

PATENTS EXAMINATION BOARD

PRACTICAL LEGAL PROBLEMS

EXAMINATION: JULY 2023

PAPER 2

EXAMINERS: J WHITTAKER
D DOHMEN

MODERATOR: R. BAGNALL

DURATION: READING TIME – 30 MINUTES
EXAMINATION TIME – 3 HRS
TOTAL: 3 HOURS 30 MINUTES

NOTES TO CANDIDATES:

1. Attached to the paper are copies of the following documents:
 - (i) A copy of the Patents Act No. 57 of 1978;
 - (ii) A copy of the Patent Regulations 1978; and
 - (iii) A copy of the Uniform Rules of the High Court under the Superior Courts Act 10 of 2013 (Rules 6, 14, 17, 18, 19, 21, 22, 23, 24, 25, 30, 35, 36, 37 and 63).
2. Each candidate is also allowed access to (1) one dictionary during the exam.
3. This paper comprises of Questions 1 to 4 (100 marks and 9 pages) as well as attached Annexure Q.1 (2 pages). (11 pages in total).
4. Where appropriate, reference should be made to case law.

QUESTION 1:

(20 marks)

Your client, a USA intellectual property law firm, US Invent Inc. informs you that patent no. 2015/01234, which belongs to one of their mayor clients, lapsed owing to the non-payment of renewal fees. You obtain a copy of an extract of the Patent Register and confirm that this is indeed the case. The form P2 is **attached** hereto marked Annexure Q.1.

US Invent provides you with the following explanation.

“We act for Global Cement Inc. in all their patent matters globally. Global Cement Inc. is the patentee of South African patent no. 2015/01234. We are responsible for the renewal of all Global Cement’s patents globally.

ZA2015/01234 forms part of an important patent family for Global Cement and we hold instructions to automatically annually renew all patents in the family.

Since 2016 we have been using an advanced artificial intelligence drive computer system to manage our renewals systems. For matters for which we hold instructions to automatically renew our standard procedure is that an automated renewal instruction is generated two months before the renewal is due and sent to our local agent in South Africa to action the renewal and report to us. Automated reminders are generated and sent to our local agent every two week thereafter until we receive confirmation of payment of the renewal. On receipt of the payment confirmation our patent records are updated, payment is reported to the client and the client is invoiced.

Global Cement has recently become aware of potential infringement of their patent in South Africa and upon review of the patent status we have noted an anomaly in the renewals records for ZA2015/01234. Our records show that the patent was renewed between 2017 and 2019. However, we have no record that the patent was renewed after 2019.

We found that in 2020 there was an automated email response from our local agent at the time (SA Patent Inc.) in response to our first renewal instruction. The response indicated that SA Patent Inc. had closed their practice and ceased operating. This is a very unusual response, and the AI system wrongly interpreted the response as a confirmation of payment of the renewal and that no further renewals on the patent is payable thereafter.

For obvious reasons the patentee is extremely concerned. Please advise what, if anything, can be done to salvage the situation and re-instate the patent. If something can be done, please explain in detail what can be done and how, and also whether the lapse of the patent will have any effect on the patentees intended infringement proceedings against the South African infringer.

We await your urgent response.”

Please advise US Invent fully.

QUESTION 2:

(20 marks)

In response to your above advice in Question 1, US Invent responds as follows.

“We refer to your previous advice and now write to you on a related urgent matter.

Global Cement has now reported that it has reliably learnt that one of its competitors in Mozambique (MozChem) is in the process of exporting a large consignment of its cement product to South Africa. Global Cement does not have patent protection in Mozambique and MozChem has for a number of years been using the claimed process of ZA2015/01234 in Mozambique. Previous analyses have also confirmed that MozChem’s cement product infringes on some of the product claims of ZA2015/01234.

Apparently MozChem is also considering establishing a manufacturing plant for their infringing cement product in Richards Bay, South Africa.

Global Cement is very concerned by these developments, and we need your urgent advice on what Global Cement’s options are to stop MozChem’s cement product from being imported into or sold in South Africa, or being manufactured in South Africa.

We await your urgent advice.”

Advise fully on Global Cement’s rights, obligations and options regarding the above.

QUESTION 3:

(25 marks)

You received the following letter from your client:

"I refer to our previous correspondence regarding our aviation components manufacturing division and our continued research in and development of composite materials and designs for use in the manufacture of components for use in the interior of planes such as floors, side and roof panels as well as storage compartments.

As I previously explained we develop and test the new composite materials and use them in the design of new components which we then manufacture and export to various plane building companies across the world (for example, Boeing, Airbus, Embraer etc.). In addition, we have two other divisions, the one dealing with furniture made from composite materials and the other with components for the automotive sector.

The previous managing director of the aviation division, Mr Hot Shots resigned in mid-2022 and subsequently started a competing business.

We are in the process of appointing a new managing director for the aviation division, Ms Top Gun. Ms Gun has extensive management experience and has worked in the automotive components business in Europe. In the early years of her career, she was also involved with research into and development of composite materials for use in the automotive sector. Ms Gun comes highly recommended.

However, we are concerned that our standard employment conditions do not provide us with adequate protection in the case where Ms Gun contributes to or develops improvements to our existing materials and aviation products. In addition, we would like to avoid a repeat of our experience with Mr Shots and need to ensure that Ms Gun keeps all our information relating to our suppliers, clients, business plans, research, materials, products, designs, manufacturing

plants, trade secrets etc confidential and does not use same if she leaves our company.

Since we are focussing in expanding our aviation business worldwide, we also need to ensure that she does not use that which she will learn from us in competition against us in the aviation market.

Can you please assist and provide us with appropriate clauses to cover the above aspects for insertion in our existing employment agreement?"

Please provide your client with the requested contractual clauses.

QUESTION 4:

(35 marks)

Please advise your client on each of the below separate questions.

- 4.1 Your client has developed a new blade for use in wind turbines which generate electricity from wind and arranges a consultation with you in order to discuss the possibility of obtaining protection for the idea.

Your client emphasises that an important feature of the idea relates to the specific aerofoil shape, configuration and angles of the blade along its length which improves performance at low wind speeds and significantly reduces air noise as the blade moves through the air.

During the consultation your client also advises you that a prototype of the blade was tested over the last three months in an offshore windfarm in the Netherlands. The windfarm is situated in the ocean between Netherland and England, is not visible from shore and is away from mayor shipping lanes.

Arising out of the tests your client has made further modifications to the blade and have added a wingtip to the blade which is in the shape of a secondary aerofoil. In high winds the wingtip exerts a twisting force on the blade which causes the angles on the aerofoil of the blade to change as the blade twists in order to increase drag on the blade and to slow it down. The wingtip thus acts as an automatic brake in high winds to slow the blade down.

Your client envisages selling two models, a cheaper version without the wingtip, and a more expensive version that includes the modification.

Please advise your client on what options are available to it in order to obtain protection in South Africa and the likelihood of it obtaining protection.

(10 marks)

- 4.2 How are questions of public interest dealt with in an application for an interim interdict and which factors play a role?

(5 marks)

- 4.3 *“Thank you for the draft provisional patent application which you have prepared for our new antigen which was develop over the last five years by our employee and research head Mr Cor Navirus.*

Mr Navirus resigned today with immediate effect and apparently intends to join a competing research facility. There is no specific provision in his employment contract regarding intellectual property or a restraint of trade provision.

We have also now learnt that Mr Navirus had applied for a patent in his own name for the antigen and without our knowledge disclosed the antigen in a presentation which he recently gave at the BIOMEDevice conference in Boston, USA!

What can we do to secure our rights in the antigen?”

(10 marks)

- 4.4 Your client filed a patent application in South Africa, on 1 June 2022, claiming priority from a previously filed South African provisional application, dated 2 June 2021. Assume that the claim to priority is a valid one. The specification includes a single claim, namely, *“An oral dosage composition comprising in combination compound A and compound B”*. Your client advises you that it has recently become aware of a South African patent which bears a priority date of 1 May 2020. This patent was granted and became open to public inspection on 25 July 2022. The prior filed South African patent application discloses one example with an oral dosage formulation comprising Compound A only and another example with an oral dosage formulation comprising Compound B only both of which examples were included in the specification as filed. Please

advise your client what impact this disclosure may have on the novelty and inventiveness of its claim.

(5 marks)

4.5 *“I confirm that I have received the final version of my expert affidavit in the revocation of ZA2015/01234. As you know I live in Munich, Germany and will have to sign the affidavit here in Germany and courier it back to you. Please confirm how I should go about having the affidavit correctly signed.”*

How would your answer differ if the expert witness lived in England and had to sign the affidavit in England?

(5 marks)

TOTAL: 100 marks

“Annexure Q.1”

FORM P.2

REPUBLIC OF SOUTH AFRICA			REGISTER OF PATENTS			PATENTS ACT, 1978			
OFFICIAL APPLICATION NO.			LODGING DATE: PROVISIONAL			ACCEPTANCE DATE			
22	01	2015/01234	22		47	4 MAY 2016			
INTERNATIONAL CLASSIFICATION			LODGING DATE: National Entry Date			GRANTED DATE			
	C04B			1 September 2015			27 JULY 2016		
FULL NAME(S) OF APPLICANT(S)/PATENTEE(S)									
71	GLOBAL CEMENT INC.								
APPLICANTS SUBSTITUTED:						DATE REGISTERED			
71									
ASSIGNEE(S)						DATE REGISTERED			
71									
FULL NAME(S) OF INVENTOR(S)									
72	JOHN C. STANKUS and JOHN G. OLDSSEN								
PRIORITY CLAIMED AND PCT INTERNATIONAL APPLICATION			COUNTRY		NUMBER		DATE		
<i>N.B. Use International Abbreviation for country (See Schedule 4)</i>			33	PCT US	31	PCT/US2017/016543 10/687,960	32	24 FEBRUARY 2014 25 FEBRUARY 2013	
TITLE OF INVENTION									
54	CEMENTITIOUS PRODUCT AND MANUFACTURING PROCESS								
ADDRESS OF APPLICANT(S)/PATENTEE(S)			PITTSBURGH, PA, US						
ADDRESS FOR SERVICE						Agent:	PA0000ZA00		
74	SA PATENT INC., Pretoria								
PATENT OF ADDITION TO NO.			DATE OF ANY CHANGE						
61									
FRESH APPLICATION BASED ON			DATE OF ANY CHANGE						

