

PATENTS EXAMINATION BOARD

PRACTICAL LEGAL PROBLEMS

EXAMINATION: JULY 2019

PAPER 2

EXAMINERS: J WHITTAKER
D DOHMEN

MODERATOR: H. MOUBRAY

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) (10 pages) and Documents Q2.1, Q2.2 and Q3 (9 pages);
4. Where appropriate reference should be made to case law.

QUESTION 1:

(25 marks)

You receive the below correspondence from your client. Advise your client accordingly.

"I refer to our consultation last week regarding the new provisional patent application which we intend to file for the new chicken feed product which our employee and research head Mr Andy Smit developed over the last two years.

Mr Smit resigned today with immediate effect and apparently intends to enter into competition with us in the chicken feeds business. The only provision in his employment contract regarding intellectual property is in clause 14 which reads as follows:

"The employee undertakes to transfer all inventions and designs made by him to the employer."

Unfortunately, there is no restraint of trade provision in his employment contract.

We have also now learnt that Mr Smit had applied for a South African provisional patent in his own name for the chicken feed and unbeknown to us had disclosed the chicken feed formulation last week at a Farmers' Day in Pietermaritzburg!

What can we do to secure our rights in the chicken feed invention and prevent Mr Smit from using our chicken feed in competition against us?"

QUESTION 2:

(25 marks)

You receive the below letter from your client. Advise your client.

“Dear Sir/Madam

As you know, our company designs, manufacturers and sells mining equipment to the South African gold mines.

A few years ago, one of our developers saw a yieldable mine prop at a Chinese Mining Trade Show which can be used in a number of niche applications in South African mines. We recently decided to develop and test a similar product and have to date spent about R800 000.00 on product development and testing and more than R1 million on new tooling to produce the mine prop locally.

After we commenced marketing and sales of the mine prop to South African mines, one of the sales reps of a US company, Jennmar Corporation, met one of our sales representatives at a joint meeting with a mine procurement officer from one of our clients. The Jennmar representative saw our new mine prop and told our representative and the mine procurement officer that Jennmar holds patent rights over the mine prop and that Jennmar will definitely sue us and our customers in South Africa for patent infringement. The mine procurement officer became very concerned about the matter.

*This state of affairs came as quite a shock as we were not aware of any patent rights which we could infringe. The Jennmar representative mentioned a US patent 7,114,888 and we have obtained a copy of this patent from the internet. The first page of the US patent is attached marked **Document Q2.1**.*

*We conducted our own searches at the South African Patent Office and found a corresponding South African Patent No. 2004/07932. The SA patent is identical to the US patent and I attach hereto marked **Document Q2.2** a copy of the form P2 which we took from the South African Patents Register. As we understand, the South African patent has lapsed.*

Given our investment to date in the project and the threat to our customers, we remain concerned that Jennmar might carry through the patent infringement threats which were made. In this regard, we require your advice on our legal position, what we can and can't do regarding our mine prop and the South African patent, how we can protect our clients and what our risks are. We would appreciate recommendations on what we should do in this matter.

We await your advice."

QUESTION 3:

(25 marks)

You receive the below letter from your client. Advise your client accordingly.

“Dear Patent Attorney

Over the last few months, we, Nationwide Retailers (Pty) Ltd, have been involved in negotiations with ABC Plastics Products Inc., a US corporation which designs, manufactures and sells plastic containers worldwide. ABC does not have any presence in South Africa and is prepared to grant us the right to manufacture and sell ABC’s top selling two products in South Africa. The deal is a major boost for Nationwide and we cannot afford to let it slip away.

ABC’s major competitor (which is also one of our major competitors in South Africa) is Tupperware International Inc. which sells products which are similar to those of ABC. It is also important for ABC that the quality and pricing of their products are consistent worldwide.

ABC has a number of patents for its products in the USA, Europe and some other English speaking countries. For various reasons, ABC never applied for any patent protection in China, South America and most countries in Africa.

Fortunately, ABC has a patent on one of their products in South Africa and is also prepared to grant us a license under the patent.

We also require ABC’s assistance and technology to successfully manufacture the products in South Africa.

*We have just received a draft license agreement from ABC. The draft license agreement is attached as **Document Q3**. Although we have little difficulty with most of the provisions, we are concerned about the proposed term of the agreement, the licensee’s undertakings and warranties in clause 5 and the confidentiality undertaking in clause 13.*

Kindly review the agreement and these clauses specifically for compliance to South African law and practice.

Please suggest amendments to any provisions which might be unlawful, or contrary to South African practice.

Kind regards

Nationwide Retainers (Pty) Ltd"

QUESTION 4:

(25 marks)

4.1 Please advise your expert witness on the below question.

“I confirm that I have received the final version of my replying affidavit in the pending patent revocation application brought by SA Litigator (Pty) Ltd against your client SA Patentee (Pty) Ltd. As you know I live in Sydney, Australia and will have to sign the affidavit here in Sydney and courier it back to you. Please confirm how I should go about in order to have the affidavit correctly signed.”

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

(5 marks)

4.2 Your client has filed a patent application in South Africa that includes the following claims:

1. *A compound of Formula A.*
2. *Use of the compound of Formula A as claimed in claim 1 for the treatment of a bacterial infection.*

After the filing of the application your client advises you that, following the examination of corresponding applications in Europe, it has emerged that the compound of Formula A forms part of the state of the art prior to the priority date of your client’s patent application. Furthermore, it was also known prior to the priority date of your client’s patent application that the compound of Formula A was used in the treatment of cancer. In the circumstances, please advise your client on what amendments to the claims would be advisable prior to the grant of the South African patent application.

(5 marks)

4.3 Your client has filed a patent application in South Africa that includes the following claim:

1. *A method of controlling a pest comprising applying a pesticidal mixture comprising an effective amount of compound A and compound B to the pest or the pest's environment.*

The pest is defined in the specification as an insect or a mite. Your client advises you that the combination of compounds A and B is new and the use of the combination in controlling pests is strongly arguably inventive. In the circumstances, please advise your client whether or not and what amendments to the claim would be advisable prior to the grant of the South African patent application and why. **(5 marks)**

4.4 Your client is the applicant of South African complete patent application no. ZA 2018/0251. ZA2018/0251 was filed on 1 October 2018 and claims priority from a previously filed South African provisional application dated 5 October 2017. Acceptance of ZA2018/0251 has been delayed until 1 October 2019. ZA2018/0251 has the following 3 claims:

1. *A pharmaceutical composition comprising a combination of compound A and compound B.*
2. *A pharmaceutical composition according to claim 1 which includes a wetting agent C.*
3. *A pharmaceutical composition according to claim 2 which includes a surfactant D.*

Your client informs you that in South Africa it intends to launch a pharmaceutical product which is a combination of compound A and compound B, wetting agent C and surfactant D.

Given the importance of the commercial embodiment of the invention, your client is interested in filing a fresh patent application (also known as a divisional patent application) based on ZA2018/0251 (the so called parent application).

Please advise your client on the preferred claim format for the divisional application and whether or not any amendment to the claims of the parent application would be appropriate and, if so, the nature of such amendments. You may assume all claims to priority are valid.

(5 marks)

- 4.5 SA Drugists is the patentee of South African Complete Patent No. ZA2015/4921. ZA2015/4921 was filed on 1 July 2015 and claims priority from a previously filed South African provisional application dated 1 July 2014. The patent was granted on 25 April 2016 and all renewal fees are paid up to date. The patent includes two claims:

Claim 1

A pharmaceutical composition comprising a combination of compound A and compound B.

Claim 2

A composition as claimed in claim 1 for use in treating acute sinusitis.

Your client, who is a competitor of SA Drugists wants to launch its own sinusitis remedy. However, the sinusitis remedy would infringe ZA2015/4921 and your client is concerned about any claims of patent infringement against it.

Your client draws to your attention to the existence of South African Patent No. ZA2012/0001. ZA2012/0001 claims priority from previously filed South African provisional application, dated 1 December 2011. The patent was published on 25 April 2013. The specification discloses a composition comprising in combination, compound A and another

compound (compound C) for use in a composition for treatment of acute sinusitis.

Your client also advises you of South African patent no. 2013/0007, which claims priority from a previously filed South African provisional patent application, dated 1 November 2012. The patent was published on 25 February 2015 and discloses a composition that contains compound B in combination with another compound (compound D) for use in treating acute sinusitis.

Your client further advises you that they have found proof of a nasal spray product which was marketed and sold in England in 2013. The nasal spray product contained a composition which is a combination of compounds A and B and was used for treating hay fever.

Given the circumstances, advise your client what effect the above prior art disclosures would have on the validity of ZA2015/4921. **(5 marks)**

TOTAL: 100 marks



US007114888B2

(12) **United States Patent**
Stankus et al.

(10) **Patent No.:** US 7,114,888 B2
 (45) **Date of Patent:** Oct. 3, 2006

- (54) **YIELDABLE PROP**
- (75) **Inventors:** John C. Stankus, Canonsburg, PA (US); John G. Oldsen, Butler, PA (US)
- (73) **Assignee:** Jenmmar Corporation, Pittsburgh, PA (US)
- (*) **Notice:** Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

949,535 A *	2/1910	Hamm	248/125.8
1,584,905 A	5/1926	Symons	
2,068,491 A *	1/1937	Jakoubek et al.	248/357
2,192,079 A *	2/1940	Hinselmann et al.	254/116
3,089,742 A *	5/1963	Powell	312/223.5
3,870,278 A *	3/1975	Lee	254/98
4,983,077 A	1/1991	Sorge et al.	
5,015,125 A	5/1991	Seegmiller	
5,720,581 A	2/1998	Bacon et al.	
5,967,702 A	10/1999	Vogelzang	

- (21) **Appl. No.:** 10/687,960
- (22) **Filed:** Oct. 17, 2003

WO 0245704 * 4/1987

- (65) **Prior Publication Data**
 US 2004/0081518 A1 Apr. 29, 2004

FOREIGN PATENT DOCUMENTS

OTHER PUBLICATIONS

Kolk Maschinenbau GmbH, "PINK—AS" brochure, undated.
 Shanghai Yonhong Mining Machinery Works, "Solid Hydraulic Pit Prop" brochure, undated.
 Heintzmann Corporation, "25-Ton Quick Timber, 55-Ton Prop" brochure, undated.
 Strata Products (USA) Inc., "Rocprop" brochure, 1999.

- (63) **Continuation-in-part** of application No. 10/371,377, filed on Feb. 21, 2003.
- (60) **Provisional application** No. 60/359,089, filed on Feb. 22, 2002, provisional application No. 60/398,290, filed on Jul. 24, 2002, provisional application No. 60/402,281, filed on Aug. 9, 2002.

* cited by examiner

Primary Examiner—Sunil Singh
 (74) *Attorney, Agent, or Firm*—The Webb Law Firm

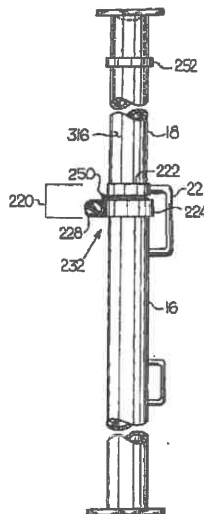
- (51) **Int. Cl.**
E21D 15/14 (2006.01)
 - (52) **U.S. Cl.** 405/288; 248/354.4
 - (58) **Field of Classification Search** 405/288, 405/290; 248/354.1, 354.3, 354.4; 285/199, 285/420; 24/284, 277; 403/110, 373, 377, 403/109.1
- See application file for complete search history.

(57) **ABSTRACT**

A yieldable prop having a first end and a second end including a first hollow conduit, a second conduit slidably received in the first hollow conduit, a clamp assembly positioned adjacent to the first hollow conduit and the second conduit, a ring positioned around the first hollow conduit, and at least one handle connected to the first hollow conduit and the ring. The clamp assembly includes a housing and a wedge. The prop further includes a bearing plate positioned at the first end of the yieldable prop, wherein the bearing plate is selected from a shape comprising planar and volcano.

- (56) **References Cited**
 U.S. PATENT DOCUMENTS
 844,385 A 2/1907 Mommertz

23 Claims, 13 Drawing Sheets



REPUBLIC OF SOUTH AFRICA			REGISTER OF PATENTS			PATENTS ACT, 1978			
OFFICIAL APPLICATION NO.			LODGING DATE: PROVISIONAL			ACCEPTANCE DATE			
22	01	2004/07932	22		47	4 MAY 2005			
INTERNATIONAL CLASSIFICATION			LODGING DATE: COMPLETE			GRANTED DATE			
	E21D			15 OCTOBER 2004			27 JULY 2005		
FULL NAME(S) OF APPLICANT(S)/PATENTEE(S)									
71	JENNMAR CORPORATION								
APPLICANTS SUBSTITUTED:						DATE REGISTERED			
71									
ASSIGNEE(S)						DATE REGISTERED			
71									
FULL NAME(S) OF INVENTOR(S)									
72	JOHN C. STANKUS and JOHN G. OLDSEN								
PRIORITY CLAIMED BY PCT INTERNATIONAL APPLICATION			COUNTRY		NUMBER		DATE		
N.B. Use International Abbreviation for country (See Schedule 4)			33	US	31	10/687,960	32	17 OCTOBER 2003	
TITLE OF INVENTION									
54	YIELDABLE PROP								
ADDRESS OF APPLICANT(S)/PATENTEE(S)				PITTSBURGH, PA, US					
ADDRESS FOR SERVICE				A & A REF:		PA0000ZA00			
74	ADAMS & ADAMS, Pretoria								
PATENT OF ADDITION TO NO.			DATE OF ANY CHANGE						
61									
FRESH APPLICATION BASED ON			DATE OF ANY CHANGE						

Document Q3

LICENSE AGREEMENT

1. ABC Plastics Products Inc., with offices located at Plastic Palace, 123 Harbour Road, New York, United States of America (the "**Licensor**") is the proprietor of South African patent number 2016/0251 entitled "Sealable Container and Lid Combination" (the "**Patent**").
2. The Licensor is the proprietor of designs and specifications (the "**Know-how**") for the manufacture of:
 - 2.1. plastics container and lid combinations allowing sealing of the lid on the container to provide an airtight sealed combination (the "**First Product**"); and
 - 2.2. plastics container and lid combinations allowing sealing of the lid on the container to provide an airtight sealed combination and the extraction of excess air from the sealed combination (the "**Second Product**"), which Second Product falls within the scope of the claims of the Patent.

(the First and the Second Products are jointly herein referred to as the "**Products**")
3. This license agreement shall come into force on the **[insert date]** of November 2019 (the "**Effective Date**") and shall continue until expiry of 25 (twenty five) years or until terminated in accordance with the provisions hereinafter contained, whichever is first (the "**Term**").
4. The Licensor herewith grants to Nationwide Retailer (Pty) Ltd, having its registered office at Block C, Sandown Office Park, 8 Impala Road, Sandown, Gauteng, South Africa (the "**Licensee**") from the Effective Date and for the Term the non-exclusive right to manufacture, package, market, sell and distribute the Products under the Patent in South Africa only ("the Territory").

5. The Licensee undertakes to and warrants that:
 - 5.1 It shall during the Term immediately bring any improper or wrongful use in the Territory of the Patent which comes to its attention to the attention of The Licensor;
 - 5.2 It shall during the Term assist The Licensor in and take all reasonable steps that may be necessary to secure and protect the rights in the Patent in the Territory and in accordance with the directions of The Licensor;
 - 5.3 It shall not manufacture, package, market, distribute, sell or export any of the Products in or to any country or territory outside the Territory unless with the written consent of The Licensor;
 - 5.4 All products manufactured by the Licensee shall correspond to the description and specifications as agreed to between The Licensee and The Licensor from time to time and that the Products shall be manufacture in accordance with reasonable quality control standards.
 - 5.5 It shall grant The Licensor full and unrestricted access during normal business hours to inspect any of The Licensee' manufacturing facilities and operations where any Products will be or is manufactured;
 - 5.6 It shall not and shall not cause any other party to, engage, directly or indirectly, in the Territory, in the manufacture, sale, distribution, import or export of products competitive with or similar to the Products;
 - 5.7 It shall not purchase or import into the Territory any products competitive with or similar to any of the Products;
 - 5.8 It shall diligently and continuously market, manufacture and distribute the Products throughout the Territory throughout the Term;
 - 5.9 It shall affix to the Products and it's packaging the mark "Manufactured under license from ABC Plastics Products (Pty) Ltd under SA Patent No. 2016/0251";

5.10 It shall not manufacture, package, market, sell or distribute any product of Tupperware International Inc; and

5.11 It shall sell the Products at the retail price and shall not provide any discounts on the sale of any of the Products in excess of a maximum discount, as advised by the Licensor from time to time.

6. The Licensee shall, within 30 (thirty) days of the end of each three month cycle after the Effective Date, in arrears, pay The Licensor a royalty on all sales of the Products during the relevant preceding three month period. The royalty shall be based on 5% (five percent) of the invoiced net sales price of each Products which The Licensee sells on an arm's length basis exclusive of VAT or any tax imposed on such sales by a competent authority.
7. The Licensee shall keep full, true and accurate books of account and records in accordance with generally accepted accounting practice containing all particulars that may be necessary for the purposes of showing the amount of royalties payable to The Licensor in terms of this license agreement. Such books of account and records shall be kept at the premises where The Licensee' business is carried on. The Licensee shall permit The Licensor at any time during business hours to have an independent chartered accountant of The Licensor' selection and at The Licensor' costs examine all of the aforementioned books of account and records (including information stored in computer readable form) and to take copies of all such documents, books and records to determine whether all appropriate accounting of royalties hereunder and payments thereof have been made.
8. This license agreement shall not be construed as constituting the parties as partners or agents of one another for any purpose whatsoever.
9. The rights and obligations of The Licensee are personal and The Licensee shall not be entitled to cede, assign or transfer its rights and obligations under this license agreement to any third party.
10. Either party shall have the right to terminate this license agreement by giving at least 3 (three) month's written notice to the other party provided that no such

notice of termination may be given by either party within the first 12 (twelve) months from the Effective Date.

11. Without prejudice to any party's rights in common law or under this license agreement an innocent party shall have the right at any time by giving written notice to the defaulting party to terminate the agreement forthwith in any of the following events:
 - 11.1. if the defaulting party commits any breach of any term or condition of this license agreement; and
 - 11.2. If defaulting party enters into liquidation whether compulsorily or voluntarily (otherwise than for the purposes of amalgamation or reconstruction) or compounds with its creditors or takes or suffers any similar action in consequence of debt.
12. The Licensee acknowledges that all rights, title and interest in and to the Patent vest in The Licensor, and save for the rights afforded in terms of this license agreement, The Licensee has no claim of any nature in and to the Patent. The Licensee undertakes not to attack or dispute, or assist any other party to attack or dispute, any rights which The Licensor may claim under the Patent.
13. All Information disclosed by the Licensor to the Licensee under this agreement which, by its nature, is confidential or proprietary, including, but not limited to, information related to the Products and Know-how shall, under all circumstances, be held secret by the Licensee. The Licensee may not disclose, publish or transfer such confidential or proprietary information, may use it only for the specific purposes contemplated in this agreement, and must treat it with the same degree of care as it does with its own similar information, but with no less than reasonable care. the Licensee's obligations under this section shall survive the expiration or termination of this agreement for a period of 5 (five) years.
14. This license agreement shall be governed in all respects by the laws of the Republic of South Africa. Any dispute arising from or on connection with this license agreement shall be finally resolved in South Africa in accordance with the

Rules of the Arbitration Foundation of Southern Africa ("the Foundation") by an arbitrator appointed by the Foundation. Notwithstanding the foregoing any party, pending finalisation of the arbitration, shall be entitled to obtain interim relief in the High Court having jurisdiction.

15. Any notice required to be given hereunder shall be given by hand or forwarded by registered post, recorded delivery service or telefax to the above address of the relevant party. Any notice sent by registered post or recorded delivery, shall be deemed to have been received 14 (fourteen) working days after such notice was sent and any notice sent by, telefax, unless proven otherwise, shall be deemed to have been received on the first working day of the recipient after such transmission. Any notice of any change of address must be given in writing by the party concerned and delivered by hand or sent by registered mail to the other party.
16. No indulgence or relaxation of rights granted by one party to the other party shall be prejudicial to or constitute a waiver of such party's rights under this license agreement or at law and any waiver of rights by a party to this license agreement shall not be construed as such unless such waiver is in writing and signed on behalf of the parties.
17. The Licensee herewith indemnifies The Licensor and undertakes to keep The Licensor indemnified against all claims of whatsoever nature, real or imagined, which may be made against The Licensor arising from the Products including but not limited to defective quality, late delivery or failure of any one of the Products in use.
18. This license agreement reflects the entire agreement between the parties and supersedes all previous agreements, undertakings or arrangements between the parties relating to the Products. This license agreement shall only be capable of being added to, subtracted from, varied, modified or consensually cancelled by a written agreement signed on behalf of the parties. The parties shall not be bound by any undertakings, representations, warranties, promises or the like not

recorded in this license agreement or made otherwise than in compliance with this provision.

19. In the event that any of the provisions of this license agreement are found to be invalid, unlawful or unenforceable, such term or clause shall be severable from the remaining terms or clauses, which shall continue to be valid and enforceable.

SIGNED at _____ on this the _____ day of _____ 2019.

AS WITNESSES:

1. _____

For and on behalf of:

1. _____

ABC Plastics Products Inc.

Full Name: _____

Position: _____

The signatory hereof warrants that he/she is dully authorised to enter into this Agreement on behalf of the Licensor

SIGNED at _____ on this the _____ day of _____ 2019.

AS WITNESSES:

1. _____

For and on behalf of:

1. _____

Nationwide Retailer (Pty) Ltd

Full Name: _____

Position: _____

The signatory hereof warrants that he/she is dully authorised to enter into this Agreement on behalf of the Licensee