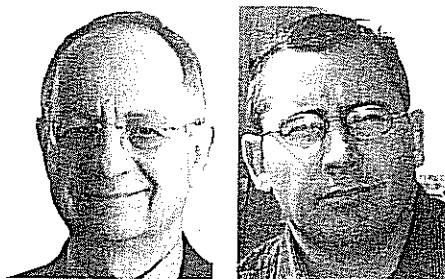


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## Patent delay costs

Delay in correcting or amending a patent may be costly

Occasionally, errors in a patent specification go unnoticed and are retained in a granted patent. This can happen in any jurisdiction. In South Africa, however, errors are more likely to remain undetected because the South African patent system is a depository rather than an examining patent system. In other words, the claims of a South African patent specification are not examined for novelty, inventiveness, and utility. By contrast, the specifications of patents filed in examining jurisdictions, such as the United States of America or Europe, undergo a rigorous examination of their content. Errors in the specification are then likely to be uncovered and, where possible, corrected during the examination process prior to grant.

In addition, a large majority of the patent applications filed in South Africa originate offshore, and often the South African patent application is merely one of several corresponding patent applications filed in various countries throughout the world. As the South African application does not undergo a time-consuming examination procedure, it is likely that it will be accepted and granted long before its co-pending siblings are accepted in their respective jurisdictions. In such circumstances, the patentee is well advised to amend his South African application to correspond to a granted patent in an English-speaking examining jurisdiction as soon as possible. However, this rule is more often

honoured in the breach than in the observance, as was the case in a recent patent matter heard in the Court of the Commissioner of Patents.

In summary, the facts of *H Lundbeck A/S and Lundbeck SA (Pty) Ltd v CIPLA Medpro (Pty) Ltd* (Court of the Commissioner of Patents for South Africa, 20 June 2008, unreported) were as follows. The applicant, a Danish pharmaceutical company, is the patentee of South African Patent No 89/4476, which was granted on 25 April 1990 and is due to expire on 13 June 2009. The patentee had been warned that the respondent intended to put a product on the market in competition with the patentee's and that, in the respondent's view, the patent was invalid and unenforceable. With no time to spare, the applicant applied urgently for an interim interdict against the respondent and, simultaneously, for the correction or amendment of the patent to cure at least one of the grounds for its invalidity.

It was common cause that if a single claim of the patent is invalid, no interim relief may be granted on the patent (see *Deton Engineering (Pty) Ltd & another v JP McKelvey & others* 1995 BP 228 (CP) at 236–239). So, to succeed, the applicant had to cure the invalidity either by correction or by amendment.

The patentee of an invalid patent may, depending on the circumstances, apply either

for the correction of a clerical error in terms of section 50 of the Patents Act 57 of 1978, or for an amendment in terms of section 51 of the Act. The crucial difference between the relief afforded under section 50 and that afforded under section 51 is that section 50 does not restrict the scope of the claims of the patent after amendment (assuming that it is the claims that are in issue), whereas section 51 requires that the amendment does not have the effect of broadening the scope of protection afforded by the patent. However, in order to succeed in a section 50 correction, the applicant must provide evidence to show that the error is actually a clerical error. In *McCauley Corporation Ltd v Brickor Precast (Pty) Ltd* 1989 BP 314 (CP) at 331-332, the court defined clerical errors as errors that were made through carelessness and stated that 'a careless error because it is unintentional is a clerical error'.

Perhaps not surprisingly, since about eighteen years had elapsed since the drafting of the patent specification, Lundbeck could not provide proof of the circumstances in which the errors had arisen, and failed to convince the court that it should allow the claims to be corrected under section 50. That being so, it fell to the court to consider whether the applicant could succeed in its application to amend the patent under section 51. Here it was not necessary for the applicant to provide evidence of the circumstances in which the errors arose, but the applicant was limited to amendments that would not broaden the scope of the claims. The court had no difficulty in finding that the amendments sought could not be allowed, because they failed to meet this essential requirement. So the court found against the applicant.

Although it is not a statutory requirement for correction or for amendment that the patentee act without undue delay, our case law has established that culpable delay is a ground on which to oppose an application for the correction or amendment of a patent. In the case under consideration, the respondent did

indeed raise culpable delay on the part of the patentee as a ground of objection. The applicant itself presented evidence to show that the errors in issue in the proceedings had come to light during the prosecution of a corresponding Canadian patent application in 1992 or 1993 and that the same errors were found to exist in all of the applications filed in this family of patents throughout the world. These errors were corrected in other jurisdictions, but not in South Africa.

In incidental statements not strictly necessary for its finding, the court in this case went to some lengths to consider and pronounce on the issue of culpable delay in the correction or amendment of a granted patent. The Commissioner quoted from *Barmac Associates Ltd v SA Dynamics* 1991 BP 16 (CP) at 20G to the effect that '[a] delay is culpable if there is a deliberate intention to delay knowing full well that some of the claims are invalid and there is proof that the patentee knowingly and deliberately maintained claims of unjustified width'.

The lesson, particularly for foreign patentees, is to amend their South African patent to correspond to the permitted text of a co-pending foreign patent application, as soon as they become aware that the South African patent may be defective

The Commissioner went on to quote from *SA Druggists Ltd v Bayer AG* 1989 (4) SA 103 (A) at 107-108 as follows:

'A deliberate intention to delay knowing full well that some of the claims are invalid can in some circumstances be a bar to amendment. Even though a patentee never attempted to enforce these he has created an area which prevented competitors from freely entering it.'

By contrast, the Commissioner also quoted from TD Burrell *Burrell's South African Patent and Design Law* 3 ed (1999) ¶ 8.15.3, which summarizes the state of the law on culpable delay as follows:

'A delay on the part of a patentee in bringing an application to amend the patent specification can found the basis of opposition to the grant of the application but such a delay should only disentitle the patentee of an amendment if the patentee had endeavoured to misuse the patent, for instance by seeking to rely on it knowing full well of its inutility; delay without prejudice to someone cannot be relied upon.'

Finally, the Commissioner felt obliged to conclude that:

'Although the respondent has not demonstrated any prejudice the existence of the patent created an area which prevented competitors from freely entering there. That would seem to be good reason for refusing the correction of the errors or the amendment of the patent.'

There is a line of cases holding that, in order to succeed, an objection to an amendment or correction based on culpable delay must demonstrate not merely knowledge of the

existence of the problem but also prejudice to a member of the public (other than simply the fact that an invalid patent was allowed to remain on the Register). Nevertheless, it seems that the Commissioner in the present case considered the delay by the patentee (in the full knowledge that his patent was defective) to be culpable.

The lesson, particularly for foreign patentees, is to amend their South African patent to correspond to the permitted text of a co-pending foreign patent application, as soon as they become aware that the South African patent may be defective. Even if the South African patent is not fatally flawed, the divergence between the wording of the permitted text of foreign patents and the text of the South African patent will inevitably be pounced upon by an opponent should it become necessary for the South African patent to be defended against attack or be enforced. The court will be invited to infer that the patentee was obliged (for whatever reason) to amend his foreign patent specification, but failed to make corresponding amendments to his South African patent specification.

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