

297/74

IN THE SUPREME COURT OF SOUTH AFRICA

(APPELLATE DIVISION)

In the matter between:

AMALGAMATED PACKAGING INDUSTRIES LIMITED Appellant

AND

THOMAS GOUGH HUTT First Respondent

THE REGISTRAR OF PATENTS Second Respondent

Coram: Wessels, Trollip, Rabie, Corbett, JJ.A. et Galgut, A.J.A.

Heard: 4 September 1975.

Delivered: 23 September 1975

J U D G M E N T

Trollip, J.A. :

What immediately follows is the factual background to this appeal, brought under the Patents Act, No. 37 of 1952.

On 21 August 1968 first respondent lodged

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with the Registrar at the patent office an application, with a provisional specification, for the grant of an invention for the "Extrusion of Plastic Film." The complete specification was lodged on 6 August 1969. It stated that the invention relates to the extrusion of plastic film from macro-molecular synthetic plastic material and, in particular, to the extrusion of film from high density polyethylene, a substance referred to by the abbreviation HDPE. The body of the specification mentioned, inter alia, that the method and apparatus described therein

"make it possible to produce film having such strength and characteristics that it can be used for purposes previously largely met by paper and cardboard."

The specification concluded by specifying nine claims.

On 20 April 1970 first respondent applied under section 36(1) of the Act for certain amendments to the complete specification. The latter had not by then been accepted by the Registrar. The amendments sought to insert into the body of the specification, just after the

above-quoted purposes of the film, two additional statements. The first one read:-

"Thus the film can be used for the packaging and wrapping of merchandise and goods. It can be used for the manufacture of bags to replace the previously used paper bags in shops."

The second one averred that two grades of HDPE had been found suitable for the production of film in accordance with the invention, and it described them in some detail. Two new claims were also added at the end of the specification relating, inter alia, to "merchandise wrapping or packaging sheets or bags made from the film" in accordance with certain of the previous claims.

On 28 April 1970 the Registrar granted the amendments unconditionally, i.e., without post-dating the patent application to 20 April 1970, the date on which it was regarded as having been amended. (Incidentally, it appears that the information about the application for and the granting of the amendments should have been entered upon the register in terms of section 6(1), but it was not.

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However, nothing turns on that - the omission will no doubt be rectified in due course.)

Thereafter, on 21 May 1970, the complete specification, as amended, was accepted. Its acceptance was advertised on 29 June 1970 in the Patents Journal. It then, for the first time, became open to public inspection in accordance with section 19.

On 29 October 1970 appellant, in terms of section 23, filed a notice with the Registrar opposing the grant of the patent to first respondent. Other companies have also reacted in the same way. Appellant thereafter became aware of the abovementioned history of the application for the patent. On about 12 December 1972 it launched the present proceedings by way of application on notice of motion against first respondent and the Registrar in the Court of the Commissioner of Patents. There is no explanation for the apparent delay in bringing these proceedings.

It is necessary to set out in some detail

the actual cause of action that appellant relied upon. It alleged that the amendments introduced into the complete specification entirely new matter that was not "by way of disclaimer, correction or explanation" or "correcting an obvious mistake"; that, consequently, they were not "competent amendments within the provisions of section 36"; and that, alternatively, the Registrar was obliged, if he granted the amendments, to post-date the patent application to the date of the amendments, i.e., 20 April 1970. On those premises appellant asked for an order setting aside the amendments, or, alternatively, for an order under section 73 for rectification of the register by post-dating the patent application to 20 April 1970.

The alleged prejudice that appellant and the other objectors would sustain if the relief sought is not granted was emphasized in the application and by appellant's counsel before us. The grant of the patent, it was said, can be opposed on the ground, inter alia, that the claimed invention was not inventive according to common knowledge

in the relevant art "at the effective date of the application" or was not new at that date - see section 23(1)(d) and (1); section 1, as amended, defines "effective date" as the date on which the application was lodged at the patent office or to which it was post-dated, as the case may be; the claimed invention might therefore have been inventive or new at the former date (21 August 1968) but not at the latter date (20 April 1970); but, so it was maintained, while the unconditional grant of the amendments stands, appellant and the other objectors are precluded from relying on the latter date. Moreover, it was correctly pointed out that prior to the advertising of the acceptance of the complete specification, appellant could not have become aware of or resisted or attacked the amendments.

First respondent defended the proceedings. He maintained that the amendments did not go beyond being an explanation, correction, or disclaimer, but if they did, they were competent amendments since they were effected

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before the acceptance of the complete specification, and, moreover, they could be granted without the patent application having to be post-dated. The Registrar filed a short report and informed the Commissioner that he would abide by the Court's decision. He took no further part in the proceedings.

The Commissioner (Nicholas, J.) dismissed the application simply on the ground that he had no power to grant the relief claimed. His Court, he held, is a statutory one; its powers must therefore be found within the four corners of the Patents Act which created it; and no such powers are to be found therein. The Full Bench of the Transvaal Provincial Division upheld that decision, dismissed appellant's appeal, and refused leave to appeal to this Court. Appellant has now appealed to this Court with its leave.

The contention for appellant on appeal was that section 36(3) in general prohibited any amendment

that sought to introduce new matter into any specification; an exception was, however, made under section 15(2) in favour of such an amendment to an unaccepted complete specification; but, if it was granted, the Registrar was obliged thereunder to post-date the patent application so as to avoid all prejudice to the public; consequently, the unconditional grant of the amendments in the present case was invalid in law and null and void; and the Commissioner was therefore obliged by common law and empowered under section 77(1) to set the amendments aside and/or obliged and empowered to rectify the register accordingly under section 73. It will be observed, and I emphasize it here, that the postulate of the nullity of the Registrar's decision is fundamental to appellant's case. In other words, the appellant did not seek to review or appeal against the Registrar's decision. More about this anon.

I turn now to consider this argument for the appellant.

[illegible]

I shall assume, without deciding, in appellant's favour that the amendments did introduce new matter into the specification that went beyond being merely disclaimers, corrections, or explanations. Section 15(2) reads:-

"Where an application or specification lodged at the patent office is amended, otherwise than by way of explanation, correction or disclaimer, before acceptance of the complete specification, the registrar may direct that the application or specification be post-dated to the date on which it is amended or, if it has been returned to the applicant, to the date on which it is again lodged at the patent office."

This provision deals with the amendment of a "specification" before the complete specification is accepted. It therefore relates not only to an unaccepted complete specification but also to a provisional one. See the definition of "specification" in section 1. The kind of amendments that can be effected is therefore understandably not circumscribed in any way. Thus any new matter can be introduced (subject, of course, to any requirements as to the form and contents of a specification provided for elsewhere in the Act).

The only limitation is that, if the amendment is not by way

of explanation, correction, or disclaimer, the Registrar "may" in that case direct post-dating of the patent application. That indeed confirms that amendments other than by way of explanation, correction, or disclaimer, are permissible. I shall again advert to section 15(2) presently.

Section 36, in so far as it is relevant, provides:-

"(1) An applicant for a patent or a patentee may at any time by request in writing lodged at the patent office seek leave to amend either his provisional or his complete specification, including drawings forming part thereof, and shall in making any such request state the nature of the proposed amendment and the reasons therefor.

(2) (It relates to joint applicants or patentees who want to amend their provisional or complete specification.)

(3) An amendment of an accepted complete specification shall be allowed only if it is by way of disclaimer, correction or explanation, and no amendment of any specification shall be allowed (except by way of correcting an obvious mistake) whereof the result would be that the specification as amended would claim or describe matter not in substance disclosed in the specification before amendment, or would include any claim not wholly within the scope of a claim included in the specification before amendment. (My italics).

(4) } ... (They relate to amendments to an accepted
(5) } complete specification and opposition thereto.)

(6) Where a complete specification has not been accepted or, if it has been accepted, no notice of opposition has been given or any such notice has been withdrawn, the registrar shall determine whether and subject to what conditions, if any, the amendment ought to be allowed."

These provisions apply to the amendment of provisional and unaccepted and accepted complete specifications. For appellant it was contended that, whilst the first part of sub-section (3) applied only to an accepted complete specification, the second part, commencing with the italicized words, "no amendment of any specification shall be allowed", operates in regard to all specifications, including an unaccepted complete specification. The use of the adjective "any" and the omission of the word "such" before "specification" were stressed.

As sub-section (3) starts by referring to an accepted complete specification, and sub-sections (4) and (5) continue to do so, it appears at the first blush that "any specification" in sub-section (3) in that context, refers only to any specification in the category of accepted

complete specifications; that is, it really means "any such specification". A closer examination of the Act confirms that that must be the true interpretation of the expression. For otherwise it would mean that "any specification" in sub-section (3) includes not only an unaccepted complete specification but also a provisional one. (See again the definition of "specification" in section 1.)

That would result in a serious, direct conflict between sub-section (3) and section 15(2); under the former the range of amendments permissible in a provisional or unaccepted complete specification would therefore be narrowly circumscribed, whereas under section 15(2) there is no such circumscription.

Now it is a well established canon of construction that different parts of the same statute should, if possible, be construed so as to avoid a conflict between them (per Centlivres, C.J., in Minister of the Interior v. Estate Roos 1956 (2) S.A. 266 (A) at p. 271 B - C; and see Steyn, Die Uitleg van Wette, 4th ed., p. 192). The above prima facie

interpretation /13

interpretation easily and effectively avoids that conflict.

Appellant's counsel, however, attempted to resolve that conflict in a different way. He maintained that sub-section (3) enacts the general principle applicable to all specifications, whilst section 15(2) provides for a special exception thereto in favour of an amendment introducing new matter into an unaccepted complete specification. That approach does not, however, advance the argument for appellant. For section 15(2) also relates to a provisional specification; such an amendment to that kind of specification, on the argument advanced, would therefore also be an exception to the so-called general principle in sub-section (3); and that means, in the end, that sub-section (3) could only apply to an accepted complete specification. So one arrives at precisely the same conclusion as the above prima facie construction. I conclude, therefore, that the latter construction is the correct one and that the entire ^{Section} 36(3) applies only [^] to amendments to an accepted complete specification.

As to section 15(2) the argument for appellant was that, as the amendments were "otherwise than by way of explanation, correction or disclaimer", the Registrar was obliged to post-date the patent application to 20 April 1970. The contention was that, having regard to the scheme of the Act, especially section 36(3), and the possible potential prejudice to interested members of the public, the word "may" in section 15(2) must be read as a power coupled with a duty to direct the post-dating of the patent application. For reasons already given section 36(3) does not assist the contention in any way. However, the well-known case of Julius v. The Bishop of Oxford 5 A.C. 214 was invoked in aid of the construction that "may direct" there should be construed as meaning "shall direct". That departure from the former's ordinary connotation can only be justified if the manifested intention of the Legislature so requires (Steyn, supra, at p. 66).

The first consideration that claims attention

is, why, if that was the intention, the word "shall" was not originally used when that could so easily have been done.

It was used in other sections to impose a duty on the Registrar.

Thus, in section 11(1): the Registrar "shall examine every application for a patent"; section 13(1): he "shall refuse" certain specified applications; the proviso to section 17: he "shall grant an extension of time" for the acceptance of a complete specification in certain circumstances; section 21(a): he "shall ... inform" the applicant of an examiner's adverse report; and so on. In other words, the ordinary, decisive distinction between "may" and "shall" was present to the lawgiver's mind. Consequently, it is not easy to infer that "may" was inappropriately used in section 15(2) when "shall" was really intended. Moreover, section 36(6), quoted above, is an important clue on this issue. There "shall" is again used to oblige the Registrar to consider whether or not any amendment to an unaccepted complete specification ought to be allowed. Furthermore, it provides that he must also determine, if he grants it, "what conditions,

if any" he ought to impose. Clearly, a discretion as to conditions is conferred on him. Now the post-dating of the patent application is a condition of a particular kind that is specified in section 15(2). Therefore, if its imposition was to be peremptory and not discretionary, one would have expected, especially because of section 36(6), that section 15(2) would have said so plainly, for example, by simply using "shall" instead of "may". Indeed, the use of "may", in the light of section 36(6), is indicative of a consistent intention that the Registrar should have a discretion under both provisions. Moreover, the extent to which an amendment exceeds the limits of an explanation, correction, or disclaimer, and its possible prejudicial effect, will no doubt vary in degree from case to case. Thus, in one case the excess might be slight and no one will appear to be prejudiced by not post-dating the patent application; in another case the excess might be potentially substantial and prejudicial unless the patent application is post-dated. It is highly probable, therefore, that the

Registrar was endowed under section 15(2) with a discretion to determine in the particular circumstances of each case whether or not the patent application ought to be post-dated.

Appellant's counsel also drew our attention to the facts that section 11, relating to the examination of applications and specifications in the Registrar's office, has not yet been brought into operation (cf. section 104(2)), and that the Registrar reported that "the Registrar's office has no facilities for examination as to substance of a patent specification or any amendment thereto." It was contended that, as the Registrar is apparently unable to examine applications for amendments, properly or at all, section 15(2) should now be construed as obliging him to post-date a patent application if he grants such an amendment thereto. That contention is quite untenable. The proper construction of a statute cannot be influenced by administrative difficulties that are encountered in carrying it out after its enactment. If the point at issue was whether or not in a

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particular case the Registrar had exercised his discretion under section 15(2) properly or at all, such difficulties might be a relevant consideration. But that question does not arise in the present case, as will presently appear, and therefore need not be further considered.

A further consideration urged against the Registrar having a discretion under section 15(2) was this: a wrong or improper exercise of that discretion by not post-dating a patent application could prejudice interested members of the public; and such prejudice would be irreparable, since, under the Act, the decision is neither appealable nor reviewable at their instance. Section 78 does say that an appeal shall lie from any decision of the Registrar to the Commissioner. But it was common cause between counsel for the parties that this section does not accord a right of appeal of the kind just mentioned to an aggrieved member of the public. I therefore need not say anything more about

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section 78. On the other hand, if the Registrar, in granting an amendment unconditionally, did not apply his mind properly or at all to the matter or otherwise acted improperly, why should his decision not be reviewable under the common law? And if it is, why should the Commissioner, as being the exclusive court of first instance under section 77(1), not have jurisdiction under that section to entertain the review, and, if it succeeds, to set aside the Registrar's decision, and rectify the register under section 73 accordingly? I have some difficulty in seeing why not. However, it is unnecessary to decide these interesting issues. I shall assume without deciding in appellant's favour on this particular aspect of the argument that the Registrar's decision of the kind in question is neither appealable nor reviewable under the Act at the instance of any member of the public. That consideration is, however, not of sufficient weight, in my opinion, to subvert the plain meaning of section 15(2) that the Registrar is endowed with the aforementioned discretionary power.

It might possibly be a casus omissus on the part of the Legislature not to have afforded aggrieved members of the public some form of relief by way of an appeal or review. If so, the remedy lies with it and not with the Courts to remedy the omission. In that regard it is interesting to observe that Halsbury's Laws of England, 3rd ed., vol. 29, p. 17, in note (u), says that it is also uncertain under the English Act to what extent there is any method of calling in question an amendment granted before publication of the complete specification.

I should add in conclusion that even if the Registrar's decision is reviewable under the common law by the Commissioner, it does not assist the appellant in the present proceedings. For these proceedings did not take the form of such a review. In particular, the application lacked the essential, pointed allegation that the Registrar had acted improperly by not duly applying his mind to the matter or otherwise. If that had been alleged the Registrar

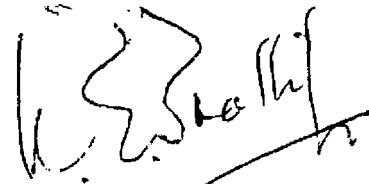
would have had the opportunity of answering it. It is true that in his report he confessed that his office "has no facilities for examination as to substance of a patent specification or any amendment thereto". But that is a general observation and not an admission that, in granting the present amendments unconditionally, he did not properly apply his mind to the matter. Consequently, the present proceedings cannot be treated as an application to review the Registrar's decision.

To sum up: the Registrar's decision to grant the amendments without directing that the patent application be post-dated was not a nullity as being contrary to section 15(2) or section 36 of the Patents Act. If it had been, the Commissioner, under section 77(1), could probably have declared it null and void and/or set it aside and ordered rectification of the register accordingly under section 73. But it is unnecessary to express any firm view on that aspect.

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As appellant has failed on the fundamental issue of nullity, it follows that the appeal must be dismissed. For it means that the Registrar's decision still stands, and while it does there is no ground for ordering rectification of the register in the manner sought by appellant.

The appeal is therefore dismissed with costs, including those relating to the employment of two counsel.



W.G. Trollip, J.A.

Wessels, J.A.)

Rabie, J.A.) concur.

Corbett, J.A.)

Galgut, A.J.A.)