

92/9617-PJ

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JUDGMENT

Sneller Verbatim/PJ

COMMISSIONER
OF
PATENTS

~~IN THE HIGH COURT OF SOUTH AFRICA~~

~~(TRANSCAAL PROVINCIAL DIVISION)~~

PRETORIA

CASE NO: 92/9617

2003-06-19

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DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE YES/NO

(2) OF INTEREST TO OTHER JUDGES YES/NO

(3) REVISED

DATE 31-8-03 SIGNATURE BR Sneller

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In the matter between

GLAXO GROUP LTD

Applicant

and

CIPLA-MEDPRO (PTY) LTD

31/7/03
dlm

Respondent

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J U D G M E N T

SOUTHWOOD J: The applicant is the patentee of South African Patent no. 92/9617 ("the patent") which relates to aerosol formulations for use in the administration of medicaments by inhalation.

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On 27 February 2003 the applicant delivered an application to amend the patent and on 28 February 2003 the respondent delivered an application to revoke the patent. Both applications are opposed.

As it stands at present the patent has 24 claims. The applicant wishes to amend the patent by reducing the scope of the claims. The

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patent, if amended, will have only ten claims and the active ingredients and propellants to be used in the aerosol formulation will be limited. Certain other limitations will also be introduced into the claims. It is clear that the scope of the patent will be substantially reduced if the amendment is granted. 5

The application to revoke the patent is directed against the unamended patent. The respondent relies on two grounds for the revocation of the patent:

1. That the claims of the complete specification of the patent are not fairly based on the matter disclosed in the specification: i.e. 10
s.61(1)(f)(ii) of the Patents Act, 57 of 1978 ("the Act"); and
2. That the invention is not patentable under s.25 of the Act because it did not involve an inventive step in that it would have been obvious to a person skilled in the art having regard to matter which formed part of the state of the art by virtue of 15
s.25(6) of the Act: i.e. s.61(1)(c) of the Act.

If the patent is amended pursuant to the application to amend, the nature of the claims will be substantially reduced and on the face of it will be very different. For that reason the applicant's attorney suggested on 20 March 2003 that the revocation application be 20
suspended pending the outcome of the application for amendment. That was also raised in the applicant's counter-statement to the respondent's application for revocation which the applicant delivered on 24 April 2003.

The respondent's attorney has consistently refused to enter into 25
such an agreement and has taken up the attitude that the application

for amendment and the application for revocation should be heard together in terms of s.61(3) of the Act.

The applicant wishes to avoid the unnecessary effort and expense of filing evidence in answer to the respondent's evidence filed in support in the respondent's application for revocation which will possibly be irrelevant if the amendment now sought is granted. Hence this application.

The applicant now seeks an order in the following terms:

"That the due date for filing of the applicant's evidence in the revocation proceedings instituted by the abovementioned respondent, in relation to South African Patent 92/9167 on 28 February 2003, be extended to a date 20 court days after the date on which the amendment proceedings instituted by the abovenamed applicant, in relation to South African Patent 92/9617 on 27 February 2003, has been finally decided."

During argument counsel for the applicant suggested that this prayer be amended by introducing the alternative that the decision be that of the Commissioner of Patents. I shall be guided by counsel in that regard.

The applicant also seeks alternative relief and an order that the respondent pay the costs of the application.

In the heads of argument filed on behalf of the respondent, the respondent raises various objections to the way in which this application has been brought. In essence the objection is that the applicant has not complied with the rules relating to urgent applications. It is not necessary to deal with the objection other than

to point out that the matter was given preference on the opposed motion roll by the Deputy Judge President to enable the court to resolve the dispute which has arisen. It was clear and it is still clear that this is a matter which should be decided by the court before the applicant is required to file its answering evidence. 5

The respondent's counsel did not pursue the point of lack of authority after receiving the applicant's replying affidavit in which the issue was put beyond doubt. Although the matter was not argued before me, I am not persuaded that the authority of the applicant was clearly defective. In view of the respondent's approach it is not necessary to deal with the matter further. 10

In seeking the relief referred to the applicant relies on s.19(1) of the Act which reads as follows:

"Save as is otherwise provided in this Act, the procedure in connection with any proceedings before the commissioner shall, as far as practicable, be in accordance with the law governing procedure in civil cases in the Transvaal Provincial Division of the Supreme Court of South Africa, and in default thereof and where no relevant provision is made in this Act, the commissioner shall act in such manner and on such principles as he may deem best fitted to do substantial justice and to give effect to and carry out the objects and provisions of this Act." 15 20

It is clear that this section gives the Court the power to regulate its proceedings. In *Deton Engineering and Another v J P McKelvey* 1997 BIP 113 (CP) at 118B-D VAN DIJKHORST J said: 25

"In terms of s.17(1) of the Act the Commissioner has all the

powers and jurisdiction of a single judge in a civil case before a Provincial Division of the High Court. The Court of the Commissioner of patents therefore has the inherent power to control its own process and the Commissioner must in terms of s.19(1) apply the principles and act in a manner best suited to do substantial justice between the parties and give effect to the objects of the Act where the law of procedure in civil cases in the High Court does not provide the answer."

A patentee has a statutory right to apply for the amendment of the patent - *Deton Engineering (Pty) Ltd and Another v J P McKelvey and Others, supra* at 121 - even if the purpose of the amendment is to rectify or validate the patent. In fact, as pointed out by HARMS JA in *Water Renovation (Pty) Ltd v Goldfields of SA Ltd* 1993 BP 493 (AD) at 502B-C an application for the amendment of a patent is usually based on the ground that the patent in its unamended form is, or may be invalid. Furthermore, as pointed out by the same judge in *Bateman Equipment Ltd and Another v The Wren Group (Pty) Ltd* 1999 BIP 413 (AD) at 415A-D:

"The nature and object of amendment proceedings must be seen in the context of our patent system as a whole. Ours is a non-examining country and an alleged inventor is entitled to a patent for his supposed invention without having to satisfy anyone of its merits or validity. He does not have to give any reasons for his choice of wording. Should he sue for infringement, he has no duty to assist the alleged infringer in establishing whether his monopoly is valid or not. Why should

he be saddled with the burden if he wishes to reduce the scope of his protection in an attempt to render the patent valid, while in obtaining or enforcing a monopoly he bears no similar burden? As much as it is in the public interest that persons with inventive minds should be encouraged to give the results of their efforts to the public in exchange for the grant of a patent (See *F Miller v Boxes and Shooks (Pty) Ltd* 1945 (AD) 561 at 568 and 578), it is in the public interest that patents should be rectified or validated by way of amendment." 5

The importance of the status of the patent is highlighted by the judgment of the Court in *Gentiruco AG v Firestone SA (Pty) Ltd* 1972 (1) SA 589 (AD) at 613F-G where the Court said that the first step which had to be taken was to establish the nature of the patent and its scope. 10

It is clear that the purpose of the applicant's application for amendment is to avoid a finding of invalidity. 15

It seems to be well established that an application for the amendment of a patent will usually be heard before an application for the revocation of that patent. The learned author of BURRELLS, South African Patent and Design Law, 3rd ed. points out at para 8.19: 20

"In earlier practice before the Court of the Commissioner of Patents, where revocation (or opposition) proceedings were pending the general rule was for the amendment application to be disposed of first and, that having been accomplished, the revocation application proceeded as a separate matter set down on a later day. This practice clearly gave the applicant for 25

revocation a procedural advantage in that he was able, as it were, to have two bites at the cherry."

In *Basic Products Corporation v Advance Transformer Co and Another* 1968 (1) SA 725 (AD) at 737F-G WILLIAMSON JA put the matter as follows:

"From the practical point of view - even apart from the manner in which the words used in the prior section 47(10) in the 1916 Act were interpreted in the English Courts - I consider that no good reason has been made to appear why a timeous application for an amendment duly made under section 36 should be suspended merely because of a subsequent filing of revocation proceedings. *Prima facie* the patentee is entitled by amendment to try and put his specification or claim on a proper basis, and he should do so, if he discovers flaws therein, provided he does not thereby prejudice the position of any third parties in already pending proceedings and there is no real reason why a person who has not timeously started revocation proceedings before the patentee has himself started proceedings to rectify a specificational claim should have the right to prejudice such attempt by the patentee to remove the risk of attack on the patent."

That seems to be the approach of the Commissioners of Patents under the new act. See *Multiknit 2000 (Pty) Ltd v Industrial Netting and Mining Products (Pty) Ltd* 1995 BP 381 CP at 387E-F; *Deton Engineering (Pty) Ltd and Another v J P McKelvey and Others, supra*, at 118F-H and *Byk Gulden SA Ltd v A B Håssle and Another* and

Bayer (Pty) Ltd v A B Hásse and Another 1995 BP 182 CP at 183A-D.

This approach is clearly based on the view that the status of the patent is crucial to the determination of the issues which will arise in the later proceedings e.g. for infringement or revocation. That seems to me to be the general approach in these matters. There may be cases where it will not be applied.

Even if the application for amendment and the application for revocation were to proceed until they were ready for hearing, it is by no means certain that they would be heard together. There is no certainty that the Commissioner of Patents will be prepared to hear the two matters together and he cannot be compelled to do so. The respondent apparently wishes to place the revocation proceedings before the Commissioner of Patents when the application for amendment is heard, but other than a reference to s.61(3) of the Act there does not appear to be any justification for this. It seems to be in conflict with the principles already referred to and even if the two matters were set down to be heard together, it seems clear, in view of the same principles and some of the judgments referred to, that the Court would hear the application for amendment first so that there is certainty about what the patent is. In deciding the application for amendment it is, in my view, unlikely that the Court will have reference to the evidence in the application for revocation.

If the amendment is granted the application for revocation can be adjudicated upon. It will be a different application for revocation than the one presently pending. It has been argued that if the parties

file all the relevant evidence for the purposes of the present application for revocation, the matter will still be able to be argued and adjudicated upon by the Commissioner of Patents. On the argument presented to me and on the facts of which I am aware, I am not satisfied that that is necessarily so. I would be hesitant to make such a finding unless it was clearly demonstrated to be so. I think it is more likely that the matter would have to be approached very differently and that would be canvassed in the evidence. If I err in this view I err on the side of caution.

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The applicant's counsel has submitted that there is no reason to depart from the principles which have been established over the years. On the facts of this case I have not been persuaded that this is wrong. The respondent's counsel has referred to commercial prejudice which may be suffered by the respondent. I am not satisfied that this is the kind of prejudice which should alter the approach to the matter.

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The order sought will also not cause substantial prejudice to the respondent. It will still be entitled to apply for the revocation of the patent, but it will be the amended patent and it will take place in due course. See *Deton Engineering (Pty) Ltd and Another v J P McKelvey and Others, supra* at 118E.

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In my view the procedure advocated by the applicant is the correct one. It would make no sense to allow the two applications to proceed together in the hope that they will ultimately be heard together. There is no certainty on that issue and if the application for amendment is granted the present application for revocation may

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prove to be abortive. In my view it is important that the status of the patent be determined first, that wasted effort and expense be avoided and that the matters be presented to the Court in as simple and uncomplicated manner as possible.

Both parties have employed senior counsel and I shall therefore 5
allow the costs of two counsel.

I make the following order:

1. The due date for filing of the applicant's evidence in the revocation proceedings instituted by the respondent in relation to South African Patent 92/9167 on 28 February 2003 is 10
extended to a date 20 days after the date on which the amendment proceedings instituted by the applicant in relation to South African Patent 92/9617 on 27 February 2003 has been decided by the Commissioner of Patents.
2. The respondent is ordered to pay the costs of this application 15
including the costs consequent upon the employment of two counsel.

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