

IN THE HIGH COURT OF SOUTH AFRICA  
GAUTENG DIVISION, PRETORIA



CASE NO.: 2010/03199

(1)	REPORTABLE: YES / NO
(2)	OF INTEREST TO OTHER JUDGES: YES/NO
(3)	REVISED.
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In the matter between:

HAHN & HAHN INC

Applicant

And

TRUSCO GROUP INTERNATIONAL (PTY) LTD

Respondent

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JUDGMENT

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van der Westhuizen, J

[1] This application related to the validity of SA Patent 2010/03199, entitled "*TRANSACTION FACILITATION SYSTEM*". The respondent

was the registered proprietor (patentee) of the patent. The applicant applied for the revocation of the patent premised upon various grounds of invalidity as provided for in section 61 of the Patents Act 57 of 1978, (the Act). The respondent applied for a conditional counterclaim for an amendment to the patent specification relating to the deletion of specific claims thereof.

- [2] The patent lapsed due to non-payment of the prescribed renewal fees. The lapsing of the patent, and the consequences thereof formed the basis of an action for damages between the parties, the present applicant being the defendant in that action by the present respondent. Nothing turns on that action in respect of the present application. That was common cause between the parties.
- [3] On the issue of the grounds for revocation of the patent, the applicant alleged that the patent was invalid for want of novelty, lack of inventive step, a method of doing business, material misrepresentation and that the patentee was not a person entitled to apply for the grant of a patent.<sup>1</sup>
- [4] The procedure for the revocation of a patent is hybrid in nature between an action and an application on Notice of Motion. A party seeking the revocation of a patent is obliged: to apply on the specified form P20 as prescribed in terms of the Act for the revocation of the patent; to file a Statement of Particulars; and to file its evidence in support by way of affidavit. In opposing an application for revocation of its patent, the patentee is obliged to file a Counterstatement, in the form of a plea, and evidence in support thereof by way of affidavit.
- [5] In the present instance, the respondent filed a special plea that related to where a patent lapsed due to the non-renewal of the prescribed fees, a lapsed patent cannot be revoked post lapsing thereof. The respondent further filed a conditional counterclaim for an amendment

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<sup>1</sup> Section 61 of the Act

to the patent specification by the deletion of certain claims in the patent specification, should the court find that a lapsed patent can be revoked.

[6] In its heads of argument the respondent conceded, and correctly so, that a lapsed patent can be revoked.<sup>2</sup> Consequently, the respondent abandoned its special plea. It required no further consideration.

[7] Further in this regard, it was held in *Wright Boag & Head Wrightson (Pty) Ltd v Buffalo Brake Bam Company*<sup>3</sup> that an expired patent can be revoked. The following was held by the Court:

*“A patent which has expired is nevertheless capable of being revoked, because revocation dates back to the date of the grant of the patent, and therefore revocation can affect claims for infringement or for royalties.”*

[8] By parity of reason, a lapsed patent suffers the same fate.<sup>4</sup> A patent is granted in respect of an invention for a specific period, i.e. twenty years from the date of grant.<sup>5</sup> After the expiry of that date, the patent enters into the public domain. A patent that has lapsed for non-payment of renewal fees may be restored under certain circumstances.<sup>6</sup> In the present instance, the respondent has disavowed an intention to apply for the restoration of the patent. It has clearly made an intentional election in that regard. The patent remains lapsed. Whether a patent has expired or has lapsed, the same fate befalls it. It is no longer in effect,<sup>7</sup> although some residual rights may entail, such as the revocation thereof, where the validity of the patent is determined at the date of grant thereof.

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<sup>2</sup> See Section 61(1) of the Act which provides that any person may at any time apply in the prescribed form for the revocation of a patent.

<sup>3</sup> 1965 BP 222 at 223D-E

<sup>4</sup> *Usher v Nordhoff & Co (Pty) Ltd* [1972] RPC 636 at 638, lines 15-20. This matter related to where a patent had lapsed due to non-payment of renewal fees (at 637, lines 21-38)

<sup>5</sup> Section 46 of the Act

<sup>6</sup> Section 47 of the Act

<sup>7</sup> Section 45 of the Act

- [9] As recorded earlier, the patent related to a *Transaction Facilitation System* and accordingly the field of invention was a transaction facilitation system that was implemented over a mobile communications network. The abstract of the complete specification of the patent summarised the invention of the patent and reads as follows:

*“The invention provides a system for facilitating the initiation and/or conclusion of an insurance contract, said system including a mobile telecommunications network, a mobile telecommunications handset operable on the network, and a server having a point-of-presence on the network, said server including a CPU, data storage means, input, and outputs, wherein software is provided on the server which is operable on the server to initiate an insurance contract in response to data received by the server from the handset over the network from a user, wherein when the user purchases airtime for using the mobile telecommunications network, a message is sent to the user’s mobile telecommunications handset, in which message an offer is made to the user to provide insurance to the user without further charge conditionally on the user responding to the offer by transmitting a message to the server over the telecommunications network from the mobile telecommunication handset either accepting or rejecting the offer, which message is processed by the server in accordance with the predetermined rules set in the software. This invention extends to a server and a method of using the system and the server.”*

- [10] It was stated in the patent specification that the inventors recognised that a need existed for the facilitation of sales transactions, especially for financial services over a wireless communication network, as most economically active people have mobile telephone handsets.

[11] In the body of the complete specification three aspects of the invention were identified. The first provided a system for facilitating the initiation and/or conclusion of an insurance contract. A second aspect of the invention provided a server for facilitating the initiation and/or conclusion of an insurance contract. The third aspect of the invention provided for a method of initiating and/or concluding an insurance contract. Those aspects translated into three independent claims, together with various dependent claims respectively. The independent claims were claim 1, claim 6 and claim 8. Claim 1, with its dependent claims, related to the system. Claim 6, with its dependent claims, related to the server and Claim 8, with its dependent claims, related to the proposed method. Claim 15 of the specification is a so-called omnibus claim. Nothing turns on that claim.

[12] In the complete specification the terms “*without further charge*”, “*at no additional cost*” and “*no further costs to the user*” were used interchangeably. The clear indication in the patent specification, and the intention of the patentee, was that the user would only have to pay in the event of accepting the offer for insurance, namely, was the amount for the purchasing of the airtime.

[13] It was common cause between the parties that the integers of claim 1 of the complete specification were:

- (a) a system for facilitating the initiation and/or conclusion of an insurance contract, said system including:
- (b) a mobile telecommunications network;
- (c) a mobile telecommunications handset operable on the network;  
and
- (d) a server having a point-of-presence on the mobile telecommunications network, said server including:

- (e) a CPU;
- (f) data storage means;
- (g) inputs and outputs;
- (h) wherein software is provided on the server which is operable on the server to initiate an insurance contract in response to data received by the server from the handset over the network from a user;
- (i) wherein when the user purchases airtime for using the mobile telecommunications network, a message is sent to the user's mobile telecommunications handset;
- (j) in which message an offer is made to the user to provide insurance without further charge;
- (k) conditionally on the user responding to the offer by transmitting a message to the server over the mobile telecommunications network from the mobile telecommunications handset either accepting or rejection the offer;
- (l) which responding message is processed by the server in accordance with predetermined rules set in the software.

[14] The integers of claim 6 were similar, if not identical, to that of claim 1. The only distinction was the substitution of the word "system" with the word "server" in claim 1, thereby moving the focus from a system to the server claimed in claim 1.

[15] Independent claim 8 related to the focus on the method of initiating and/or concluding an insurance contract, over a mobile

communications network, selling insurance to a user at no additional cost to a mobile telecommunications handset user, the offer requiring a response from the user to signify an intention to accept the offer, contacting the user in response to a response received from the user and collecting predetermined types of information required to underwrite the insurance policy.

[16] On a purposive reading of claim 8 it clearly claimed a method of doing business, which is not patentable in terms of the provisions of section 25 of the Act.<sup>8</sup> This the respondent conceded by filing a conditional counterclaim as recorded earlier. After conceding that a lapsed patent could be revoked, the respondent submitted that the conditionality of the counterclaim for amendment of the claims of the patent specification became unconditional and resulted in a permissible application for amendment by deleting invalid claims. There was no opposition to the application for amendment.

[17] An amendment to a complete patent specification that was granted, is retrospective to the date of the priority of a patent, i.e. the date at which the validity of the patent is to be decided. The intention being that a patentee is entitled to amend out of alleged invalidity.<sup>9</sup> An amendment to a complete patent specification could thus be sought after the expiry of the patent, or by parity of reasoning, the lapse of a patent due to non-payment of the renewal fees.<sup>10</sup>

[18] As recorded earlier, the amendment application sought the deletion of claims 8 to 11, 14 and 15 of the complete patent specification and the consequential renumbering of the remaining claims. The respondent conceded that the patent was subject to revocation due to the inclusion of the method claim as described in claims 8 to 11, 14 and 15 and hence the application for amendment.

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<sup>8</sup> Section 25(2)(e) of the Act

<sup>9</sup> See *Ciba-Geigy AG v El du Pont de Nemours and Co* 1993 BP 493 (A) at 505F

<sup>10</sup> *Audiosport International (Pty) Ltd v The Registrar of Patents et al* 2010 BIP 86

- [19] The amendment, when granted, would remove the alleged invalidity of the patent on the ground of offending against the provisions of section 25(1)(e) of the Act. Thus, when the amendment is granted, there would be no claim relating to a method for doing business in the complete patent specification. Hence, it is submitted on behalf of the respondent that it would result in the patent being valid, and in that regard the respondent sought a declaration of validity in terms of the provisions of section 74 of the Act. That submission would only be correct, should the other grounds of alleged invalidity relied upon by the applicant, be dismissed.
- [20] It is common cause that the respondent has complied with the requirements for the grant of the said amendment. Consequently, in the normal course of events, the respondent would be entitled - to the amendment if that was the only ground for revocation.
- [21] In that regard, the further grounds for revocation relied upon by the applicant requires consideration. In undertaking that consideration, the court is firstly obliged to construe the patent, and in particular the claims thereof.<sup>11</sup> In this regard, the scope of the independent claims have been set out above. There were no particular definitions or language usage that require particular consideration and determination. The normal meaning of the words and language used would apply.
- [22] In its application for revocation, the applicant firstly relied upon the ground of invalidity relating to the provisions of section 61(1)(c) of the Act, namely lack of novelty. In that regard, the applicant premised its attack on the novelty of the patent with reference to a prior patent specification that held a prior priority date than that of the patent in suit. It is common cause that the patent in suit held a priority date of 8

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<sup>11</sup> *Gentiruco A.G. v Firestone S.A. (Pty) Ltd* 1972(1) SA 589 AD at 613F-H; *Monsanto Co v MDB Animal Health (Pty) Ltd (Formerly MD Biologics CC)* 2001(2) SA 887 (SCA) at 891J-892G

October 2007. The International Filing date thereof was 26 November 2007.

- [23] The prior art particularly relied upon by the applicant was a patent specification filed under the Patent Cooperation Treaty and was entitled, “AN ELECTRONIC PAYMENT SYSTEM FOR PROVIDING REGULAR PAYMENT SERVICES FOR PRE-PAID MOBILE PHONES” (the prior art). It had an International Publication Number WO 2005/1244611 and was published on 29 December 2005. It was afforded a priority date of 18 June 2004. The abstract of that document reads as follows:

*“The invention relates to a mobile telecommunication network and specifically a network adapted to provide a pattern identifier and risk analysis system and methodology to enable users of mobile devices within the network to avail of regular payment services such as insurance for their devices. A preferred embodiment of providing a pre-paid subscriber with the facility to avail of insurance is provided”.*

- [24] The prior art document clearly fell within the field of the present invention, as recorded earlier. As the said prior art has an earlier priority date than that of the patent in suit, it thus qualified as relevant prior art and was hence comparable with the present invention.

- [25] It is trite law that the object of novelty of an invention relates to the claims of the patent in suit and not to the description of the invention in the body of the specification.<sup>12</sup> The scope of the invention is to be found in the claims of the complete specification. Thus, in determining whether a claim is novel, the particular claim is to be construed into its relevant essential integers. That determination has been done above and was common cause between the parties.

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<sup>12</sup> *Gentiruco, supra*, at 646C

[26] When considering whether or not a printed publication, such as the prior art relied upon, anticipated an invention of a later patent that printed publication has to be construed to determine the import thereof.<sup>13</sup> The two documents are then compared. The comparison is undertaken to determine whether the prior printed publication describes the invention of the claims of the patent in suit.<sup>14</sup> What is to be determined in the comparison, is whether the prior printed publication describes, i.e. set forth in words or recite the characteristics of the invention claimed in the claims of the patent in suit. In that regard, whether at least the essential integers of the claim of the patent in suit were described or disclosed in such a way that the same, or substantially the same, process is identifiable or perceptible.<sup>15</sup> Essence, and not form, is what is considered.<sup>16</sup>

[27] On a comparison of the two documents, and reading the claims of the patent in suit and the alleged prior art purposively, the said prior art described or disclosed, in essence, or substantially, all the integers of claim 1 of the patent in suit. This was borne out by the evidence of Mr Bruynse in his discussion of what was disclosed in the prior published document. The respondent, through Mr Swindon's, evidence, only took issue with integers (j) and (l) of claim 1 of the patent and denied that the prior publication described, or disclosed, those integers. By limiting the dispute in such a way, it was apparent that the respondent conceded that the balance of the integers of claim 1, namely (a), (b), (c), (d), (e), (f), (g), (h), (i) and (k) were present in the published prior art document.

[28] Integer (j) read as follows:

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<sup>13</sup> *Sierzputowski v Anglo American Corporation of South Africa* 1972 BP 346 at 354C-G

<sup>14</sup> *Netlon SA Ltd et al v Pacnet (Pty) Ltd* 1977 BP 87 (A): see also *Gentiruco supra*, at 139A-E

<sup>15</sup> *Gentiruco, supra*, at 646D-647A

<sup>16</sup> *Veasey v Denver Rock Drill and Machinery Co. Ltd.* 1930 AD 243 at 282

*“in which message an offer is made to the user to provide insurance to the user without further charge.”.*

The prior art described or disclosed the following:

*“The user request a top up of the account in the form of a data request to the network, which is received at the network (Step 200). The data request may be of the form of a short message to a specific number within the network or of another form, as will be appreciated by those skilled in the art, and therefore requires no hardware modification to the mobile device – see example of graphic interface in Figure 2A.*

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*... the user may then in certain embodiments of the invention be queried by the network whether they wish to use a portion of this top-up to continue their insurance (Step 210). Such query may include a display on the screen of their mobile device (Figure 2A)”*

*... If as a result of the query of Step 205 it is ascertained that the user is not a previous subscriber to the system then the user is queried as to whether they wish to avail of insurance from this moment on (Step 220).*

*... Once the correct tariff level for both new and already subscribed users is determined (Step 215/235) then the value of the specific top up request is evaluated and either a fixed amount or a % value of that top-up request or a combination of fixed amount and % value of that top-up request is associated with a contribution towards the insurance (Step 240).*

*... The top-up request is decremented by that determined fixed or % (Step 254), the remaining portion of the top-up request is credited to their top up account in the normal manner (Step 250) and the user is informed that they are now covered by insurance (Step 255)."*

[29] On a purposive reading of the afore-quoted passages from the prior published document, it clearly illustrated that no additional, or further charge, was to be paid by the subscriber. That description provided that a portion of the top-up amount was utilised for the insurance subscription. Consequently, no additional or further charge was to be paid.

[30] The respondent submitted that a "decrement" in the top-up amount constituted a "further charge." The user or subscriber was required to pay a "further" charge in respect of the insurance tariff, albeit as part of the top-up amount. A decrement in the top-up value for airtime does not translate into a "further charge" or "additional charge" or "additional costs". It is akin to an apportionment of the top-up amount between airtime and insurance. The subscriber of the prior published document was not required to "pay more". Whether there is a decrement in the top-up amount is neither here nor there. No further costs are involved. Clearly, in the context of "no further charge or additional costs" the user or subscriber was not required to "pay more". The complete specification of the patent in suit read in its context does not provide for "free insurance". To read that into the complete specification or the claims of the patent in suit is impermissible. Neither does the respondent advocate for such interpretation. The respondent conceded that the patent in suit did not state that no charge for the insurance was to be paid. It further conceded that there must be the payment for a premium for the product of insurance and that the skilled addressee would know that. It was further conceded by the respondent that where airtime is purchased for an initial charge, and insurance was offered at "no further charge", and were the pre-paid subscriber to pay the

premium, that premium must of necessity be deducted from the initial charge. In the patent in suit, as recorded earlier, the terms “*without further charge*”, “*at no additional cost*” and “*no further costs to the user*” were used interchangeably. It clearly meant, in the context as a whole, that no other amount in addition to the top-up amount was to be paid.

[31] Integer (l) of claim 1 of the patent reads as follows:

*“which responding message is processed by the server in accordance with predetermined rules set in the software.”*

Integer (l) of claim 1 of the patent in suit followed closely on what integer (k) provided, and which reads:

*“conditionally on the user responding to the offer by transmitting a message to the server over the mobile telecommunications network from the mobile telecommunications handset either accepting or rejection the offer”*

[32] The acceptance, or rejection of the offer was processed in accordance with predetermined rules set in the software of integer (h) of claim 1, where software was provided on the server to initiate an insurance contract. This aspect was referenced in the body of the complete patent specification when the complete patent specification is read in its entire context.<sup>17</sup>

[33] Furthermore, the said “pre-determined rules” of integer (l) of claim 1 of the patent in suit is a concept with a broad scope. In the present invention, the issue of the amount to be ascribed to the insurance offered, if accepted, was not explicitly disclosed. It was conceded by the respondent that there would be some amount required for payment

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<sup>17</sup> *Monsanto Co, supra*, at 891E-J; *Aktiebolaget Hässle supra*, at 160C-G. The patent complete specification is read in its entirety when the scope of the claims are determined. What is contained in the claims of the patent may be affected by what is disclosed in the body of the complete specification.

of the insurance. In the present patent, the issue of the tariff would by necessity be determined by the “rules set in the software.” In the published prior art document the tariff is likewise determined by the system as recorded earlier. In my view, on a purposive reading of the patent specification, it is immaterial whether there is a decrement or not; all that is required is that no additional costs, i.e. another amount over and above the top-up amount, were to be incurred by the subscriber or user.

[34] It follows that the prior art disclosed the invention of claim 1 of the patent in suit. Accordingly claim 1 was anticipated by the prior art document and claim 1 of the patent in suit was not novel. It was accordingly invalid for lack of novelty.

[35] The only distinction between independent claim 1 and independent claim 6 of the patent in suit, was that claim 1 related to a particular system whereas claim 6 related to the server in such system. The respondent, through Mr Swindon, submitted that insofar as claim 6 was concerned, the published prior art document did not disclose integers (j) and (l) of claim 1, which were repeated in claim 6. I have already dealt with those integers earlier. Consequently, claim 6 was anticipated by the disclosure in the prior art.

[36] As recorded earlier, claims 8 to 11, 14 and 15 were conceded by the respondent to be invalid due to the fact that the claim related to a business method and were to be deleted in terms of the counterclaim for amendment. Those claims do not require further consideration.

[37] It follows that the patent was invalid for want of novelty and stood to be revoked.

[38] The second ground upon which the patent was alleged to be invalid, related to alleged lack of inventive step, i.e. obviousness. It is trite that

the ground of lack of inventive step only becomes relevant should the attack on novelty fail.

[39] In the present instance, I have found the patent to be invalid for want of novelty and thus the issue of obviousness does not require further consideration. However, should I be wrong on the issue of want of novelty, the issue of obviousness requires consideration.

[40] Section 25(1) of the Act requires that a patentable invention must be one which involves an inventive step which is capable of being used or applied in trade or industry or agriculture. In that regard, the inventive step must not be obvious to a person skilled in the particular art.<sup>18</sup> The prior art comprises all matter, whether a product, a process, information about either, or anything else, which has been made available to the public (whether in the Republic or anywhere else) by written or oral description, by use or in any other way.<sup>19</sup>

[41] In *Ensign-Bickford (South Africa) (Pty) Ltd et al v AECI Explosives & Chemicals Ltd*<sup>20</sup> four steps were proposed when determining the issue of lack of inventive step. These are:

- (i) What is the inventive step said to be involved in the patent in suit;
- (ii) What was, at the priority date the state of the art relevant to that step;
- (iii) In what respect does the step go beyond, or differ from, that state of the art;
- (iv) Having regard to such development or difference, would the taking of the step be obvious to the skilled man.

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<sup>18</sup> Section 25(10) of the Act

<sup>19</sup> Section 25(6) of the Act

<sup>20</sup> 1998 BIP 271 (SCA)

[42] It is to be noted that the respondent did not apply for the amendment of claims 1 and 6 or any of the dependent claims. The respondent merely assumed those claims to be novel and valid.

[43] The applicant relied on the evidence of Mr Bruynse relating to the issue of lack of inventive step.<sup>21</sup> Similarly, the respondent relied on the evidence of Mr Swindon in this regard. Mr Bruynse discussed the claims that were dependent upon claim 1 and identified the alleged inventive step in those claims. He then considered the cited prior art, and opined as to the disclosures therein with reference to the alleged inventive step. The prior art that the applicant's expert relied upon were:

(a) WO 2005/124611 (the prior art cited under the issue of lack of novelty, prior art 1);

(b) US 2003/0093302, published 15 May 2003 (prior art 2);

(c) US 2006/0271411, published 30 November (prior art 3)

[44] The respondent, the patentee of the patent in suit, proposed, though the evidence of Mr Swindon, what the alleged inventive step of the patent in suit was. In that regard, when considering Mr Swindon's evidence purposively, the alleged inventive step related to what appeared in integers (j) and (l) of claim 1, namely the integers claimed not to have been disclosed in the prior art cited in respect of lack of novelty. Mr Swindon did not in his evidence consider the impact of the cited prior art when read together. The respondent, on the issue of lack of inventive step argued the issue in its heads of argument by attacking Mr Bruynse and alleged that he did not consider the inventiveness of claims 1 and 6, but merely the dependent claims 2 and 7 which are respectively dependent on claim 1 and 6. There is no merit in that

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<sup>21</sup> *Schlumberger Logelco Inc. v Coflexip SA* 2003(1) SA 16 SCA

attack. Mr Bruynse opined that integers (j) and (l) of claim 1, and by parity of reason claim 6, were disclosed in the prior art (prior art 1). It follows that the invention in claims 1 and 6 involved no inventive step over what was disclosed in that cited prior art. Insofar as claims 2 and 7 were concerned, he opined that those claims that were narrower in scope than their respective independent claims, were clearly disclosed in prior art 1, 2 and 3 when read together in any combination thereof. On a careful consideration of the evidence of Mr Bruynse in respect of the disclosures in prior art 1 read with prior art 2, and prior art 1 read with prior art 3, it is clear that the invention of the patent in suit involved no inventive step over the cited prior art. Furthermore, in my view, the respondent's obtuse reading of the term "without further charge" in integer (j) of claim 1 of the patent to indicate an inventive step over the cited prior art, was gainsaid by the aforementioned concession that a premium must be paid for the insurance and that the premium would of necessity be deducted from the top-up amount.

[45] It is further clear that the alleged inventive step of the patent in suit was no real inventive step. Both the present invention and the disclosure in prior art 1 did not require the subscriber to pay an amount in addition to the payment of the amount for the top-up amount. This is borne out from what is discussed above in respect of the alleged further charge due to the decrement to the top-up amount relating to the purchasing of airtime. Both inventions had the same aim, no payment of an amount over and above the top-up amount.

[46] It follows that the present invention of the patent in suit did not go beyond or differ materially from what was disclosed in the cited prior art. The present patent invention accordingly lacked an inventive step and the patent in suit stood to be revoked on that ground.

[47] The third ground of alleged invalidity of the patent relied upon by the applicant related to a material misrepresentation.<sup>22</sup> That ground was

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<sup>22</sup> Section 61(1)(g) of the Act

raised due to the respondent not recording all the alleged inventors of the invention of the patent in suit on the prescribed declaration. The respondent only recorded two of the three alleged inventors.

[48] The respondent only recorded Messrs Quinton van Rooyen and Johannes Jones on the prescribe form P3. The respondent omitted to record Mr Swindon, its expert, who was clearly a co-inventor.

[49] In the supporting statement contained in form P3, the respondent stated that the inventors were those recorded in the statement and that it had the rights to apply by virtue of an assignment from the inventors for the grant of the patent. The applicant alleged that that statement was false in that Mr Swindon was not named as an inventor. Furthermore, the respondent did not state that Mr Swindon assigned his rights to the respondent. Neither of the foregoing were explained by the respondent in evidence, albeit that the persons who had the required knowledge of the omission were available to tender evidence in that regard. The applicant further alleged that the said omission was intentional and material.

[50] In *E I Du Pont De Nemours and Company v SA Nylon Spinners (Pty) Ltd*<sup>23</sup> it was held that the omission of the name of an inventor in the prescribed manner did not translate into a material misrepresentation as intended in terms of the provisions of section 61(1)(g) of the Act.

[51] The applicant relied on a fourth ground of invalidity of the patent in suit, namely that the respondent was not a person in terms of section 27(1) of the Act to apply for the grant of a patent.<sup>24</sup> In argument on behalf of the applicant, this ground of alleged invalidity was not persisted with. The applicant nevertheless persisted with the aforesaid alleged material misrepresentation.

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<sup>23</sup> 1987 BP 282 at 286F-289C

<sup>24</sup> Section 61(1)(a) of the Act

[52] The grounds of material misrepresentation<sup>25</sup> and that of non-compliance with the provisions of section 27(1) of the Act<sup>26</sup> were conjoined by the applicant in its evidence relating thereto. The one depending on the other. Where the applicant did not persist with the ground of invalidity for want of compliance with section 27(1), and in view of the finding in *E I Du Pont de Nemours, supra*, neither of these grounds in the present context, jointly or separately, constituted grounds for revocation of the patent in suit.

[53] I have a discretion whether or not to grant the amendment to the complete specification of the patent in suit.<sup>27</sup> It is trite that it would be wrong in principle to grant an amendment of a document if the document, as amended, would be invalid.<sup>28</sup>

[54] In view of my findings of want of novelty and lack of inventive step, the complete patent specification would remain invalid whether the amendment for the deletion of invalid claims 8 to 11, 14 and 15 of the patent was granted. Accordingly, the amendment stood to be refused.

[55] The respondent requested a certification of validity in terms of the provisions of section 74 of the Act on a finding of validity. I have already found that the patent in suit was invalid. Accordingly, the respondent was not entitled to such certification of validity.

I grant the following order:

1. Patent No. 2010/03199, entitled Transaction Facilitation System, is revoked;

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<sup>25</sup> Section 61(1)(g) of the Act

<sup>26</sup> Section 61(1)(a) of the Act

<sup>27</sup> *Water Renovation(Pty) Ltd v Gold Fields of SA Ltd* BP 493 (A); *Bayer Pharma AG v Pharma Dynamics (Pty) Ltd* 2014 BIP 87 (SCA)

<sup>28</sup> *James S Robbins and Associates Inc. v Dresser Industries Inc.* 1975 BP 409 (A)

2. The respondent is to pay the costs, such costs to include the costs consequent upon the employ of two counsel.
3. The amendment to Patent No. 2010/03199, entitled Transaction Facilitation System, is refused;
4. The certification of validity of Patent No. 2010/03199 in terms of section 74 of the Patents Act is refused.

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C J VAN DER WESTHUIZEN  
JUDGE OF THE HIGH COURT

Heard on: 22 November 2022

On behalf of Applicant: R Michau SC  
Ms M Du Plessis

Instructed by: Spoor & Fisher

On behalf of Respondent: K Iles

Instructed by: Adams & Adams

Judgment delivered: 05 December 2022