



IN THE HIGH COURT OF SOUTH AFRICA

GAUTENG DIVISION, PRETORIA

DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE: ~~YES~~/NO

(2) OF INTEREST TO OTHER JUDGES: ~~YES~~/NO

(3) REVISED: ~~YES~~/NO

DATE:

SIGNATURE:

Case No. 068030/23

In the matter between:

MU MECANICOS UNIDOS S.A.S.

Plaintiff / Applicant / Appellant

V

THE REGISTRAR OF PATENTS

Defendant / Respondent

Coram: Kooverjie J

Heard on: 17 August 2023

Delivered: 30 August 2023 - This judgment was handed down electronically by

circulation to the parties' representatives by email, by being uploaded to the *CaseLines* system of the GD and by release to SAFLII. The date and time for hand-down is deemed to be 14:00 on 30 August 2023.

SUMMARY: The Registrar has a discretion to grant any extension provided in the Patents Act or the Regulations thereto, provided that there is no express prohibition in the wording of the provisions. The Registrar may exercise his discretionary power even after the expiry of the stipulated time period.

Section 42(3) of the Patents Act does not oust the Registrar's discretion in terms of 16(2) thereof.

ORDER

It is ordered: -

1. The application in terms of Section 19B of the Superior Courts Act is granted.
2. The Registrar of Patents' (Registrar's) decision of 10 May 2023 to refuse a request for an extension of time for the publication of acceptance of South African patent application no. 2020/05417 is set aside.
3. The request for an extension of time for the publication of acceptance of South African patent application no. 2020/05417 is granted.
4. No order as to costs.

JUDGMENT

KOOVERJIE J

APPEAL AND FURTHER EVIDENCE

- [1] The appellant, Mu Mecanicos Unidos S.A.S. appeals the decision of the Registrar of Patents dated 10 May 2023 in refusing to extend the time period for the publication of the acceptance of its South African patent application in respect of application number 2020/05417 (the patent application). This matter is unopposed. For the purposes of this appeal the appellant will be referred to as “the patentee”.
- [2] This appeal is instituted together with an application in terms of Section 19B of the Superior Courts Act read with Regulation 81 of the Patents Act¹ whereby the Appellant seeks to introduce new evidence on appeal, more particularly to be granted leave to present the relevant facts to this court. By virtue of S 19B of the Superior Courts Act, this court may allow further evidence in circumstances where the general principles of justice and reasonableness prevail. One such circumstance is when the evidence was not in the possession of the Registrar, when the decision was made, and which had an adverse effect on the affected party.

¹ Superior Courts Act 10 of 2013 read with Regulation 81 of the Patents Act

Regulation 81 reads:

“The procedure on appeal shall, as far is practicable, be in accordance with the provisions governing appeals to the full Court of a Provincial Division of the Supreme Court from a single judge thereof: Provided that the record on appeal shall include the registrar's statement, documents (if any) containing data used by him and any other document which the appellant considers to be relevant. If the respondent considers any further document to be relevant, he may request the appellant to include such document in the record, and the appellant shall comply with such request.”

- [3] The appellant explained that it was not afforded an opportunity to address the Registrar concerning its failure to submit the publication for the acceptance timeously. In my view, I find that it is in the interest of justice that the said evidence be admitted.

RELEVANT FACTS

- [4] In this matter, the core issue for determination is whether on the interpretation of Section 42(3) of the Patents Act² read with Regulation 46 thereto, an extension for the period of publication is permissible after the expiry of the stipulated three-month period.
- [5] The applicant was issued with a notice of acceptance on 5 July 2021. As a result of an administrative error by its erstwhile attorneys, the notice of acceptance for publication was only submitted on 18 October 2021 which resulted in the publication of the said notice on 27 October 2021. The publication should have occurred by 29 September 2021.
- [6] It was explained that the delay was due to an administrative oversight which occurred during the COVID lockdown period. The lateness of the publication of acceptance only became evident when the appellant's new attorneys of record, Spoor and Fisher, noted same. This caused an application in terms of Section 16(2) of the Act to be instituted whereby the appellant sought an extension of time to publish the notice of acceptance, and presented same to the Registrar.

THE REGISTRAR'S DECISION

- [7] The Registrar refused the extension for publication by finding:

² Patents Act 57 of 1978 ("The Act")

“According to the University of Pretoria v Registrar of Patents 2011 BIP 41 (CP), the peremptory language of Section 42(2) and Regulation 46 has the following implications:

- Request for an extension of the period of publication must be made before expiry of the three-month period, good cause must be shown and the prescribed fee must be paid.”

- [8] Notably the Registrar held the view that the request for an extension of the period must be made before the expiry of the three-month period.

RELEVANT PROVISIONS

- [9] In the foregoing deliberation, it is necessary to take heed of the specific wording of the respective provisions which allow for extensions of time periods in the Act. Same should be read together with Section 16(2) of the Act, when considering the discretionary power of the Registrar.

- [10] In this matter, the relevant legislative provisions which find application in this matter are Section 42(3) read with Regulation 46 of the Act, which deals with the publication of the acceptance of a patent application. Section 42 provides that when the Registrar has accepted a patent application under Section 40 of the Act, he or she must give notice of such acceptance. Upon receipt of such notice, the applicant is required to publish a notice of acceptance in the patent journal.

- [11] In essence, the issue for determination turns on the interpretation of Section 42(3) of the Act which stipulates:

“Unless the acceptance is so published in the journal within the prescribed period or within such further period as the Registrar may, on application to him and on good cause shown and on payment of the prescribed fee, allow, the application shall lapse.”³

[12] Section 16 of the Act is the prevailing provision that equips the Registrar with discretionary power. Section 16(1) reads:

“(1) Whenever any discretionary power is conferred by this Act upon the registrar or the commissioner, he shall not exercise that power adversely to an applicant or an objector or other person who according to the register appears to be an interested party, without (if so required by the applicant or objector or other interested party within a time fixed by the registrar or the commissioner, as the case may be) giving that applicant or objector or interested party an opportunity of being heard.”

Section 16(2) states:

“Whenever by this Act any time is specified within which any act or thing is to be done, the Registrar or the Commissioner, as the case may be, save where it is otherwise expressly provided,⁴ extend the time either before or after its expiry.”

REGISTRAR’S RELIANCE ON THE UNIVERSITY MATTER

[13] As alluded to above, the Registrar, in this matter, based his findings on the **University** matter⁵. The **University** matter dealt with an application for the rectification of the Registrar of Patents in terms of Section 40 read with Section 42(3) of the Act.

³ my emphasis

⁴ my emphasis

⁵ *University of Pretoria v Registrar of Patents 2011 BIP 411 (CP)* (“University matter”)

[14] The appellant argued that the **University** decision is distinguishable on the facts, since it dealt with the acceptance of the patent, and not the publication of the notice of acceptance in terms of Section 42(3). The court was therefore not required to determine whether or not the application to extend the time period for publication in terms of Section 42(3) could be made after the three-month period.

[15] Of relevance the court in the **University** matter, firstly found that the wording in Section 40, read with Section 43(3)(h), lapsed because the patent was not accepted by the Registrar within the prescribed period (the 18 months). In other words, the application to extend the time period for the acceptance was made after the patent application was deemed to have lapsed in term of Section 40. Section 40 does not permit granting of extensions of time after the deadline has passed. Consequently this excluded the Commissioner's power to grant extensions after the deadline had passed.

[16] Secondly, the court found that the patent application had lapsed since no application to extend the time period for publication of the acceptance was filed by the patentee.

[17] Thirdly, the court went further and held that Section 42(3) contains a similar peremptory provision as Section 40, which limits the Registrar's discretionary power. At paragraph [59] the court expressed:

"I see no basis for a finding that the Registrar is vested with a power to bypass or ignore the peremptory requirements of S 42(3), firstly, that there must be an application to have an extension, secondly that good cause for such an extension must be shown and, thirdly that payment of a prescribed fee must be made. None of these requirements were met. Under these circumstances, as I understand S 42(3), the application shall lapse."

THE TRUSTCO MATTER

[18] In this matter, the appellant relied on the Supreme Court of Appeal decision of **Trustco**.⁶ In essence, **Trustco** is authority for the proposition that the Registrar has a discretion to grant any extension provided in the Act or in the Regulations and may do so either before or after the expiry of the time period.

[19] The court, however, acknowledged that there are, however, provisions that expressly inhibit the Registrar from exercising his discretion. In other words, a provision specifically and expressly excluded the Registrar's discretion.

[20] **Trustco** dealt with the provisions of S 47(2) read with Regulation 83. The plain facts in **Trustco** was that the patentee failed to timeously pay the prescribed patent renewal fees. **Trustco** therefore had to apply for the restoration of the patent in terms of Section 47(1) of the Act which stipulates:

"Where a patent has lapsed owing to non-payment of any prescribed renewal fee within the prescribed period or the extended period referred to in S 46(2), the patentee may in the prescribed manner and on payment of the prescribed fee applied to the Registrar for the restoration of the patent."

[21] Section 47(2) makes provision for an extension of time and reads:

"If the Registrar is satisfied that the omission was unintentional and that no undue delay has occurred in the making of the application, he shall advertise the application in the prescribed manner, and thereupon any person (hereinafter in the section referred to as the objector) may within such period as may be prescribed, give notice in the prescribed manner of opposition to the restoration of the patent."

⁶ Trustco Group International (Pty) Ltd v Vodacom (Pty) Ltd and Another 2016 BIP 27 (SCA)

[22] Regulations 83⁷ governs restoration applications which requires of the patentee to file its counterstatement within two months of the filing and service of a notice of opposition. The court *a quo* ruled that failure to do so would result in the abandonment of the patent. However, on appeal, **Trustco** found the court *a quo*'s interpretation of Regulation 83 is flawed.

[23] The court correctly held that Regulation 83 does not trump the provisions of the Act. It endorsed the maxim: "*generalia specialibus non derogant*" which entails that when interpreting legislation, the provision in the regulations cannot override a general provision in a statute. It is a well-established principle in our law that regulations made in terms of a statute are subordinate to that statute and that such regulations may not be *ultra vires* the statute. Particularly in patents law, this principle has been recognised. Patent regulations can therefore not take away the rights created under the Patents Act.⁸

[24] In finding that Regulation 83 does not impinge on the Registrar's remedial power in terms of Section 16(2) of the Act, the court at paragraph [13] stated:
"In my view, the court below erred in its reasoning and conclusions referred to above. First Regulation 83 as could be expected does not, in express terms or otherwise, limit or in any way impinge on the Registrar's express remedial power as provided for in S16(2) of the Act. Simply put, it does not otherwise expressly make provision in relation

⁷ Regulation 83 reads:

"Within two months of the filing and service of the notice of opposition the applicant shall file and serve a counterstatement in the form of a plea. If such counterstatement is not lodged within the said period or within such further period as the registrar may allow the application shall be deemed to be abandoned and the opponent may apply to the commissioner for an order as to costs."

⁸ Jan Andries Herholdt v Registrar of Patents 1960 BP 213 CP

to the exercise for that matter the prevention of the exercise of a remedial discretionary power.

It provides for the Registrar to extend the time limit for the filing of a counter statement and is silent on whether that power may be exercised. Far from expressly providing otherwise it leads directly to S 16(2). Thus the Regulation does not fall foul within the proviso of S 16(2)”

At paragraph [15] the court continued:

“... as correctly pointed out on behalf of Trustco, remedial power, such as the power to extend time periods and that avoiding harsh results should be extended as far as the wording of a statutory provision will admit....”

THE CORRECT APPROACH

[25] It should be noted that prior to 2001, the **Trustco** approach was followed by our authorities. The decision of **Kaltenbach** in 2001, however, changed the landscape. Simply put, **Kaltenbach** adopted a restrictive interpretation to the Registrar’s discretionary power. This approach, in my view, is flawed for the reasons set out below.

[26] Firstly I find it apposite to refer to the **Buzbee** matter⁹. **Buzbee** dealt with the issue on revocation of patents. I note that **Buzbee** was neither referred to by the court in **Trustco** nor by the appellant. The court therein was seized with the interpretation of Regulation 90(1). It found that although Section 91 of the Act empowered the Minister of Trade and Industry to make regulations, it did not vest with the Minister the authority to add further grounds for revoking a patent which the Minister had introduced by virtue of the deeming provisions contained in the Regulations.

⁹ Buzbee v Registrar of Patents 2010 BIP 42 CP

[27] The court expressed that the Minister, by way of including the deeming provision in terms of Regulation 90(1)¹⁰ had irregularly added a further ground for the revocation of a patent. This was contrary to the provisions of Section 91 of the Act which sets out the grounds for revocation. Consequently the deeming provisions were found to be irregular and of no force and effect.

[28] Furthermore **Buzbee**, in fact, approved the Registrar's approach and which I find to be of guidance. The following factors, *inter alia*, were taken into consideration, namely:

- 28.1 the reasons for the delay;
- 28.2 the intention of the patentee;
- 28.3 understanding that the Registrar was not inhibited from considering applications for extensions if same were made outside of the time period;
- 28.4 the Regulations could not supersede the provisions of the Act. The Regulations merely provide means of giving effect to the Act;
- 28.5 the Registrar's role in considering extensions of time are procedural in nature;
- 28.6 the Registrar is required to exercise his/her discretion judicially;
- 28.7 it is in the public interest that disputes between the parties are fully ventilated;
- 28.8 the practical implications have to be considered; and
- 28.9 in exercising his/her discretion, reasonable extensions are appropriate.¹¹

¹⁰ Regulation 90(1) reads:

"Within two months of the lodging and service of the application for revocation the patentee shall lodge and serve a counter statement in the form of a plea. If the plea is not lodged and served within two months of the application for revocation or within any extension of that period in terms of Regulation 99 the patent shall be deemed to be revoked."

¹¹ At paragraph [16] in **Buzbee** the following was recorded:

"Firstly, from the affidavit filed by the respondent for the request for extension of time to file a counterstatement, and the fact that the counterstatement has been filed on the very next day, after the expiration of the two-month period in terms of Regulation 90(1), it is evident that it was never the intention of the respondent for the patent to become revoked."

[29] **Buzbee** consequently found that the Registrar correctly ruled that Regulation 99 did not specify that a time limit may be extended by the Registrar on a request made to him before the expiration of the time limit subject to the request for the extension thereof.

[30] Notably in previous authorities, our courts were also seized with the interpretation of Section 162(2) of the 1916 Patents Act.¹² In **Sparklets**¹³ the court echoed that the Registrar's decision in respect of extensions of time is a matter of procedure. The court stated:

Secondly, Regulation 99 does not specify that the time limit may be extended by the Registrar on a request made by him only before the expiration of the time limit subject to the request for the extension thereof. In the present case the time limit in question is a two-month period of time for lodging and serving the patentee's counterstatement as provided by Regulation 90(1). Therefore, the Registrar has to rely on Regulation 99 for his discretion to extend the two-month period provided for by Regulation 90(1) and such discretion is not limited."

The Registrar further stated:

"... in this regard one should bear in mind that the patent regulations do not supersede the Act, they provide means of giving effect to the Patents Act. Hence the Regulations should be interpreted in a manner to promote the provisions of the Act..."

The Registrar's role in considering the extension of time it was further acknowledged a procedural step. Burrells, South African Patent Law and Practice, 2nd Edition, at p 82 and Bioclones (Pty) Ltd v Kirin-AMG Inc 1992 BP 229 RP, in his text, reads:

"The Registrar is mindful of the fact that majority of patents and the patent applications emanate, are attacked from abroad, from when the local practitioner must obtain his instruction; that patent matters are invariably complex; that there is no official examination in South Africa as to the subject matter and merits of invention; and that it is important in the public interest that disputes relating the monopoly rights be fully aired and considered and not to be denied such consideration by procedural technicalities. In light of these factors the approach of the Registrar normally is to grant at least reasonable extensions of time periods. Such a general approach, it is submitted, is a commendable one." (at paragraph 223F-G)

The Registrar continued to say:

"Finally should I have not exercised (sic) the discretion to grant the extension on the balance of interest, the Respondent would have been badly prejudiced."

¹² Section 162(2) of the 1916 Patent Act is a similar provision as Section 16(2) of the current Act

¹³ Sparklets v The Registrar of Designs 1937 TPD 313

“To enable the Registrar in the exercise of its general powers and administration of the Act to extend the time in which any act or thing was to be done under the Act as a matter of procedure. When, however, the matter is one of substantive law, the acquisition of the right, title or privilege, I consider that the legislator could not have intended to confer on the Registrar the power to vary his discretion. The condition specifically provided by itself by acquisition of such right, title or privilege.”

[31] Interestingly though, **Sparklets** found that the specific wording of Section 84 in fact constituted a restrictive provision, containing “otherwise expressly” wording resulting in the exclusion of the Registrar’s discretion to extend the time period.

[32] It must be appreciated that the patent right is a right granted by the State and affects not only for the patentee, an interested party, the opposition, but the general public. It would therefore be expected of the Registrar, Commissioners, as well as the court, to ensure that both parties are heard and that the decision made has been judicially, justifiably. In fact, **Trustco** endorsed this approach by stating:

“The discretion has to be exercised judicially and with due regard to the rights of both the applicant and the objector.”¹⁴

[33] I deem it further apt to acknowledge that our courts have ruled that when interpreting the words in a statute, consideration must be given to the language and context together. That must be done even when the words to be interpreted are clear and unambiguous. Section 39(2) of the Constitution requires that every piece of legislation must be construed in a manner that supports the spirit, purport and objects of the Constitution.

¹⁴ Paragraph [18]

Moreover in seeking to give meaning to the words of a statute the court will also give effect to the object or purpose of the legislation.¹⁵

[34] **Kaltenbach** failed to appreciate the far reaching consequences for patentees. **Sparklets, Buzbee, and Trustco**, in my view, are aligned with the object and spirit of both the Act and the Constitution.

[35] It is evident a restrictive interpretation would destroy the patentee's right to a patent particularly in instances where there is a *bona fide* and reasonable explanation for the delay. It is particularly more prejudicial when it is not the patentee's fault but that of its legal representatives when managing the sustainability of their client's patents.¹⁶

[36] For instance, **Kaltenbach** dealt with payment of renewal fees. It is common practice that patent attorneys pay renewal fees after the end of the period prescribed for the payment but within the six months for the payment of additional fees. In practice it was never understood that payment should be made before the prescribed renewal date.

[37] It is sound law that the Registrar should exercise his or her discretion judicially and consider the submissions of the respective parties. Section 16(1) of the Act makes provision for this approach. This is once again in accordance with Section 34 of the Constitution.¹⁷

¹⁵ CorpClo 2290 CC t/a U-Care and Another v Registrar of Banks [2013] 1 All SA 127 (SCA) at 137

¹⁶ Section 39(2) states:

"When interpreting any legislation, and when developing the common law or customary law, every court, tribunal or forum must promote the spirit, purport and objects of the Bill of Rights."

¹⁷ Section 34 reads:

"Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public way before a court, or where appropriate, another independent or impartial tribunal or forum."

[38] I further find the abuse of process argument to be unassailable. It could never have been intended that extensions are there “for the taking”, if one interprets the discretionary power as set out in Section 16(2) of the Act, read with the wording of the respective provisions. The Registrar’s remedial power to extend time periods can only be inhibited if the particular provisions expressly state so.

[39] Consequently, I find that Section 42(3) does not oust the Registrar from exercising his/her discretionary power as envisaged in Section 16(2) of the Act. Section 42(3) does not contain “otherwise express” provision and neither does it express when such discretion can be exercised. I therefore find the Registrar’s decision flawed and same should be substituted with an order in favour of the appellant.

H KOOVERJIE
JUDGE OF THE HIGH COURT
GAUTENG DIVISION, PRETORIA

Appearances:

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Instructed by:

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Counsel for the Defendant/Respondent:

No appearance

Instructed by:

THE REGISTRAR OF PATENTS

Date heard:

17 August 2023

Date of Judgment:

30 August 2023