

Material Misrepresentation as Ground for Revocation of South African Patents

A South African patent will be incurably open to revocation if the prescribed declaration (on Form P3) was signed before rectifying invalidity of which the applicant ought to have known. This has been confirmed by the Court of the Commissioner of Patents in a judgement which served as a stern warning to applicants.

THE LAW

Section 61(1)(g) of the Patents Act provides that a patent may be revoked on the ground that:

“the prescribed declaration... contains a false statement or representation which is material and which the patentee knew or ought reasonably to have known was false at the time when the statement or representation was made”.

The prescribed declaration, on Form P3, includes the following statement:

“to the best of my/our knowledge and belief, if a patent is granted on the application, there will be no lawful ground for the revocation of the patent”.

THE DECISION

These provisions were the subject in the judgement of Kollapen J, sitting as Commissioner of Patents, in the matter of Gallagher Group Ltd and others v IO Tech Manufacturing (Pty) Ltd and others (Patent 96/9799).

In respect of the public policy issue underlying the prescribed declaration, Kollapen J stated:

“...ensuring that an amendment does not have the effect of curing an invalidity that was knowingly made would go a long way in ensuring that patentees only file patent [application]s for inventions which the patentee honestly believes are valid thereby protecting the system against abuse by dishonest patentees.”

The patentee argued that, because amendments are retrospective in effect, the declaration should not be regarded as false if a subsequent amendment has removed the cause of the misrepresentation. However, the court dismissed this argument stating:

“...the provisions of Section 61(1)(g) can only mean that the misrepresentation must be assessed at the time when the statement or misrepresentation is made and that it would offend against both the clear language of the section as well as the policy imperatives that seek to ensure good faith and honesty on the part of patent applicants, if it was possible to simply amend out of the consequences of a material misrepresentation made at the time with knowledge of the falsity of its content”.

Ultimately, the court held that “Section 61(1)(g) fixes with inflexible rigidity the timeline in assessing the falsity of a misrepresentation”, this time being “the time when the statement was made”.

It is therefore clear that invalidity arising from of a false representation in Form P3 cannot be avoided by subsequent amendment of the specification.

THE CONSEQUENCES

For applicants:

Applicants for South African patents should ensure that any possible invalidity of which the applicant ought to know (e.g. impermissible claim format, invalidity revealed in the international or corresponding applications, or the like) is rectified before signing the prescribed declaration on Form P3. This will usually result in a need to submit Form P3 belatedly and in cases where applicants need time to assess the need for amendment, the acceptance deadline for the application may need to be extended. In PCT-based applications particularly, where any objection is raised in the International Search Report or the International Preliminary Report on Patentability, the applicant should file the South African application without Form P3, unless he believes that the objection is incorrect and he is sufficiently confident about this to accept that the validity of the ensuing patent may stand or fall on the form of the specification and claims at the date of signing Form P3.

In pending applications where Form P3 has already been submitted, but where the applicant, upon reflection, realises that he ought to have been aware of some invalidity in the patent application at the time that Form P3 was signed, the invalidity needs to be rectified before signing and submitting a replacement Form P3. The earlier Form P3 should preferably be uplifted. This approach is likely to require an extension of the acceptance deadline.

For patentees:

There is no provision for lodging the prescribed declaration (Form P3) after a patent has been granted and accordingly, nothing can be done to avoid vulnerability to revocation of patents where the declaration included a material misrepresentation as described above. It is possible that a higher court would not follow the decision of Kollapen J, sitting as the Commissioner of Patents and/or the Patents Act may be amended, but for the moment, nothing can be done to remedy patents open to revocation for material misrepresentation.

There is a continuing duty on the patentee to amend a patent to remedy any invalidity of which he is or ought reasonably to be aware and the decision of Kollapen J does not alter this requirement.

For those seeking to avoid infringement:

The decision of Kollapen J presents a significant opportunity for persons seeking to exploit technology that is subject to South African patents. This is especially true of many PCT-based patents, as it has been common for patent applicants to file Form P3 before amending the specification to avoid objections (if the specification were amended at all).

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