

EXAMINATION

PATENT EXAMINATION BOARD

SOUTH AFRICAN INSTITUTE OF INTELLECTUAL PROPERTY LAW

SOUTH AFRICAN DESIGN LAW AND PRACTICE 2022

ONE FOUR HOUR PAPER (240 MINUTES)

CLOSED BOOK EXAMINATION – NO REFERENCE MATERIAL ALLOWED

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MODERATOR: H VAN SCHALKWYK

THIS PAPER CONSISTS OF TWELVE (12) PAGES (INCLUDING THIS COVER PAGE)

PLEASE WRITE LEGIBLY

QUESTION 1

Today is your first day of work at an intellectual property law firm. Your predecessor was apparently dismissed for gross negligence after having let a number of the firm's clients' registered designs lapse.

1.1 Your first task is to review two (2) of your predecessor's registered design cases to determine their respective statuses and to make sure your predecessor hasn't let the same happen to them. Your assistant has kindly provided you with the register extract (D2) of each case, which are provided on page 3 and 4 of this question paper, respectively, and are marked "1.1A" and "1.1B".

1.1.1 For each of 1.1A and 1.1B, state when the next renewal payment is due or was due, as the case may be. **(2)**

1.1.2 For each of 1.1A and 1.1B state when each of the registered designs is expected to expire, assuming that all renewal payments are made when they become due. **(2)**

1.2 What can be done to remedy a situation where a registered design has lapsed, as has happened with some of your predecessor's other cases mentioned above? State the requirements for any such remedy, as well as briefly explaining the procedure to be followed. **(8)**

1.3 Can the proprietor of a registered design be exposed to any risks in pursuing the remedy referred to in your answer of 1.2? **(3)**

[15]

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REPUBLIC OF SOUTH AFRICA
DESIGNS ACT, 1993

REGISTER OF DESIGNS

Official Application No:
A2017/12345

Date of Lodgement:
10 May 2017

Classification
08

Applicant(s):
TEST AND SONS CORPORATION (PTY) LTD
12 Church Street, Koekenaap

Type of design Part A Part F

Release date (if applicable): **15 March 2017**

PRIORITY CLAIMED	COUNTRY	NUMBER	DATE

Article to which design is to be applied: **AXE HEAD**

ADDRESS FOR SERVICE

The IP Firm
Docex 11, Cape Town
P O Box 113, Cape Town
1001, South Africa

RENEWALS			
Year	Date Paid	Receipt	Penalty
4	9 February 2020	RD2020-00056	
5	2 April 2021	RD2021-02124	R82,00
6	5 March 2022	RD2022-00105	

Restoration				
Date applied for	Advertised	Opposed	Restored by	Date of restoration

REPUBLIC OF SOUTH AFRICA
DESIGNS ACT, 1993

REGISTER OF DESIGNS

Official Application No:
A2018/05642

Date of Lodgement:
28 October 2018

Classification
13

Applicant(s):
SPARX, LLC
5 Electron Street, San Francisco, CA, United States

Type of design Part A Part F

Release date (if applicable): **N/A**

PRIORITY CLAIMED	COUNTRY	NUMBER	DATE
	United States	29/512,346	25 June 2018

Article to which design is to be applied: **ELECTRICITY OUTLET SOCKET**

ADDRESS FOR SERVICE

The IP Firm
Docex 11, Cape Town
P O Box 113, Cape Town
1001, South Africa

RENEWALS			
Year	Date Paid	Receipt	Penalty
4	20 June 2021	RD2021-02806	

Restoration				
Date applied for	Advertised	Opposed	Restored by	Date of restoration

QUESTION 2

The dismissed predecessor mentioned in question 1 above, JR, is struggling financially. He has accordingly turned to the underground world of illegal street racing in order to make ends meet. He is making use of his stock-standard Lexus vehicle, but is struggling to gain the respect of his fellow racers without any customisation to his vehicle. The handling of the stock-standard Lexus is also less than ideal. The aerodynamic properties of the vehicle do not provide the necessary down-force to maintain grip around corners.

JR has designed a custom spoiler (wing on the rear of the vehicle). The prototype of his spoiler is shown in grey in Figure 1 below, installed on his Lexus. JR designed the spoiler to alter or customise the appearance of his stock-standard vehicle, and to have an intimidating look. Advantageously, the spoiler also provides an improvement in the handling of the vehicle due to the aerodynamic effects of the spoiler.

JR wants to protect his spoiler design by means of a registered design, and turns to you.

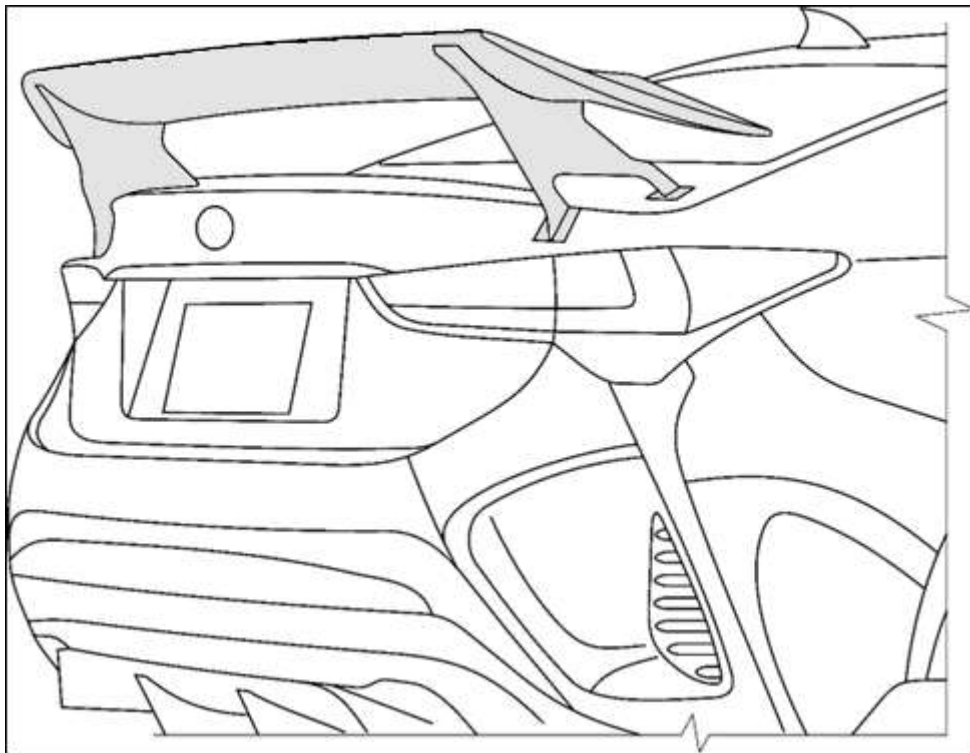


Figure 1: JR's spoiler prototype on his Lexus

- 2.1 Can JR protect his spoiler design, being a part for a vehicle, by means of a registered design? Refer to case law where relevant. **(5)**
- 2.2 JR's financial situation only allows him to file a single registered design application. Remind JR of the types of registered designs registrable in terms of the Designs Act and motivate to JR which type of registered design (or in which part of the register) he should file. Refer to case law where relevant. **(5)**

2.3 JR intends to manufacture the spoilers by hand in a relatively unsophisticated process using carbon fibre and resin, and can realistically manufacture only 4 of them a month. JR is concerned about the registrability of the design, as he vaguely recalls that designs for articles that are not intended to be multiplied in an industrial process are excluded from registrability in terms of the Designs Act. Advise JR referring to case law. **(3)**

2.4 Due to his financial hardship, JR is hesitant to proceed with the registered design application and is considering whether he cannot rely on copyright to protect his design. Advise JR whether or not he can rely on copyright. **(5)**

[18]

QUESTION 3

Your client, Lin, consults with you and explains that has designed a baby carrier and sells them as “bespoke artisanal baby carriers” on her online social media-based marketplace. She posted the baby carrier on her open social media account on 1 March 2022 for a launch special.

3.1 Lin has since learned that one can protect the design of an article of manufacture with a registered design. However, from what she could find out herself the design must be new in order to be registrable. Advise Lin as to whether she can still file and obtain a valid South African registered design for her baby carrier, including a discussion of the circumstances under which a design will be deemed “new” in terms of the provisions of the Designs Act. **(5)**

3.2 Lin now further reveals that a large South African retail chain has started making and selling her baby carrier subsequent to her social media post, and she wishes to file the application for the registered design for the baby carrier in order to stop the retail chain from further making and selling the baby carrier (as soon as it proceeds to registration). Advise Lin on the merits of her strategy. **(4)**

3.3 Your further investigation reveals that the retailer has in fact not yet started making or selling the baby carriers. They are advertising the baby carriers in their 2023 catalogue. Do these facts change your answer in 3.2 above? Explain. **(3)**

3.4 You explain to Lin that it will take a week or so to prepare the registered design application. She mentions that, in that case, she will mark her social media account, all marketing material, and the like in the meantime with “South African Registered Design” to scare off any other would-be infringers. Advise Lin whether she should proceed to do so. **(3)**

[15]

QUESTION 4

Your client, Rory, is the registered proprietor of a South African registered design for a golf club. The registered design is in force with 8 years left until it expires.

The definitive statement of the registered design reads as follows:

The features of the design for which protection is claimed are those of the shape and/or configuration of a golf club, substantially as illustrated in the accompanying representations. Break lines in the drawings indicate a variable length of a shaft of the golf club.

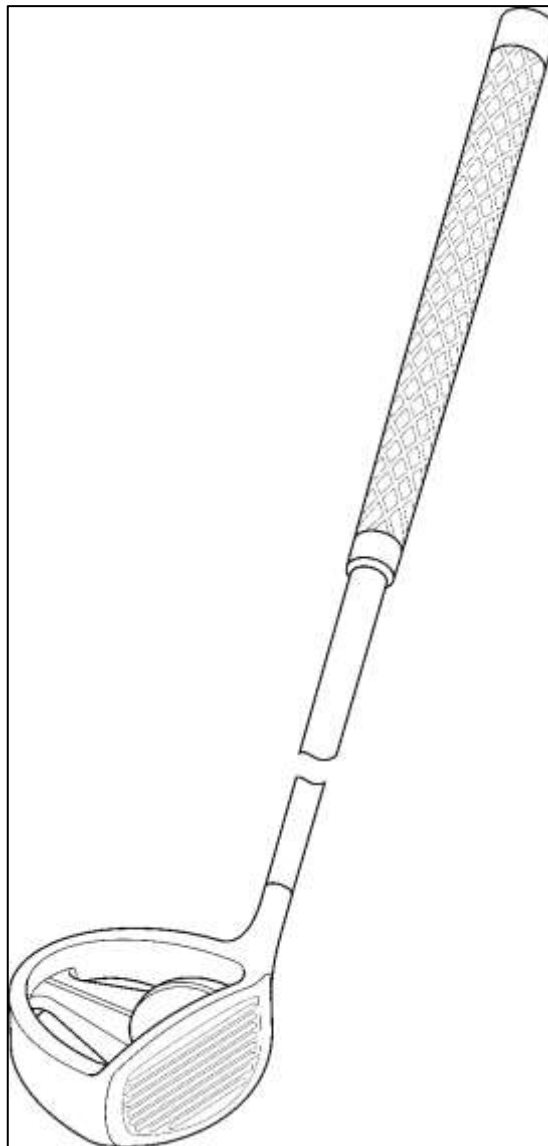


Figure 2: Publication figure of registered design for your client's golf club

Rory informs you that, at the time of filing, they considered the prominent novel features of the design to have been the shape and configuration of the head of the golf club. Disappointingly, this golf club has not proven to be as successful as hoped. However, a competitor has since started using the same pattern and ornamentation on the grips of their golf clubs as is depicted on the grip of the golf

club of the registered design. Rory accordingly wishes to amend the definitive statement of his registered design to read as follows, with underlined text indicating additions:

The features of the design for which protection is claimed are those of the shape and/or configuration and/or pattern and/or ornamentation of a golf club, substantially as illustrated in the accompanying representations. Break lines in the drawings indicate a variable length of a shaft of the golf club.

4.1 Advise Rory whether the desired amendment stated above is allowable. (5)

4.2 Would your answer in 4.1 have been different if the application for the registered design was still pending? (3)

[8]

QUESTION 5

An attorney friend of yours that practices in labour law seeks your input on a few IP-related clauses, clauses 10 and 11 of a draft contract she has prepared which are to be included in a contract of employment.

5.1 Advise your friend on the validity of draft clauses 10 and 11 in the case where the contract is being drafted for an engineering company and being intended for an accountant recruited for their finance department, and where clauses 10 and 11 read as follows:

10. *The employee acknowledges that the company is in the business of designing new designs for articles of manufacture, and that the employee is obliged to assign to the company any and all rights to designs made by the employee whilst being employed by the company.*

11. *The employee's obligations in terms of clause 10 shall survive for one (1) year following the termination of the employee's employment with the company.*

(3)

5.2 Advise your friend on the validity of draft clauses 10 and 11 in the case where the contract is being drafted for an engineering company and being intended for an industrial designer recruited for their design department, and where clauses 10 and 11 read as follows:

10. *The employee acknowledges that the company is in the business of designing new designs for articles of manufacture, and that the employee is obliged to assign to the company any and all rights to designs made by the employee whilst being employed by the company.*

11. *The employee's obligations in terms of clause 10 shall survive for two (2) years following the termination of the employee's employment with the company.*

(3)

[6]

QUESTION 6

Your clients have identified a lucrative market for table-top pizza ovens, but have also identified a registered design that may be problematic. They wish you to investigate whether the registered design may be vulnerable and could, if required, be revoked.

6.1 List the grounds on which a registered design could be revoked. **(5)**

6.2 Upon investigation you note that the registered design in question includes two different designs. Can your clients rely on this fact to have the registered design revoked? **(2)**

[7]

QUESTION 7

You receive a frantic phone call from your client, who tells you that she has received a letter from an attorney alleging that she is infringing the registered design of the party the attorney represents. The information given to you over the phone is that the registered design is for a "cutlery set".

7.1 Your client denies outright that she is infringing the registered design and claims that the letter constitutes pure harassment. Based on the information you have been given so far by the client, advise your client whether anything can be done to remedy the situation. **(3)**

7.2 After asking further probing questions, your client admits that she is selling a knife with an ornate handle, which bears a striking resemblance to the knife shown in the drawings provided with the letter she received. However, the defence your client advances is that she is not selling the entire cutlery set, but only the knife and, as such, she does not infringe the registered design. Advise your client on the merits of her defence. **(3)**

7.3 You eventually tell your client that it is difficult to advise her without having had opportunity to consider the letter in detail. The client sends you the letter, which reads (in part):

Our client believes on reasonable grounds that you may be contemplating making, importing, using and/or disposing of a knife which is not substantially different from the registered design, and which falls in the same class as that within which the registered design has been registered.

This letter serves as a notification of the existence of our client's registered design. We have been informed by our client that they protect their intellectual property rights in South Africa as a matter of policy. You are therefore urged to take cognisance of our client's registered design going forward.

Does this information change your answer in 7.1? Explain.

(3)

[9]

QUESTION 8

You consult with a client who is the joint proprietor of a South African registered design. The client and his business partner applied jointly, in their respective personal capacities, for the registered design, without any agreement regarding the joint ownership of the registered design. The application was filed by another firm.

The relationship between the two has since soured, and the client is concerned because the firm that filed the application warned them that there are limitations to what a joint proprietor of a registered design can do with it or in respect of it.

Address or comment on each of the client's concerns below.

8.1 The client is concerned because the deadline for the payment of the registered design's renewal fee is due shortly. **(2)**

8.2 The client has received a cash offer from a third party for his share in the registered design. He wishes to assign his share in the registered design to the third party in exchange for the amount offered by them. **(2)**

8.3 If all else fails, the client wishes to abandon his business dealings with the other joint proprietor and start selling the article embodying the registered design on his own through a new business venture. **(2)**

[6]

QUESTION 9

Your client, KidsCo (Pty) Ltd, manufactures and sells children's toys. They have recently posted an advertisement of their new ride-on toy shown in Figure 3 below on their social media account.

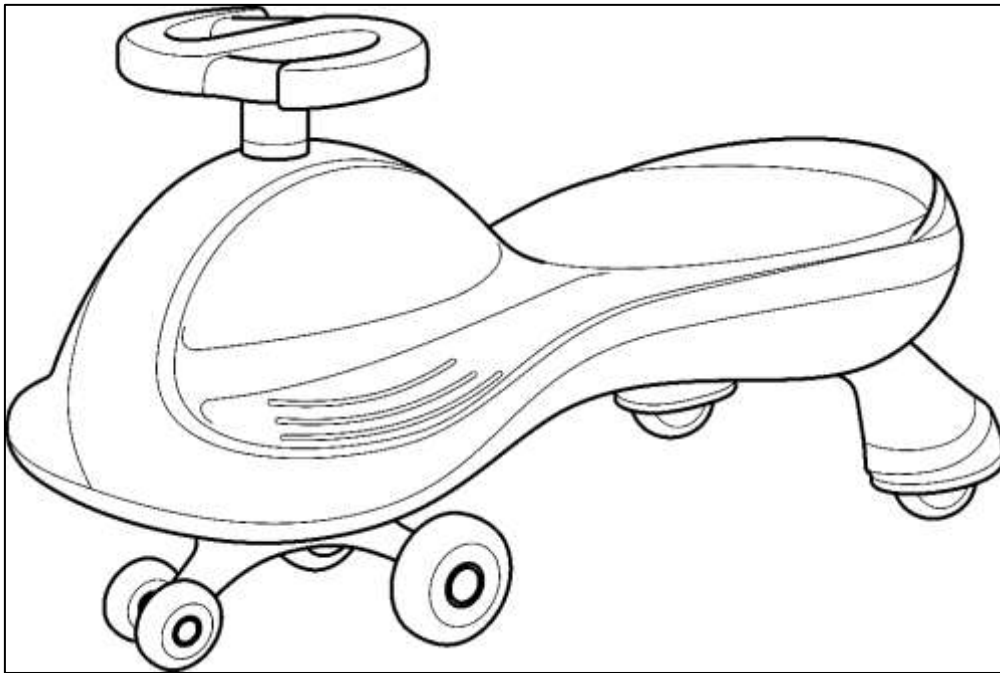


Figure 3: Your client's toy (allegedly infringing article)

They have had 1,000 units manufactured in China. The imported stock recently arrived at their warehouse, where the toys are to be packaged for retail. They were intending to start selling the toys in September 2022.

However, they have just received a letter of demand from attorneys representing SmartRide LLC, a US company that distributes children's toys in South Africa. SmartRide is, apparently, the registered proprietor of South African aesthetic registered design no. A2020/14230 for "A RIDE-ON TOY", which is registered in class 21 (which includes games, toys, tents and sports goods). A copy of A2020/14230 accompanied the letter, and includes the following representation:

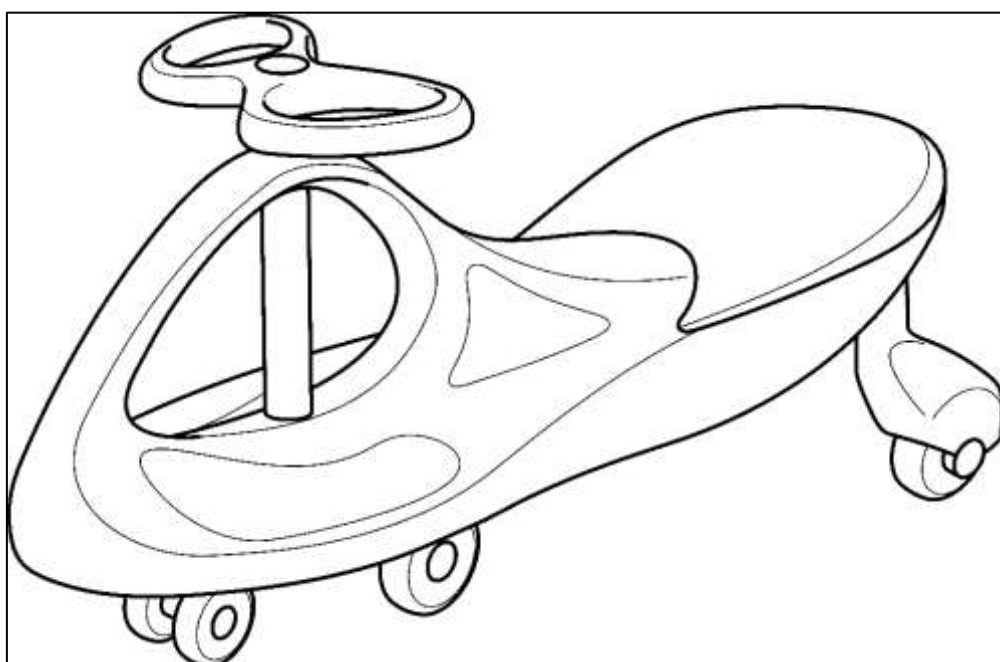


Figure 4: Registered design

The definitive statement reads:

The features of the design for which protection is claimed are those of the shape and/or configuration and/or pattern and/or ornamentation of a ride-on toy, substantially as illustrated in the accompanying representations.

The letter alleges that KidsCo are infringing A2020/14230, and SmartRide's letter includes various demands, including that KidsCo must cease infringing the registered design and must hand any stock in their possession or under their control over to SmartRide for destruction.

KidsCo are aware of a ride-on toy that has been on the market since 2015, which is shown in Figure 5 below.

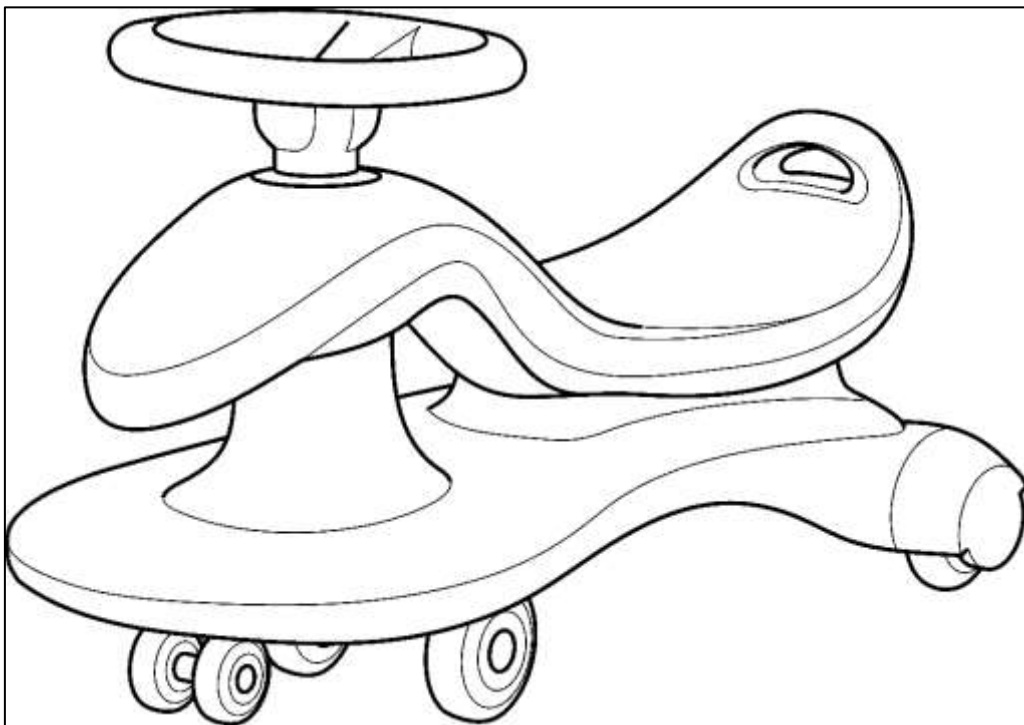


Figure 5: Prior art

Advise KidsCo on the merits of SmartRide's letter, and particularly whether KidsCo, in your opinion, have (and are) infringing A2020/14230.

(16)

[16]

TOTAL: 100