individual member states will remain available, though these European bundle patents may be subject to the jurisdiction of the Unified Patent Court (UPC) instead of the national courts of each member state.

Applicants will also be able to continue to obtain national patents from the patent offices of each participating country.

The unitary patent will be available once 13 member states have ratified the UPC agreement, though this is not expected to occur before 2015.

# The Law reports by Dr. Tim Burrell



## Copyright Law

**VAN ZYL AND ANOTHER v MEAT MATRIX SOFTWARE (PTY) LTD AND ANOTHER**

**SOUTH GAUTENG HIGH COURT, JOHANNESBURG,  
10 JUNE 2014**

**An application for an interdict to restrain the alleged infringement of copyright in the applicants' ABASERVE computer program by the respondents' marketing and sale of a MEAT MATRIX program in competition with the applicants – Application withdrawn – Respondents seeking a costs order on a punitive scale because of the unexplained and undue delay in the launch of the application and the very belated withdrawal of the application – Respondents entitled to costs on the attorney and client scale – Not having filed a counter application, respondents not entitled to the costs thereof.**

*Copyright Act 98 of 1978, s 1(1) definition of "computer program"  
Uniform Rules of Court 1965, rule 24*

In an application for an interdict to restrain the alleged infringement of copyright in the applicants' ABASERVE computer program by the respondents' marketing and sale of a MEAT MATRIX program in competition with the applicants, the respondents sought a costs order on a punitive scale because of the unexplained and undue delay in the launch of the application; there having been a near decade long delay by the applicants in launching the main application despite threats to do so some seven years earlier. Moreover the notice of withdrawal of the application was made at a very late stage when the respondents had already been put through unnecessary expenses and then maintained that party and party costs would not completely recompense the respondents. The Court

**Held**, that the respondents were entitled to costs on the attorney and own client scale in respect of the application.

**Held**, further, that, not having filed a counter-application, the respondents were not entitled to the costs thereof.

The applicants were, accordingly, ordered to pay the respondents' costs of the application on the attorney and own client scale.

## Design Law

**CHESPAK (PTY) LTD v MCG INDUSTRIES (PTY) LTD**

**NORTH GAUTENG HIGH COURT, PRETORIA,  
14 JULY 2014**

**An appeal against a judgment of Zondo J granting an interdict to restrain the continued infringement of a design registration relating to a bottle carrier, in the form of a crate, by the respondent making, using, importing and/or disposing of any product akin to the respondent's "Chespak crate" – Condonation of the late filing of the record on appeal timeously granted – Appeal on the merits dismissed.**

*Designs Act 195 of 1993, ss 1 definitions of "aesthetic design" and "functional design", 14(5), 20 and 35(5)  
Design Regulations 1999, reg 13  
Uniform Rules of Court 1965, rule 49*

In an appeal to the Full Court against a judgment of Zondo J, reported as *MCG Industries (Pty) Ltd v Chespak (Pty) Ltd* 2011 BIP 284 (GNP), in which the learned judge had granted an interdict to restrain the continued infringement of design registration A 2000/141 entitled "Bottle Carrier" in class 9 and covering "packages and containers for the transport or handling of goods", i.e. "a crate" by the making, using, importing and/or disposing of any product of the respondent akin to the respondent's "Chespak crate", the appellant had failed to file the record of appeal timeously as required by rule 49 of the Uniform Rules of Court 1965 and an application for the condonation of such late filing was referred by the court *a quo* to the Appeal



# Law reports: Designs

Court and the judgment of the court *a quo* in regard thereto is reported as *MCG industries (Pty) Ltd v Chespak (Pty) Ltd* 2013 BIP 435 (GNP). In the appeal, the appellant relied mainly on two defences, namely that the registered design was invalid because it protected “functional features” in an aesthetic design and, secondly, that the Chespak crate was substantially different from the registered design and did not therefore infringe the registered design. The Court of Appeal

**Held**, in relation to the application for condonation, that the delay in filing the record on appeal had been explained comprehensively and in detail and that the court was satisfied that no litigant would really have been able to do better than the appellant had done in the circumstances.

**Held**, further, that, in the result, the condonation should be granted as prayed for by the appellant.

**Held**, further that it is important to note that section 14(5) of the Designs Act 195 of 1993 refers to features which are necessitated “solely” by the function which the article is intended to perform. It does not refer to features which serve a functional purpose but are also aesthetic features. Consequently, the fact that a particular feature of a design or a design itself performs a function is not decisive. The question is whether the function, which that article (to which the design is applied) performs, dictates or necessitates the shape and configuration of the design. The court should thus have regard to whether the feature is included as part of the article/design solely or purely for the reason that it performs that function or whether the article has, in addition, aesthetic appeal.

**Held**, further, that the registered design in issue was not a common place object but was one of very unique design. In fact, if seen for the first time, most people would not have been able to identify the crate, as covered by the design registration, as a crate for the carrying of bottles.

**Held**, further, and in relation to the definitive statement for which protection was claimed residing in the “shape and/or configuration” of the crate as a whole, the “shape” would generally refer to the external form or contour of the item and the “configuration” will generally refer to the conformation of the item or the arrangement in a particular form of the parts of the item.

**Held**, further, that, having regard to the visual impact of the registered design there was no doubt that it had an aesthetic appeal. The shape and configuration were unique. The crate has features which were special, peculiar, distinctive, significant and striking and as such the whole crate appealed to the eye.

**Held**, further, that the court found itself hard pressed to identify individual features or characteristics which could be regarded as solely functional.

**Held**, further, that the exercise by the appellant to isolate every separate feature of the registered design and simply then to say that the feature had a purely functional advantage was not only wrong in the context of the case but a futile exercise having regard to the shape and configuration of the registered design as a whole.

**Held**, further, that there were most certainly individual characteristics of the registered design which were calculated to attract the eye and which would or may have influenced customer choice or selection through their visual appeal and which were not there solely to make the article work.

**Held**, further, that, in the result, the court agreed with the conclusions reached by the trial judge on the issue of the scope of the design registration.

**Held**, further, and as to the issue of infringement, that the principles relevant to the determination of infringement had been comprehensively discussed in paragraphs [49] to [50] of the judgment of the court *a quo* and did not have to be repeated.

**Held**, further, that the court was in agreement with the finding of the court *a quo* that the Chespak crate was strikingly similar to the registered design and that such differences that there were, were immaterial.

**Held**, further, that, in the absence of particular features identifying the definitive statement of the registered design, the whole of the registered design fell to be considered in determining whether or not the Chespak crate embodied the registered design or a design not substantially different from it. It was not appropriate separately to compare every minute detail.

**Held**, further, that the Chespak crate and the registered design was strikingly similar and consequently the court agreed with the findings of the court *a quo* that the Chespak crate infringed the registered design.

The condonation of the late filing of the record on appeal was, accordingly, granted and the cost thereof ordered to be paid by the appellant on an unopposed basis. The appeal on the merits was dismissed with costs which were ordered to include the costs of two counsel.

# Law reports: Patents

## PATENT LAW

**SHEZI INDUSTRIAL HOLDINGS (PTY) LTD v FELTEX HOLDINGS (PTY) LTD**

**IN THE COURT OF THE COMMISSIONER OF PATENTS FOR THE REPUBLIC OF SOUTH AFRICA**

**17 FEBRUARY 2014**

***An application to amend a patent specification whilst an application for revocation was pending – Large overlap between the two applications – Applications ordered to be heard together – Costs reserved.***

*Patents Act 57 of 1978, s 61*

In an application to amend the specification of patent 2003/9331 whilst an application for the revocation thereof was pending, and had, in turn, been stayed pending the finalisation of the application to amend, the Court

**Held**, that a comparison between the application for revocation and the application to amend revealed that there was a large overlap between the two applications.

**Held**, further, that the issues involved were not only overlapping but they were also intertwined to such an extent that they could not be dealt with separately.

*The application for revocation and the application to amend were ordered to be heard together and the costs of the application to amend were reserved.*

**BASF AGRO BV ARNHEM (NL) WÄDENSWILL BRANCH v TSUNAMI CROP CARE (PTY) LTD AND OTHERS**

**IN THE COURT OF THE COMMISSIONER OF PATENTS FOR THE REPUBLIC OF SOUTH AFRICA**

**7 MARCH 2014**

***An action to restrain the alleged infringement of a patent – Plaintiff failing to prove chain of evidence demonstrating allegedly infringing samples as emanating from the defendants – Counterclaim for revocation of the patent on the grounds of obviousness and uncertainty of claiming – Invention not obvious – Claims not lacking clarity – Plaintiff's claim dismissed with costs – Defendants' counterclaim dismissed with costs.***

*Patents Act 57 of 1978, ss 21(6), 21(10), 25(1), 45(1), 61(1)(c) and 61(1)(f)(i)*

In an action to restrain the alleged infringement of a patent relating to the sulphinylation of heterocyclic compounds, the plaintiff complained that products emanating from the

defendants were made using the processes claimed in claim 1 of the patent. This was denied by the defendants who counterclaimed for the revocation of the patent on the grounds of obviousness and uncertainty of claiming. The Court

**Held**, that, having studied the chain of evidence carefully, the plaintiff had failed to establish that the relevant products emanated from the defendants and that, as such, the plaintiff had failed to discharge the onus of demonstrating infringement of the patent.

**Held**, further, that it was the court's conclusion that the invention claimed in the patent was not obvious.

**Held**, further, that the claims of the patent did not lack clarity.

The plaintiff's claim was, accordingly, dismissed with costs and the defendants' counterclaim was also dismissed with costs.

**STRIX LIMITED v NU-WORLD INDUSTRIES (PTY) LTD**

**IN THE COURT OF THE COMMISSIONER OF PATENTS FOR THE REPUBLIC OF SOUTH AFRICA**

**23 JUNE 2014**

***An action to restrain the alleged infringement of patent 95/4779 by the importation into South Africa of SUNBEAM electric kettles – Validity of the patent denied on the basis of lack of novelty – Alleged invention adding nothing new to the prior art – Plaintiff failing to establish infringement – Action dismissed with costs.***

*Patents Act 57 of 1978, ss 25(1), 25(5), 61(1)(c) and 65(4)*

In an action in which the plaintiff claimed an interdict and ancillary relief against the defendant based on an alleged infringement of the plaintiff's patent 95/4779 by the importation into South Africa of certain SUNBEAM electric kettles, the defendant denied that the plaintiff's patent was valid for want of novelty and, in the event of the court finding that the patent was valid, further denied that the defendant infringed the patent, the Court

**Held**, that only one integer of the claimed invention did not form part of the prior art and that in the specification that two thermally responsive sensors had to be at "spaced apart" locations on the base of the container or the element.

**Held**, further, that the spacing apart of the sensors was an obvious solution to the problem described in the specification and required hardly any ingenuity. It followed from that that the invention did not add anything new to the prior state of the art and that the defendant's defence on the basis of lack of novelty had to be upheld.

**Held**, further, that the two controls in each of the offending kettles were mounted very close together from which it followed that the plaintiff had failed to prove that there was indeed infringement of the patent.

The action was, accordingly, dismissed with costs.