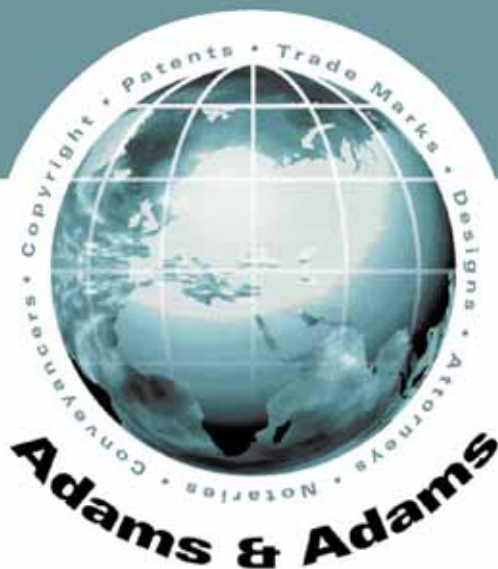


Pretoria

Johannesburg

Durban

Cape Town
South Africa

Focus on Patents

Bolar provision for South Africa

Competitors allowed to do preparatory work for regulatory approval during patent term

A Bolar-type provision has been incorporated in the South African Patents Act, 1978 as a new section 69A.

This reads:

'(1) It shall not be an act of infringement of a patent to make, use, exercise, offer to dispose of, dispose of or import the patented invention on a non-commercial scale and solely for the purposes reasonably related to the obtaining, development and submission of information required under any law that regulates the manufacture, production, distribution, use or sale of any product.

(2) It shall not be permitted to possess the patented invention made, used, imported or acquired in terms of sub-section (1) for any purpose other than for the obtaining, development or submission of information as contemplated in that subsection.'

It should be noted that the South African Patents Act has no express provision excluding experimental activity from the ambit of patent infringement. Prior to the amendment, the legal position was determined by case law (on the strength of the decision in *Stauffer Chemicals v Monsanto* 1988(1) SA 805(T)), namely that experimental 'use' of an invention, eg. experimental work for purposes of market registration, did amount to infringement.

It is generally accepted that the new provision, permitting preparatory work by a third party (including making, using, exercising, importing and disposing of the invention on a non-commercial scale) during the term of a patent for purposes of obtaining regulatory approval, was introduced primarily to enable generic manufacturers of pharmaceutical products to prepare for market access immediately after the expiration of the relevant patent. This is viewed as part of the Government's measures to address the quest for cheaper medicines to deal with the health crisis facing African countries and also South Africa. It will be noted, however, that the legislative measure is not confined to pharmaceutical patents, and expressly does not permit stockpiling prior to expiry, in compliance with TRIPS Articles 27 and 30.

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Adams & Adams Head Office, Pretoria

Partnership changes

The partners and staff of Adams & Adams have said farewell to Dave Sheppard, a senior partner and leader of the firm's patent litigation team. After 34 years with Adams & Adams (Dave joined the firm in February 1969), David Sheppard retired at the end of February 2003. Dave will remain available as a consultant.



David Sheppard

Dario Tanziani has taken over from Dave as leader of the patent litigation team at the Pretoria office. Dario has been with the firm since 1982 and has BSc (Chemistry and Maths) and BProc degrees. He is an admitted attorney and registered patent attorney, and serves on various national and international IP and Competition law committees. He has been part of the litigation team for the past 15 years and has successfully handled many important patent litigious matters.



Dario Tanziani

Amendments to the Patents Act

The Patents Amendment Act no. 58 of 2002 came into effect on 15 January 2003, amending the Patents Act no. 57 of 1978. The most important amendments are the following:

Enabling disclosure

The requirement in section 32 (and the corresponding ground of revocation in section 61), for a complete specification to disclose the best method of performing the invention known to the applicant at the time of lodging the specification was lodged at the Patent Office, has been replaced. Now the specification must only sufficiently describe, ascertain and, where necessary, illustrate or exemplify the invention and the manner in which it is to be performed so as to enable the invention to be carried out by a person skilled in the art of the invention. This amendment brings our law in line with the European Patent Convention.

Translation of PCT specification

In the case of a PCT application where the international application has not been filed or published in English, it is provided in section 43E that a translation of the specification in an official language of South Africa has to be filed within the prescribed period. It is further provided that the registrar may, before or after the expiry of the relevant period for supplying the translation of the specification, extend the period for a further period not exceeding three months. The 'prescribed period' will be specified in the Regulations. To date, no such regulation has been promulgated. We are, however, aware that the period which is contemplated will be six months.

Determination of filing date

In the case of a divisional application, section 37 provides that the application can be ante-dated to the date on which the parent application was lodged. Section 43F has now been amended to provide that, where the parent application is the national phase of an international PCT application, the date of lodging of that parent application at the Patent Office shall be the international filing date. Section 43F has also been amended to make it clear that the date of application of the national phase of an international application shall, for the calculation of the duration of the Patent, be the international filing date.

Amendment of PCT applications

Section 43F has further been amended to provide more clearly for the amendment of the national phase of a PCT application. Any amendment made to the international application in terms of Article 19 of PCT (and which does not go beyond the disclosure in the international application as filed), or in terms of Article 34 of PCT (and which is annexed to the international preliminary report) shall be deemed to have been allowed in respect of the national phase application; but it may be set aside if it does not comply with sections 51(6) or (7) of the South African Patents Act, ie. if it involves the adding of new matter not in substance disclosed in the specification before amendment, or if it includes a claim not fairly based on matter disclosed before amendment; or, after grant, if it includes a claim not wholly within the scope of a claim in the specification before amendment.

Payment of patent renewal fees : Victory for patent profession

In the matter of *Kaltenbach Thuring Société Anonyme v Grand Paroisse Société Anonyme and the Registrar of Patents* 2001 BIP 62 (CP) the Commissioner of Patents had to adjudicate on a matter in which there had been a belated payment of the renewal fee of a patent. The Commissioner found that a belated request for extension was invalid and of no effect, that the belated payment of the renewal fee was therefore invalid and of no effect, and that the patent concerned had lapsed. The Commissioner stated in his judgment that 'the registrar has no power to ignore the plain operation of the Act, namely that non-payment results in lapsing. The extension of time to pay renewal fees can only be made before the patent lapses. It is obvious that the passing of money cannot resurrect a lapsed patent'. [See blocked information on page four.]

Neither party to the matter applied for leave to appeal, thereby leading to extreme concern among South African patent attorneys as to the effect of the Commissioner's decision on the validity of the many thousands of patents in respect of which renewal fees had been paid belatedly.

In the light of the finding of the Commissioner indicating that the extension of time had to be applied for prior to the expiry of the renewal date, an application was brought jointly by the *University of Pretoria, Adams & Adams, and the South African Institute of Intellectual Property Law (SAIIPL)* in which the Registrar of Patents was cited as the Respondent, in respect of the University of Pretoria's patent no. 94/0252, for a declaratory order to the effect that an application for extension of time for late payment of a renewal fee can be made and granted within the six-month 'grace' period after the normal due date for the renewal. Adams & Adams handled the application, which was originally brought before the Deputy Judge President of the Transvaal, sitting as the Commissioner of Patents, and requesting that the matter be referred to the Full Bench of the Transvaal Provincial Division of the High Court, for three Judges to rule.

The Full Bench of the Transvaal Provincial Division heard the matter in December 2002 and delivered a decision in which the order included a declaration that the proper construction to be placed on section 46(2) of the Patents Act is that an application as envisaged by the proviso of the section can correctly be made and granted at any time within the six-month period referred to in the section, upon payment of such additional fees as may be prescribed.

New partners

The firm is pleased to announce that two new partners have been admitted as from 1 March 2003. Jens Triebel, a qualified trade mark practitioner who holds a BCom and LLB degrees and joined the firm in 1999, practises in the Trade Marks department at our Johannesburg office. He previously represented South Africa at the World Intellectual Property Organisation and the World Trade Organisation, and was the Deputy Registrar of Patents and Trade Marks before joining Adams & Adams.

Jacques Loock, who up to now practised in the Patent department at our Johannesburg office, holds BEng (Mech), BLC and LLB degrees. He is also a qualified patent attorney, having passed the prescribed Patent Examination in 2001. Jacques has now joined the Patent department at the Pretoria office, where he will be dealing with local patent matters in the mechanical engineering field.



From left to right:
Jacques Loock, Chris Job (A&A chairman) and Jens Triebel

Payment of renewal fees : statutory provisions

In terms of section 46(1) of the South African Patents Act no. 57 of 1978, the duration of a patent is 20 years 'subject to the payment of the prescribed renewal fees by the patentee concerned or an agent'. Section 46(2) provides that a 'patent shall lapse at the end of the period prescribed for the payment of any renewal fee, if it is not paid within that period : provided that the registrar may upon application ... extend the period for payment of any such fee for a period not exceeding six months'.

It is not unusual for a patentee to fail to pay the renewal fee within the prescribed period and, instead, to pay the renewal fee within the subsequent extension or 'grace' period of six months. An additional fee (as a fine) has to be paid for such late payment.

It is furthermore not unusual for an extension or 'grace' period to be requested at the time of making the belated renewal payment, ie. not prior to the expiry of the prescribed period for the renewal, but within the six-month 'grace' period, by the simultaneous tendering of the renewal fee and the additional fee. In this regard the Patents Act expressly provides, in section 16(2), that where any time is specified for an act to be done, the registrar 'may, save where it is otherwise expressly provided, extend the time either before or after its expiry'. The Paris Convention, to which South Africa has acceded, clearly provides in Article 5 *bis* for a six-month grace period for the payment of maintenance fees.

In fact, an informal survey has indicated that some 20 000 current patents may have been renewed belatedly within the six-month grace period, with lodgement of the request for extension at the time of payment. As a result of the declaratory order it is now clear that patent renewal fees can validly be paid belatedly in the six-month period following the due date for renewal in South Africa, if application for an extension of time for paying such fees is made in that six-month period.

Amendments to the Patents Regulations

At the time when the amendments to the Patents Act were prepared, some amendments of the Patent Regulations were also drafted. Although these amendments have not been published and implemented yet, promulgation is expected in the near future. The majority of the amendments are of a purely technical nature, with the exception of the following:

- Regulation 67C is to be amended to make it clear that the period for the filing of national phase applications in South Africa shall be 31 months even in those cases where no preliminary examination of the international application has been requested.
- Regulation 67B is to be amended to provide that the period within which a translation of a non-English specification into an official language has to be lodged at the national Patent Office, shall be six months after lodgment of Form P25 to enter the national phase.

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