

# IP BRIEFS

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## FROM THE EDITOR

Dr. MM Kleyn



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My son is conversing with his friends in virtual space, exploring the powerful bespoke interactive dashboards, control panels, microphones, headphones, X-box, speaking to Siri, spending each addictive moment engaged with the characters of Fortnite in Battle Royale, shutting out the world of reality!

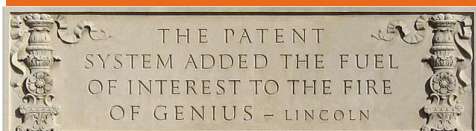
I get in my car and instruct it to start the engine, turn on the radio to my favourite station and drive me with the automatic steering mechanism on the programmed route with the built in GPS, while my seat automatically senses that a seat cooling option would be appropriate.

Artificial Intelligence in our homes, in our cars...embracing or suffocating? As AI impacts our lives it is also making in-roads in the intellectual property world. AI will have an impact on the traditional IP concepts as we know it! We have included an article on the subject in this edition.

As we are nearing the end of January already, a belated wish for the New Year to all our readers!

*Quote for today:* ““He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without darkening me.”

— Thomas Jefferson



## MESSAGE FROM THE PRESIDENT

It is with great pleasure that I wish you all a Happy 2019 full of happiness and success in your personal and professional lives.

I feel very privileged and honoured to be presiding over this respected organisation, The South African Institute of Intellectual Property Lawyers.

Working together with Debbie Marriott; Immediate Past President, members of Council and committee members, we will be focusing on maintaining the momentum and drive with the existing and on-going projects and with the elections looming, it is anticipated that this year is going to require careful navigation and focus.

On a legislative front, we anticipate we will be kept busy on a number of projects and to maintain our involvement as an Institute in the development of these legislative changes:

- The proposed three-tier patent legislative system (Patents Act, Regulations and Guidelines) – anticipated that the first draft document will be made available for comment in the first quarter of this year, with the intention of having documents ready to proceed to the Parliamentary process for legislative amendments during the last quarter of 2019.
- We wait to see the outcome and fate of the Copyright Amendment Bill, and whether this will in fact be introduced to the National Assembly. We will be watching the developments closely in order to assess the steps required from an Institute perspective.
- We will be monitoring the position of the DTI Document on International Treaties for any revisions or amendments, and consideration will be given to playing a more active role in the addressing of issues relating to South Africa's membership and implementation of International IP related treaties



Education remains a pivotal role of the Institute and will be commencing the lectures and workshops in March and wish all the students the best of luck for the upcoming academic season.

One cannot underestimate the importance of relationships in business, not only internally, but with professional colleagues and associated organisations, local and international. It is important that SAIPL builds on the good relations established with the Registrar of Patents and CIPC and to continue positive engagement with the Registrar and CIPC through the established quarterly meetings.

This year we will focus on increasing the social capital of the Institute. We encourage members to participate in the social functions of the SAIPL and nurture the relationship among fellow members. I hope to see more of you at our events.

*"All work and no play make Jack a dull boy".*

On a final note, I believe it is important to continually assess the effectiveness, efficiency and relevance of the Institute in order to keep up with trends, changes and challenges, both on a local front and internationally. As such, I encourage members to provide input and participation in order to continually improve the role the Institute plays in the Profession.

Vanessa Ferguson  
Trade Mark Practitioner & Anti-Counterfeiting Specialist  
President - SAIPL

Once a firm comes to the understanding that it has intellectual capital, how does it convert it into something of value?  
The answer is, it depends!<sup>1</sup>

## Intellectual Property (IP) rights

IP is a collective term referring to products of the human intellect or the mind.<sup>2</sup> IP is best described as intangible assets or rights in relation to these products of the human intellect or the mind.<sup>3</sup> These intangible assets may be protected by statutory and non-statutory law, which typically grants the author and/or owner of the intellectual creation exclusive rights for exploiting and benefiting from her creation.<sup>4</sup> Various IP laws exist in many countries, offering IP protection for these intangible assets.<sup>5</sup> IP rights are also called monopoly or exclusionary rights of exploitation and in general are limited in scope, duration and geographical extent. IP rights by virtue of their monopolistic nature thus may have a potential moral and a potential commercial value.<sup>6</sup>

## Patent rights

Although patent legislation in various jurisdictions differ, some aspects and principles in patent law are internationally accepted.<sup>7</sup> In general, patent law principles, as summarised hereunder, apply irrespective of the particular national legislation:

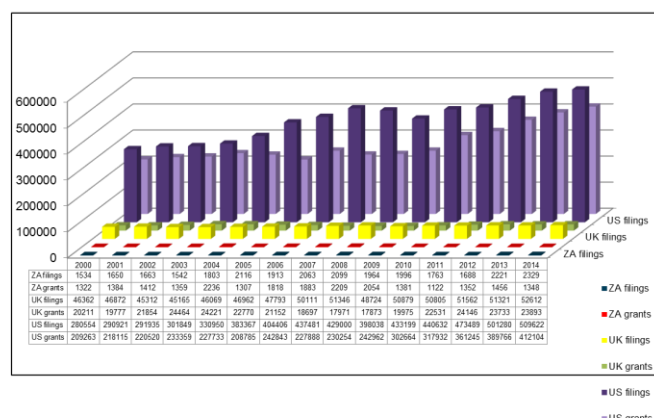
- (i) A patent is an IP right that provides protection for a new invention and protects the underlying principle behind the invention.<sup>8</sup>
- (ii) Patent protection is obtained by filing a patent application accompanied by an appropriate patent specification at the patent office of a particular country.<sup>9</sup> The patent specification describes the invention, whilst the monopoly rights are defined in a set of claims enclosed at the end of the patent specification. Patent claims thus form the basis of the technical scope of a particular invention and need to be construed and interpreted on a case-by-case basis to determine the boundaries of the rights conferred to a patent owner.<sup>10</sup>
- iii) Patents are territorial by their nature and need to be obtained for each country/territory where the invention is sought to be exploited.<sup>11</sup> In other words, a patent right is not

granted for the same subject matter by one uniform right applying worldwide. Instead, the subject matter of the patent is subject to a bundle of territorial rights.<sup>12</sup>

## Costs required for maintenance of a patent family

The costs of one invention with patent family members in various jurisdictions will grow at an exponential rate for the duration of the patent term. Obtaining patent protection for one inventive concept in as little as four jurisdictions (which is by industry standards a relatively moderate form of patent protection) may easily become a million Rand expense over the full lifetime of the patent family.

## Incorporating an IP portfolio within the overall business strategy



Numbers as sourced from: Country statistics WIPO  
[http://www.wipo.int/ipstats/en/statistics/country\\_profile/](http://www.wipo.int/ipstats/en/statistics/country_profile/).

Statistics show a worldwide increase in patent filings, however, not all patents that are filed, proceed to grant and even less of the patents granted are used commercially. Simply acquiring and owning patent assets does not necessarily create business value and therefore business leaders need to extract more value from their patent assets.

<sup>1</sup> Sullivan 1998 *Profiting from Intellectual Capital* 43-76.

<sup>2</sup> Davis and Harrison 2001 *Edison in the Boardroom* Introduction 3.

<sup>3</sup> Anon Date unknown *What is intellectual property* WIPO <http://www.wipo.int/about-ip/en/>; Dean & Dyer 2014 *Introduction to Intellectual Property Law* Preface xxvii; Klopper et al 2011 *Law of Intellectual Property in South Africa* Introduction xxi.

<sup>4</sup> Anon Date unknown *What is intellectual property* WIPO <http://www.wipo.int/about-ip/en/>; Burrell 2016 *Burrell's South African Patent and Design Law* Ch. 1 1-2.

<sup>5</sup> Anon Date unknown *About WIPO Lex* WIPO [www.wipo.int/wipolex/en/about.html](http://www.wipo.int/wipolex/en/about.html); Franklin 2013 "International Intellectual Property Law" *American Society of International Law* online; Burrell 2016 *Burrell's South African Patent and Design Law* Ch. 1 4-13.

<sup>6</sup> Klopper et al 2011 *Law of Intellectual Property in South Africa* Introduction xxii-xxv.

<sup>7</sup> Anon Date unknown *About IP-Patents* WIPO [www.wipo.int/patents/en/faq\\_patents.html](http://www.wipo.int/patents/en/faq_patents.html).

<sup>8</sup> Quinn 2014 *Protecting Ideas: Can Ideas Be Protected or Patented?* IP Watchdog [www.ipwatchdog.com/2014/02/15/protecting-ideas-can-ideas-be-protected-or-patented/id=48009/](http://www.ipwatchdog.com/2014/02/15/protecting-ideas-can-ideas-be-protected-or-patented/id=48009/).

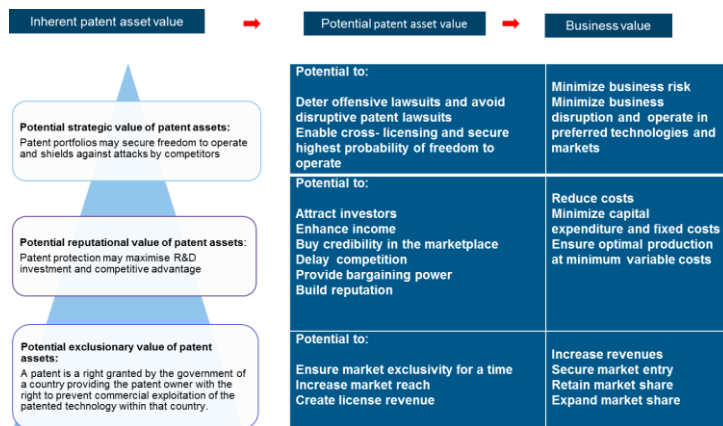
<sup>9</sup> Anon 2004 *WIPO Intellectual Property Handbook: Policy, Law and Use* WIPO online 17-160 <http://www.wipo.int/about-ip/en/iprm/>.

<sup>10</sup> Burrell 2016 *Burrell's South African Patent and Design Law* Ch.2 41-106; Dean & Dyer 2014 *Introduction to Intellectual Property Law* Ch. 5 252-259; Klopper et al 2011 *Law of Intellectual Property in South Africa* Ch. 41 and 52 293-304.

<sup>11</sup> Anon 2015 *Know your Territory – IP is a Territorial Right Registration in Europe Does Not Guarantee Protection in China* [www.youripinsider.eu/territory-ip-territorial-registration-europe-guarantee-protection-china/](http://www.youripinsider.eu/territory-ip-territorial-registration-europe-guarantee-protection-china/).

<sup>12</sup> Kur 2011 *The Structure of Intellectual Property Law Part III* 193-211.

The reasons for obtaining patent protection are a much-debated subject amongst experts and business owners of patent assets.<sup>13</sup> It is therefore imperative that IP managers translate the factors that influence the value of patent assets and develop an IP strategy for the business that incorporates both defensive and offensive use of patent assets as means to extract optimal business value from existing and future patent assets.



It is important that business leaders understand that an offensive patent strategy is designed to block competitors from gaining entry to core and proprietary technologies or markets and requires an aggressive filing strategy and a sizeable patent portfolio. On the other hand, a defensive patent strategy is primarily to ensure freedom to operate in preferred markets and technologies of choice without the fear of patent litigation from competitors.<sup>14</sup>

Since offensive use of patent assets capitalises on the exclusionary value of patent assets with the direct aim to enforce the associated patent rights against third parties, whilst defensive and strategic patents are not necessarily filed with the immediate aim to enforce these patents against third parties, the challenge in realising business value from patent assets thus lies in creating and utilising a patent portfolio consisting of patent assets that have the potential to increase business revenues, reduce business costs and minimise business risks. In creating such a patent portfolio, a business must keep in mind the legal principles pertaining to patent protection, cost implication as well as business direction and objectives. Ultimately, businesses should strive to create a patent portfolio that is aligned with the business strategy where both creation and utilisation of the patent portfolio is achieved in the most cost effective manner.

## The value of patent assets

An effective IP monetisation strategy is dependent on factors such as technology or industry sector, size and maturity of the business, technology lifecycle and the business and market environment,<sup>15</sup> however the basic elements thereof are similar irrespective of technology and market sector.

Generally, the aim of an offensive patent strategy is to protect core technology and competitive advantage in the marketplace. A well-crafted patent portfolio will simultaneously prevent competitors from entering into key product segments and markets, thus driving business revenue and profits.<sup>16</sup> In contrast, the aim of a defensive patent strategy is to shield the business against infringement suits by competitors. An optimised patent portfolio will include unclaimed territory, or so-called white space technology options, which surround core technology, by patenting small and incremental improvements to key product segments as well as design-around options to secure competitive advantage in the marketplace.<sup>17</sup>

Depending on the technology type and the business sector, a business may adopt a combined offensive and defensive patent asset strategy approach to build a patent portfolio optimised for maximum business value extraction. The key elements to create a patent portfolio for ensuring optimal business value, requires a three step patent asset monetisation methodology consisting of:

- grow a business driven patent portfolio;
- strategically and cost effectively manage the patent portfolio; and
- strive to direct innovation towards current and future product, service and technology offerings.

Following this proposed three step patent asset monetisation strategy, will unlock the full business value from patent assets.<sup>18</sup> The ultimate aim is therefore to implement an IP business strategy, which designs a balanced portfolio including offensive, defensive and strategic use of patent assets

*Herein lies the challenge: How do you determine what a patent is worth?*

*In wine terms, how do you know whether you have a cellar of Two-Buck-Chucks or a cellar of fine Bordeaux?*<sup>19</sup>

<sup>13</sup> Barradas 2015 *Users of the IP system* FICPI conference Plenary Session 1 <http://www.ficpi.org/library/presentations/cape-town-south-africa>; Rodriquez and Dunwoody 2014 *The sword and the shield* IC <http://www.insidecounsel.com/2014/05/06/the-sword-and-the-shield-building-an-offensive-and->; Stanley 2002 *Building and enforcing intellectual property value* 9-17; Haller and Spicer 2002 *Building and enforcing intellectual property value* 33-37; Sergeant 2006 "When protecting Intellectual Property, play both defensive and offensive" *Baltimore Business Journal* 8-14; De Wilton 2011 "Patent Value: A Business Perspective for Technology Startups" *Technology Innovation Management Review* 5-11 online <https://timreview.ca/article/501>.

<sup>14</sup> Rodriquez and Dunwoody 2014 *The sword and the shield* IC <http://www.insidecounsel.com/2014/05/06/the-sword-and-the-shield-building-an-offensive-and->.

<sup>15</sup> Cronin and Di Giammarino 2009 "Understanding and unifying diverse IP strategy perspectives" *Intellectual Asset Management* 22-26.

<sup>16</sup> Aggarwal 2015 *Winning the IP game: Embracing Offensive IP Strategy* [www.livelaaw.in/Winning-the-ip-game-embracing-offensive-ip-strategy](http://www.livelaaw.in/Winning-the-ip-game-embracing-offensive-ip-strategy).

<sup>17</sup> Yannopoulos 2011 "Defensive and Offensive Strategies for Market Success" *International Journal of Business and Social Science*; Rodriquez and Dunwoody 2014 *The sword and the shield* IC <http://www.insidecounsel.com/2014/05/06/the-sword-and-the-shield-building-an-offensive-and->; Dodds J 2007 *Patenting Strategies: Building an IP Fortress* 911-920; Patel 2002 *Patent Portfolio Development Strategy for Start-Up Companies* Intellectual Property Bulletin Fenwick & West [www.fenwick.com/docstore/Publications/IP/IP\\_bulletins/IP\\_Bulletin\\_Fall\\_2002.pdf](http://www.fenwick.com/docstore/Publications/IP/IP_bulletins/IP_Bulletin_Fall_2002.pdf).

<sup>18</sup> Henry 2001 "Intellectual Property Rights: Unlocking the value of this new asset class" *Technology Innovation Management Reviews* 23-28; Glasser 2001 "Monetizing intellectual property" *Chemical Innovation* 17-23.

<sup>19</sup> Piper 2012 *Your patent portfolio: how much is it worth and what are you going to do about it?* Intellectual Property and Technology News issue 14 Q2 2012 [https://www.dlapiper.com/en/us/insights/publications/2012/06/intellectual-property-and-technology-news-united\\_](https://www.dlapiper.com/en/us/insights/publications/2012/06/intellectual-property-and-technology-news-united_).



## A holistic approach to measurement of the business value of patent assets

An important aspect in patent asset valuation is that the business value cannot be assessed in a vacuum.<sup>20</sup> It is also known that many factors influence the value of patent assets.

Since informed patent portfolio management, decision-making and value extraction relies on a number of patent asset value indicators, business value embedded in patent assets need to be effectively and accurately measured to enable full business value extraction from the portfolio of patent assets. This requires a holistic business valuation methodology that takes into account the factors that influence the inherent value of patent assets. Therefore, a proposed methodology, which provides a simplistic calculation, should include the following qualitatively measures:

- i. Lifecycle Value Factor (LVF) of a patent asset
- ii. Technology Scope Factor (TSF) of a patent asset
- iii. Industry relevance factor (IRF) of a patent asset

**LVF:** Measures where the patent asset is in its lifecycle, i.e. the application stage, prosecution stage or granted stage.

**TSF:** This factor is dependent on the scope protected by the patent asset and is directly related to an interpreted valuation based on the claims of the patent asset.

**IRF:** This factor aims to measure the success in the market, the potential sales that might benefit from patent protection, whether directly or indirectly through licensing, and furthermore, the effects of competition in the absence and presence of patent protection. To measure this factor as accurately as possible one need to consider the purpose of the patent asset, the effect of the portfolio of patents in the industry as well as the market coverage (i.e. patent family) of the patent asset. The IRF factor thus comprises three components:

- i. a measure of the value of the patent asset based on the purpose or business reason of the patent asset, the so-called P-rating;
- ii. a measure of the business value of the portfolio of which the patent asset forms part, the so-called PP-rating; and
- iii. a measure of the market coverage (i.e. the number of countries in which the patent application has been filed and granted) or so-called MC-rating.

The IRF is thus a mere aggregation of these components i.e.  $IRF = P\text{-rating} + PP\text{-rating} + MC\text{-rating}$ .

Following the methodology as proposed, a Business Value Factor (BVF) is calculated as:

$$BVF = LCF + TSF + IRF$$

The BVF is utilised to measure business value of individual patent assets, as well as patent portfolios. To measure the business value of a portfolio as opposed to that of an individual patent asset, will then be merely the sum of individual BVF of patent assets in the portfolio.

## Conclusion

Patents assets are legal instruments with inherent business value. As business assets, however, they do not generate value by themselves. To unlock the full business value from patent assets, a business should understand how these patent assets fits into the business strategy and how patent portfolios may be used to increase business value, reduce business costs and minimize business risks.

IP visionary businesses will mine their patent portfolios to extract maximum business value. This can be achieved through:

- i. growing a business driven patent portfolio;
- ii. strategically and cost effectively managing the patent portfolio; and
- iii. striving to direct innovation towards current and future product, service and technology offerings.

Imperative in optimal value extraction from patent assets is a valuation methodology that take into consideration the factors that affect the value of patent assets.

*Intellectual property could be called the Cinderella of the new economy. A drab but useful servant, consigned to the dusty and uneventful offices of corporate legal departments until the princes of globalization and technological innovation - revealing her true value - swept her to prominence and gave her an enticing new allure.<sup>21</sup>*

## Morné Barradas



Morné holds a BSc Hons in Chemistry, a LLM in Intellectual Property Law and is currently enrolled for an LLD at UNISA. She is an admitted attorney and qualified South African patent attorney and the Senior Manager for Intellectual Property Risk and Compliance at Sasol.

Morné has over 15 years of experience in IP management and IP strategy formulation in the petrochemical industry, including the establishment and development of IP processes, tools and best practices.

<sup>20</sup> Sims and Ballway 1996 "Assessing and valuing intellectual property assets: Assessment" *The Law and Business Cleveland State Law Review Law Journals* 11-21.

<sup>21</sup> Idris 2003 *Intellectual Property a power tool for economic growth* WIPO.



# Confidential Information and the Competition Commission

by Nordely Wright

“Confidential Information” generally means; information which is not known to the public, or in the public domain, but is private to a company or individual who possesses that confidential information. It can include details of a company’s financial affairs, business operations or customer engagements.

A key type of confidential information could be a company’s trade secret, such as a method or technique of manufacture which gives the company an edge over other competitors. Confidential information is therefore a valuable intellectual asset to a company. As such it is essential that confidentiality be protected and unauthorised use and disclosure prohibited, especially from the hands of competitors.

The context of confidential information in dealings with the Competition Authorities and specifically how confidential information is defined in the Competition Act must be considered. Procedures relating to the handling of confidential information at various stages of the investigation and litigation processes must be understood to ensure that confidentiality is indeed preserved.

There are various avenues through which information is obtained by the Competition Commission or Competition Tribunal, including merger application documentation, search and seizure investigations, information supplied by an informant or information provided by a party under the leniency policy. It is important to differentiate between protecting confidential information from disclosure by the competition authorities and disclosure to other parties involved in either an investigation or a litigation process, as there are confidentiality constraints that apply to the competition authorities, and then there are separate undertakings which apply to legal representatives, experts and the like.

Generally, there are three requirements outlined (see *The Enforcement of Intellectual property Rights: A Case Book*; LTC Harms, 3<sup>rd</sup> Edition, 2012, WIPO, with reference to *Coco v AN Clark (Engineers) Ltd.* [1969] RPC 41 [UK]) that the information must meet, which deem it confidential:

1. The information itself must have the necessary quality of confidence.
2. That information must have been imparted in circumstances importing an obligation of confidence on the party receiving the confidential information.
3. There must be an unauthorised use or disclosure of the confidential information to the detriment of the disclosing party.

Confidential information is dealt with in Sections 44, 45, 45A and 69 of the Act. A person may claim certain information is confidential according to Section 44, but this information needs to fall in the ambit of the definition given in the Act.

According to the Act *confidential information* “means trade, business or industrial information that belongs to a *firm*, has a particular economic value, and is not generally available to or known by others.”

Information submitted to the Commission can also be claimed as confidential. A written statement explaining why the information is confidential must be submitted with the relevant form (CC7) together with the complaint or merger documentation in order to give effect to the claim of confidentiality.

**competition commission**  
south africa

**Form CC 7**

**Confidentiality Claim**

To: The Competition Commission and the Competition Tribunal

**Concerning:**  
(Name and file number:)

On a separate sheet of paper, list the following information, and set out the facts and contentions supporting your claim that the identified information is confidential.

Column 1 -	name of the document that contains the confidential information.
Column 2 -	the page and line number at which the confidential information begins and ends.
Column 3 -	the name of the firm that owns the particular information.
Column 4 -	the nature of the economic value of the information.
Column 5 -	the existing restrictions on access to the information.

**Statement of Confidentiality:**

I, \_\_\_\_\_, compiled, or supervised the persons who compiled, the attached list. I believe that the information identified in that list is confidential information as defined in section 1(1) of the Competition Act.

**Name and Title of Person authorised to sign:**

**Authorised Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**For Office Use Only:** Commission file number: \_\_\_\_\_ Date filed: \_\_\_\_\_

**Contacting the Commission**

The Competition Commission  
Private Bag X23  
Lynnwood Ridge  
Pretoria 0040  
Republic of South Africa  
tel: 27 012 394 3226  
fax: 27 012 394 0166  
e-mail: ccasa@compcom.co.za

This form is prescribed by the Minister of Trade and Industry in terms of Section 21 (4) of the Competition Act 1998 (Act No. 89 of 1998).

held that a party requiring access should establish why – “the information is relevant; the information is of probative value; and the applicant will not be prejudiced by not having access, or access in a form that is not being allowed by the claimant.”

The limitations or allowances to access confidential information, such as viewing documents without taking any notes, can be agreed upon by the parties, but if there is a dispute then it is the judgement of the Tribunal which prevails. In confidentiality disputes the fact that the accused requires access to confidential information to rebut allegations is considered by the competition authorities in their approach to granting access to confidential information, as it is a matter of procedural fairness and for the proper administration of the Act (see *Competition Commission v Unilever plc* [2001–2002] CPLR 29 (CAC)). Relevance of the information to which access is sought, is also considered and therefore only portions of documents may be granted access to.

During investigation, or litigation, a party may insist that legal representatives and experts make written undertakings to maintain confidentiality of certain documentation which would then incur a claim of civil damages if breached. These agreements can be made between parties in addition to the protection provided for in the Act, but confidential information in the hands of the competition authorities will be dealt with according to the regulations and rules as set out in the Act (section 44, 45, 45A and 69) as well as the Competition Commission Rules (14 and 15) and that of the Competition Tribunal Rules (13 and 22). Yet, the Commission has in the past made confidential information available to the Minister in the form of merger documentation and the like, which is not authorised under the current legislation, but which is envisioned by the Amendment Bill.

Considering the role of experts in investigations of anti-competitive behavior, or merger investigations, they generally have access to confidential information and are sometimes loath to consent to any form of confidentiality undertaking. In practice in South Africa the few experts are known to be persons of great integrity and honesty,

The importance of not applying broad or blanket confidentiality claims is presented in *Orion Cellular (Pty) Ltd v Telkom South Africa Ltd and others* [2004] 1 CPLR 198 (CT) and *Competition Commission of SA v Arcerlormittal SA Ltd* (680/12) [2013] ZASCA 84 (31 May 2013), where the court indicated that claims for confidentiality need to be specific and merely general statements of harm resulting from disclosure are not adequate.

Only when there is a request for the disclosure of the claimed *confidential information* will Section 45(1) come into effect, in that the Tribunal will (i) determine whether the information is confidential or not, and (ii) if it finds it so, “make an appropriate order concerning access to the *confidential information*”. In determining the right to access of *confidential information* in *Nutri-Flo CC and another v Sasol Ltd and others* [2004] 1 CPLR 248 (CT) the Tribunal

but there is concern and risk that the *status quo* may not be maintained.

In *Orion Cellular (Pty) Ltd v Telkom South Africa Ltd and others* [2004] 1 CPLR 198 (CT) the following was determined with regard to access to confidential information;

*“On the basis of section 45(1)(b) and section 27 of the Act, the Tribunal ordered that Orion's personnel, its legal representatives and **any** outside experts which Orion appointed, should have access to Telkom's confidential information in respect of the agreements, provided that the individuals concerned signed written undertakings of confidentiality and that they **curtailed their use** of the information in question to the purposes of the interim relief application and any further interlocutory litigation which might be necessary in the course of bringing the interim relief application to finality.” (my emphasis)*

Access to the confidential information in this case was granted “on strict terms”. Therefore, engagements with experts during the course of proceedings could be kept confidential as determined by the written undertaking.

## Conclusion

There remain some challenges to the protection of confidential information in the course of interaction with Competition Authorities. However, if the correct procedures are followed and care is taken to define information accordingly, protection can be maintained. It is incumbent on the holder of the information to take the required steps to ensure confidential information is protected, and this process should commence even before any interaction with the Competition Authorities.

Nordely Wright is a Product Developer at Oro Agri SA (Pty) Ltd. She holds a MSc in Soil Science and often assists with technical review and also patent prosecution matters. She has a passion for IP and recently completed a PG Dip in Intellectual Property Law at Stellenbosch University.

## FAQs

### Who enforces the Competition Act?

*Three institutions are responsible for the application of the Competition Act, namely the Competition Commission, the Tribunal and the Competition Appeal Court.*

### What is the role of the Tribunal?

*The Tribunal is in effect a court of first instance in all competition matters and adjudicates on and provides remedies in respect of large mergers, interim relief applications and complaints relating to prohibited practices. Examples of prohibited practice cases would be those involving cartels or abuse of dominance. It also acts as an appeal body in matters over which the Commission has decision-making authority such as intermediate mergers and exemptions.*

*It may impose remedies such as prohibiting a merger, imposing interim relief, levy administrative penalties and order divestitures etc.*

*Decisions of the Tribunal can be appealed to the Competition Appeal Court, a special division of the High Court.*

### Who works for the Tribunal?

*The Tribunal consists of 11 members, five members who are appointed as permanent members and six appointed as part-time members. Some members are lawyers and others economists. Members are appointed by the President for a term of five years. There are a Chairperson and deputy chairperson.*

*Supporting staff is appointed by the Chairperson and acts as the secretariat of the Tribunal.*

### What is the difference between the Tribunal and Competition Commission?

*The Competition Commission is the investigative and prosecutorial authority that investigates complaints regarding anti-competitive conduct which it can refer to the Tribunal for hearing. In this regard it acts as the “prosecutor” before the Tribunal “the court”. The Commission can adjudicate on small and intermediate mergers but in the case of large mergers it can only make a recommendation to the Tribunal, after investigating the merger. The Tribunal can either approve, conditionally approve or prohibit the large merger. The Commission’s decisions in small and intermediate mergers can be taken on review to the Tribunal.*



# Holistic approach to training law enforcement agencies

South Africa has long realised the importance of training and capacity building in the value chain of enforcing intellectual property rights (IPRs). Targeting all parties through a holistic approach, with the deployment of the customized training manual, delivered multiple benefits. The South African Training Manual, offered through a holistic approach to law enforcement officials, delivered the benefits for effective and efficient enforcement of IPRs. When training is done holistically, the specific role of each party is clearly identified. National cooperation between various enforcement authorities becomes critical for effective enforcement of IP.

Co-operation with the World Intellectual Property Organization (WIPO) made it possible for South Africa to customize the existing training material that WIPO makes available to all WIPO Member States by adapting the *Investigating and Prosecuting IP Crime Training Materials for Law Enforcement Authorities and Prosecutors* into a customized tool that is perfect and uniquely shaped for the South African enforcement landscape. The importance of effective training materials and joint training sessions is therefore a cornerstone of promoting respect for IPRs on all levels in South Africa. At a time when scrutiny of law enforcement officers is on the rise, training them appropriately is essential to minimize errors and make today's enforcement officials the best they can be.

Cross discipline or function training is an effective tool that considers the total wellbeing of individuals, groups, and societies at all levels and in all aspects. When training law enforcement officials it is important to recognise the specific role each official play in the value chain that ensures successful enforcement of intellectual property rights (IPRs). In South Africa the enforcement of IPRs is supported by political will at the highest level as it is recognized for the important role it plays in economic and social growth.

Article 61 of the Agreement on Trade-related Aspects of Intellectual Property Rights ("TRIPS Agreement") requires member states of the World Trade Organization (WTO) to "provide for criminal procedures and penalties to be applied at least in cases of wilful trade mark counterfeiting or copyright piracy on a commercial scale". South Africa, in consequence, adopted the Counterfeit Goods Act 37 of 1997 (hereafter referred to as "CGA"), which deals with both subjects in great detail. Though the CGA is the main tool to ensure effective and efficient enforcement, other relevant laws of general nature must be considered when dealing with intellectual property (IP) enforcement.

The South African Training Manual on Investigating and Prosecuting IP Crime (the South African Training Manual) is a joint effort of the Companies and Intellectual Property Commission (CIPC) and WIPO. The booklet is an adapted version of the training materials entitled *Investigating and Prosecuting IP Crime – Training Material for Law Enforcement Authorities and Prosecutors* by Hon. Justice Louis Harms written for WIPO in 2015. The South African customised version was written by Hon. Justice Harms, with the kind consent of WIPO. The South African Training Manual that was printed as a pocket-size guide is a perfect tool for training law enforcement officials. It covers every aspect of IPRs enforcement, and emphasise the role of every enforcement authority, such as training academy officers involved in the administration of a "Train the Trainer" approach, designing curricula and training operationally relevant law enforcement officers, all forming a vital part in the enforcement value chain

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*The South African Training Manual assists prosecutors and law enforcement officers in investigating and prosecuting criminal infringement of IPRs. It seeks to identify the essential elements of trademark counterfeiting and copyright piracy. It analyses requirements for successful prosecution and attempts to explain the elements of the crime and evidential issues of importance.*

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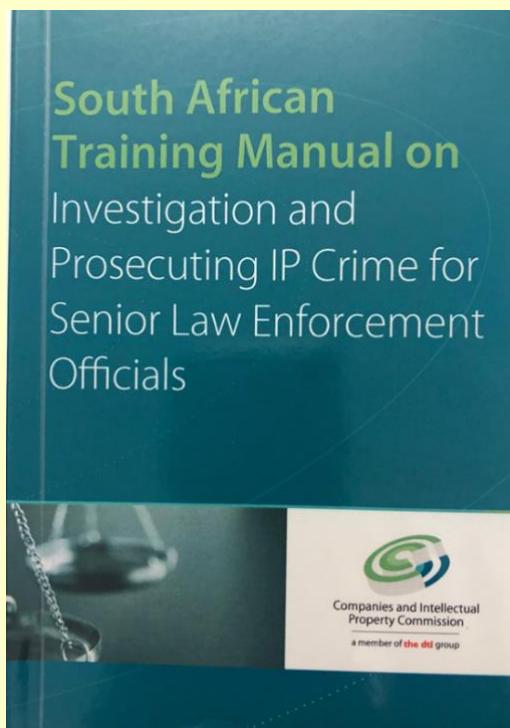
## Counterfeit Goods Act, no. 37 of 1997 compliance with the TRIPS agreement

Different countries have implemented different national laws as provided for in Article 1.1 of the TRIPS Agreement. This Article states that member states are free to determine the appropriate method of implementing the provisions of the TRIPS Agreement within their own legal systems and practice, and may provide more extensive protection, provided that such protection does not contravene the TRIPS Agreement (Art 1.1).

Internationally, WTO member states must comply with the minimum requirements of the TRIPS Agreement, and, in doing so, the trend is to comply with the provisions related to counterfeiting and piracy by means of certain provisions in trademark and copyright laws. The issues related to criminal and civil procedures are then dealt with in other laws, rules and general principles. Customs-related matters, such as border measures, are left to customs laws. South Africa has chosen to deal with it differently and, accordingly, promulgated the CGA in 1997 in which counterfeiting, and piracy are criminalised. This Act sought to deal with all these matters comprehensively in one statute and, in this regard, it is rather unique.

One of the main priority areas for the South African Government is to confront the loss of revenue caused to businesses, the creative industry sector and the economy in general, by copyright piracy and counterfeit goods. The trade in counterfeit goods does not only harm the South African economy, it also misleads consumers into believing that they are getting a good deal.

In the past, the counterfeit trade focused mainly on luxury clothing and apparel items, but lately there has been an increase in the supply of non-luxury consumer goods. It became necessary to strengthen the enforcement regime through capacity building and training to achieve excellence.



CIPC launched the South African Training Manual in August 2016, while conducting a training workshop with a focus on the approach of “Train the Trainers” for the Police Training Academy and other government departments and institutions responsible for the enforcement of IPRs.

The intent of the manual is to simplify the complex nature of IPRs reach the audience in local enforcement *lingo*. The success of a project of this magnitude must be attributed to the close collaboration between CIPC’s Enforcement Unit and WIPO’s Building Respect for IP Division (BRIP). The audience for the launch was senior law enforcement officials from different departments and training institutions and the main purpose was to introduce the customised training manual to investigate and prosecute IP crime. Through the South African Training Manual, trainers of the law enforcement training institutions were sensitised to the social and economic impact of trademark counterfeiting and copyright piracy and were also equipped to deal with IP and related crimes in a manner conducive to the implementation of Recommendation 45 of the WIPO Development Agenda.

Workshops were held in Cape Town, Durban, Nelspruit, Bloemfontein and Paarl. The aim of the program was to increase capacity building and foster inter-agency co-operation as the cornerstones of effective enforcement of IPRs in South Africa. Building partnerships and leveraging on the expertise of such partners greatly assisted CIPC to strengthen the regulatory environment and efforts geared at combating trade mark counterfeiting and copyright piracy. The South African Training Manual indeed became an instrument to ease the day-to-day administrative tasks of law enforcement officials and led to effective and efficient enforcement.

The trainees were experienced, high-ranking, law enforcement officials (investigators and prosecutors) and had ample experience also in relation to IP crime investigation. They had been exposed to the CGA, the Criminal Procedure Act, and both the Trade Marks and Copyright Acts, making them perfect candidates to take the message back to their respective offices. Each session was concluded by written and oral examinations.

The accolades of the South African Training Manual are growing as well as the demand for this coveted booklet and for valuable training workshops. South Africa was the first WIPO Member State to adopt a customised version of the WIPO Training Manual on IP Crime Prosecution for Law Enforcement Agencies and Prosecutors, creating the South African Training Manual on Investigating and Prosecuting IP Crime for Senior Law Enforcement Officials. South Africa is now reaping the benefits.



**Amanda Lotheringen**  
**Senior Manager, Copyright and**  
**IP Enforcement, CIPC, DTI**

*Amanda joined the Department of Trade and Industry (dti) in 1993. In 1999 she took responsibility for the implementation of the Counterfeit Goods Act, No. 37 of 1997. She is mainly responsible for creating awareness on the value of IP both for small and established businesses and in the minds of the general public. Training of law enforcement officials across government departments to implement that Act is also her priority. She was nominated as Vice-Chair at the first meeting of WIPO’s Advisory Committee on Enforcement (ACE) in 2003 and also chaired the ACE in 2015 and 2016. She holds a degree from the Rand Afrikaans University in Development Economics and an Honors degree in Economics.*



# TECHNICAL FUNCTION EXCLUSION IN EU DESIGN LAW

PROFESSOR CHARLES GIELEN

*Court of Justice of the European Union (CJEU); The technical function exclusion in design law and the DOCERAM/CeramTec-decision C-395/16*

This case is the first to deal with the meaning of the "technical function" exclusion in relation to Community designs.

The CJEU's judgment provides an interpretation of Article 8(1) of Council Regulation (EC) No. 6/2002 on Community designs (the "Regulation") – and hence, indirectly, also of Article 7(1) of Directive 98/71/EC on the legal protection of designs – which provides that "*a design right shall not subsist in features of appearance of a product which are solely dictated by its technical function*".

Such features are excluded from the scope of protection of a design and, pursuant to

Article 25(1)(b) of the Regulation, a design consisting solely of such features can be declared invalid. This important judgment answers the following questions: in assessing whether features of a product's appearance are dictated solely by the product's technical function, is the existence of alternative designs with the same technical function decisive? And in making such an assessment, should the finding be based on the perception of an objective observer, or on that of someone else or on some other criterion?

The issue is a tricky one because design rights very often involve objects whose technical/functional characteristics are, at least in part, dictated by the use for which the relevant object is intended. A shaver, for example, must fulfil certain functions and the same applies in the case of a lawnmower.



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The new visual appearance of such an object can be protected by design rights, but this must not result in a monopoly of technical solutions.

This is the background to the "technical function" exclusion, which in this case was applied by the Landgericht Düsseldorf



(Düsseldorf Regional Court). The Landgericht decided that the Community designs registered by DOCERAM for weld centring pins were invalid.

On appeal, the Oberlandesgericht Düsseldorf (Düsseldorf Higher Regional Court) referred the above two questions to the CJEU for a preliminary ruling.

The CJEU's decision on the first of the questions set out above pertains to an issue that is also a well-known subject of controversy in legal literature and case law. For example in The Netherlands, there are two opposing doctrines which, following the nomenclature used by A. Quaedvlieg in his dissertation on the relation between copyright and technology *Auteursrecht op Techniek* (Nijmegen, 1987), are referred to as the result-oriented doctrine (*resultaatgerichte leer*), also known as multiplicity-of-forms theory, and the device-oriented doctrine (*apparaatgerichte leer*), which is also known as the causality theory. Under the result-oriented doctrine, the "technical function" exclusion does not apply if the same result can also be obtained using another configuration. Under the

device-oriented doctrine, the exclusion immediately applies if the product is determined solely by its technical function, irrespective of the possible existence of design alternatives. In this case the CJEU, like the Advocate-General Saugmandsgaard Øe, has clearly opted for the device-oriented doctrine. It was with much anticipation that the CJEU's decision on whether it would follow this route was awaited. Although it is true that the CJEU had chosen to apply the device-oriented doctrine in interpreting the "technical function" exclusion (which, incidentally, is formulated differently) in relation to trademarks – see in particular the *Philips/Remington* judgment (C-299/99), Advocate-General Ruiz-Jarabo Colomer had stated *obiter dictum* in his opinion in that case (pars. 36-38) that there should be a less severe criterion in the case of designs.

In the case at hand, however, the CJEU has concluded that from the wording, context and aim of the provision, it follows that the existence of alternative designs does not preclude the application of the exclusion.

The CJEU is clearly of the

opinion that the Regulation's wording does not indicate that the existence of alternative designs is the only factor (par. 22). As regards the context, the CJEU points out that a design pertains to the appearance of a product; the product's appearance is the decisive element of a design (par. 24) and it is not necessary for it to have an aesthetic aspect (par. 23). According to the CJEU, as stated in paragraph 26, this confirms that protection is excluded if "*the need to fulfil a technical function of the product concerned*" is the sole factor based on which the designer chose a particular feature of appearance and if "*considerations of another nature, in particular those related to its visual aspect*" have not played a role in that choice. There is something worth pointing out here, namely that, because of the use of the words "*in particular*", a role can apparently also be played by considerations other than those relating to the visual aspect. What could the CJEU be referring to here? It is possible that what is meant are designs in which it is not the visual aspect that is important but for example the product's texture, which, as can be seen from Article 3 of the Regulation, is included in the definition of "design".

In any case, as long as it is clear that not solely the technical necessity of a design (or one of its features) was the decisive factor in choosing the appearance of it, the "technical function" exclusion does not apply and the design is protected.

Having addressed the wording and the context, the CJEU lastly turns to the aims of the Regulation to justify its conclusion that in assessing whether external features of a product's appearance are dictated solely by the product's technical function, it should be examined whether the technical function is the sole factor which determined those features and that the existence of alternative designs is not decisive in that regard. The aim of Article 8(1), according to the CJEU, follows from recital 10 of the Regulation, which states that technological innovation should not be hampered (pars. 29-30). If the "technical function" exclusion were to be rendered inapplicable solely by the existence of alternative designs fulfilling the same function, an economic operator could claim all these different designs, which would seriously hamper technological innovation as competitors would be unable to offer a product with

certain functional features and there would be fewer possible technical solutions available. In fact, in the case at hand, the design right proprietor had registered 17 variants of a weld centring pin as Community designs. As we are about to see herunder, the existence of alternative designs is not without any relevance because the CJEU ruled that it can be one of the factors taken into account in assessing whether external features of a product's appearance are dictated solely by the product's technical function.

This is correct. There can be no design protection when the product's external features have been chosen solely by their technical function: the features must have been chosen also on the basis of non-technical considerations, without an aesthetic quality being required.

The second question the CJEU had to answer is whether the basis for assessing whether features of appearance are dictated exclusively by the product's technical function should be the perception of an "objective observer". This hypothetical person has been used as the point of reference in decisions by the European

Union Intellectual Property Office on applications for the invalidation of Community designs. As the Advocate-General correctly observed (par. 59 of his opinion), if the Regulation's authors had wanted to adopt an "objective observer" as the criterion they would have expressly said so, as they did regarding the determination of the overall impression produced by a design compared to earlier designs, where the criterion "informed user" is expressly mentioned (see Arts. 6 and 10 Regulation). The CJEU has followed the Advocate-General on this point and decided that the perception of an objective observer is not the appropriate basis for assessment, but that all the objective circumstances relevant to the specific case at hand must be taken into account (par. 36). However, the only reason given for this is the Regulation's objective of creating a Community design directly applicable and protected in all the EU member states. Although the author agrees with the choice of the "all relevant objective circumstances" test, the justification of the court is not very convincing.

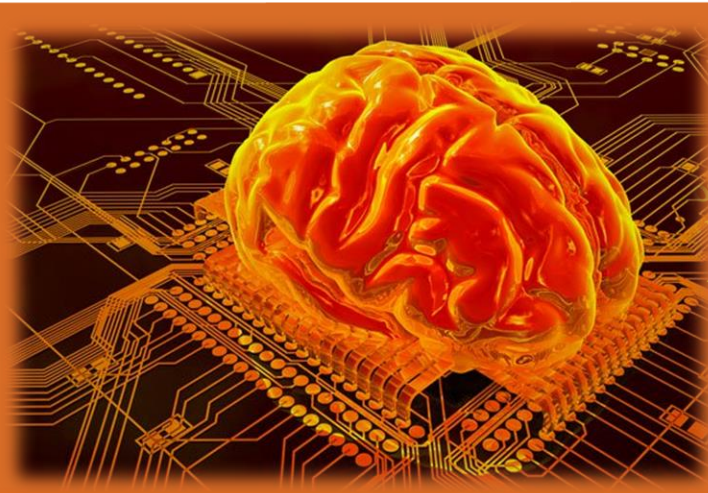
So what kind of circumstances should be taken into account? The CJEU mentions – non-

exhaustively and largely following the Advocate-General: first of all, the design in question (which is pretty obvious) and second, the objective circumstances that indicate why the relevant product's features of appearance were chosen. With regard to the latter the CJEU does not use the same wording as the Advocate-General, who refers to the designer's subjective intention. It seems that the CJEU wanted to avoid any form of subjectivity by referring to objective circumstances showing the background of the features chosen. Hence, a statement by the designer about his/her intentions will generally carry little weight.

In addition, the CJEU mentions information on the use of the product or the existence of alternative designs which fulfil the same technical function. It seems logical that the use of the product should play a role; after all, this gives a good idea of the product's functionality and can help in answering the question as to whether there are any technically determined properties. Take, for example, the round shallow dimples in a golf ball: their shape and distribution influence the ball's aerodynamic drag. In the

case of a lighter shaped like a golf ball, however, this technical aspect is completely irrelevant. With regard to the second type of information, this is a somewhat thornier issue. Although the existence of alternatives (see above under the discussion of the first question referred to the CJEU) can never be the sole factor for determining whether a feature is dictated solely by the product's technical function, it can apparently be one of the factors in that determination. But the question is: how? Precisely because the CJEU places such strong emphasis on the Regulation's aim of avoiding a monopoly of technical solutions, the author thinks that it is necessary to be cautious about nevertheless factoring in the existence of alternative designs when assessing whether a product's features are dictated solely by its technical function.

It is the view of the author that the judgment in *DOCERAM/Ceramtec* is correct, albeit subject to the questions raised in this article, which will undoubtedly give rise to yet more new judgments.



# INVENTORSHIP AND ARTIFICIAL INTELLIGENCE

By Thapelo Montong

Artificial intelligence (i.e. AI) has been the buzz word in the past couple of decades, more so if one looks at fictional applications of AI in movies such as Star Wars and I, Robot to name a few.

Fast forward to year 2000, AI, although still in its infancy, has been applied in real life in the form of, *inter alia*, Dr Thaler's [Creativity Machine](#), Apple's [Siri](#), IBM's [Watson](#), as well as Amazon's [Alexa](#).

The growth of AI in recent years has resulted in the creation of superhuman AIs, i.e. so-called mother of machines, which can come up with inventions on their own. Although these AI machines do not have to obey Asimov's laws, at least for now, it is apparent that they have been developed to iteratively learn, without human intervention, from pre-processed data or *tabula rasa* to provide insights and solutions to complex scientific problems.

A question arises as to whom would get credit for an invention which was devised by the superhuman AI with little or no human intervention at all – would it be the original creator of the AI, the AI itself, or can it possibly be the end user of the superhuman AI?

## *Existing IP laws*

The current position in South Africa and other prominent IP jurisdictions, is to recognize inventions devised through a mental act of a natural person as inventions that are capable of patent protection. The [European Patent Convention](#) does not, for example, necessarily define who the inventor is. The position in practice is to only recognize humans as inventors, whereas corporations and organizations cannot be recognized as such.

In South Africa, the Patents Act No. 57 of 1979 does not necessarily define who the inventor is. However, its predecessor (i.e. the repealed Patents Act No. 37 of 1952) defined the inventor as "including the legal representative of a deceased inventor or of an inventor who is a person under disability". Although there is no definition of the inventor in our current Patents Act, it is submitted that the definition of the inventor in terms of current South African patent law is no different from what it was under the repealed law. In this regard, the definition of the inventor as set out herein clearly indicates that an inventor is a human being and cannot be a company or non-human being.

In an old South African court case (i.e. Hay v African Gold Recovery Co), our courts have said "The 'first and true inventor' signifies that the person so described made the discovery himself, and that he did so before anyone else in any part of the world." Furthermore, in a UK court case (i.e. University of Southampton's Application) the test for formulating who the inventor of an invention is, was set as follows: "First it is necessary to identify the inventive concept or concepts in the patent or patent application.



**Thapelo** is an admitted attorney and registered patent attorney in the Johannesburg office of Adams & Adams. He routinely drafts local and foreign patent applications relating to, *inter alia*, computer-implemented, mechanical, electrical, electromechanical, material science and metallurgical inventions.



. Secondly, it is necessary to identify who came up with the inventive concept or concepts. He or they are the inventors. Thirdly, a person is not an inventor merely because he 'contributes to a claim'. His contribution must be to the formulation of the inventive concept." In the U.S. Code, the term "[inventor](#)" means the individual who invented or discovered the subject matter of the invention. In a U.S. case (i.e. re Hardee, 223 USPQ 1122, 1123 (Comm'r Pat. 1984)), it was stated that "The threshold question in determining inventorship is who conceived the invention. Unless a person contributes to the conception of the invention, he is not an inventor... Insofar as defining an inventor is concerned, reduction to practice, per se, is irrelevant [except for simultaneous conception and reduction to practice]. One must contribute to the conception to be an inventor." As to who the person is, the term "[individual](#)" includes, as defined in the U.S. Code, every infant member of the species homo sapiens who is born alive at any stage of development.

From the foregoing, it is clear that case law and laws of leading IP jurisdictions only recognize human inventors as creators of patentable inventions. There is also no guidance whatsoever in the text of our existing patent laws regarding future inventorship rights of inventions devised by superhuman computers.

### [Human involvement required in the inventive concept](#)

To qualify as an inventor, an individual must contribute towards an invention. A person who is merely instructed to perform a task without applying their mind to the task cannot in any circumstance be regarded as the

inventor. In this regard an individual who has conceived an invention and thereby uses a computer to reduce the invention to practice, for example by performing calculations which have been reasonably foreseen by the inventor or perform an analysis which was also reasonably foreseen by the inventor, may be regarded as the inventor. It is submitted that it would not be entirely correct to cite the user of the AI – who luckily stumbled upon the invention by means of the AI – as the inventor, especially in a situation where the computer was provided with, *inter alia*, parameters to individually assess, provide optimal recommendations, and output a result which could not have been reasonably foreseen by the user.

Considering IBM's [Watson](#), for example, as it used in the food truck industry, the Watson is arranged to receive, *inter alia*, an input of ingredients and dietary requirements from a user. The Watson then proceeds to interrogate a database of thousands of recipes to come up with a new combination of the specified ingredients. If the combination of the ingredients proposed by Watson could have never been foreseen by the user of the Watson, then it can be argued that the new recipe proposed by Watson can be made a subject of a patent application (although in practice it may be difficult to prove that such a recipe complies with requirements of patentability since people have been combining ingredients for eons, and such combinations are largely undocumented).

### [Birth of superhuman AI](#)

As we all know, computers are devised by humans and their functionalities are derived from algorithms which have

also been devised by humans. It is arguable that the original creators of the AI programs, such as the creators of the Watson, should be regarded as inventors of inventions conceived by means of their AI programs. However, if this is the case, then it can also be argued that deities responsible for human creation are the true inventors of all inventions which have been and are presently being conceived by humans. Furthermore, it can also be argued that [parents](#) of an individual who has devised an invention should be cited as inventors of that invention. If, however, none of the foregoing arguments do not hold water, it is submitted that superhuman AIs should be regarded as inventors or should at least be recognized as inventors.

### [Conclusion](#)

Max Tegmark's recent book *Life 3.0: Being Human in the Age of Artificial Intelligence* alludes that under the current patent laws, all inventions might be free and open to the public. With the progress of AI so far and the archaic patent laws which are currently in-force, this statement is one to be considered in all sincerity taking into consideration that the world and patent offices are slowly becoming aware of the capabilities of AI, and may simply refuse to examine or even grant a patent should it be suspected that the human inventor cited in that patent as the inventor is not necessarily the "person" that conceived the invention in question.

Although we do not know how the courts will decide on cases involving inventions created by non-humans, is it possibly now the time for our present, antiquated patent laws to be reviewed and possibly amended to consider the addition of the superhuman AI machine as an inventor? Only time will tell.

# WHAT'S NEW

## MULTILATERAL MATTERS

A new blog “Multilateral Matters” is now featured on the website of the Intellectual Property Unit of the University of Cape Town.

See <http://ip-unit.org/>

The blog explains key ongoing multilateral intellectual property (IP) negotiations – such as those taking place at WIPO, the WTO and other intergovernmental forums - and why they matter. It's written in an accessible, conversational style and addressed primarily to developing country researchers, students, policy makers, influencers and officials.

## BLOG CONTENT

The **first blog** “Achieving Positive Outcomes in International Intellectual Property Negotiations” describes the significant challenges developing countries face in achieving their preferred policy outcomes in multilateral negotiations. It unpacks the ongoing negotiations in WIPO's Intergovernmental Committee on Intellectual and Genetic Resources, Traditional Knowledge and Folklore as an example. The blog's take-home message is that developing countries can't achieve positive outcomes by simply playing the numbers game and “blocking”. It's better for developing countries to form effective coalitions which are cross-regional and issues-based, and to strategically adopt “can do” negotiating stances towards carving out win-win landing zones.

The **second blog** is on a negotiation just starting up, under the auspices of the United Nations Convention on the Law of the Sea, on a new international legally binding instrument on marine genetic resources in the high seas. Countries have divergent views on if and how IP issues should be addressed in the new instrument. The blog post argues that developing countries have an interest in the establishment of mechanisms for the fair and equitable sharing of benefits from research into marine genetic resources and for the transfer of marine technologies, and that IP issues are relevant in both cases.

You can view blog details here:

<http://ip-unit.org/2018/multilateral-matters-series-achieving-positive-outcomes-in-international-intellectual-property-negotiations/>

<http://ip-unit.org/2018/multilateral-matters-2-biopiracy-in-the-high-seas-countries-launch-negotiation-towards-a-new-international->

## WEND WENDLAND



“Multilateral Matters” is written by **Wend Wendland**, in his capacity as an honorary Adjunct Professor in the Department of Commercial Law, UCT.

Wend has many years of experience in facilitating international negotiations, advising governments and other stakeholders on policy strategies and designing and delivering capacity-building and training programs in developing countries. He is an admitted attorney in South Africa and a member of the Institute. He is also a Director at WIPO in Geneva.

He was formerly a Partner at Webber Wentzel in Johannesburg until 1997.



# From the Juta Law Reports

The following judgments were  
reported since October 2018

**Intellectual property** – Trade mark – Infringement – Well-known mark – Protection of well-known mark – Requirements for proof that mark is a well-known mark – Criteria for identifying relevant sectors of public in which mark well known – Trade Marks Act 194 of 1993, ss 27(5) and 35(1). *Truworths Ltd v Primark Holdings* Case No: 989/2017 05-09-2018 SCA Maya P and Wallis JA, Willis JA, Dambuza JA and Van Der Merwe JA 39 pages Serial No: 1553/2018 – CD 19/2018

**Intellectual property** – Trade mark – Registration – Likelihood of confusion – PEPPADEW and PEPPAMATES relating to pepper products – Trade Marks Act 194 of 1993, s 10(14). *Dinnermates (Tvl) CC v Piquante Brands International (Pty) Ltd* Case No: 401/17 28-03-2018 SCA Maya P and Wallis JA and Mathopo JA and Rogers AJA 12 pages Serial No: 1291/2018 – CD 18/2018

**Intellectual property** – Trade mark – Infringement – Unauthorised use of identical mark or of mark so similar as to be likely to deceive or cause confusion – Applicant the registered proprietor of trade mark S.SUGARLESS in class of confectionary products – Respondent a competitor and distributing product in similar packaging bearing S.SUGARLEAN logo – Applicant seeking order, on basis inter alia that respondent infringing its trademark, interdicting conduct of respondent – Court finding that respondent's logo so nearly resembling applicant's mark such that it was likely to deceive or cause confusion – Court rejecting argument that 'sugarless' merely descriptive adjective, and incapable of distinguishing product and justifying registration – S.SUGARLESS trademark, when viewed as integrated whole more distinctive than descriptive – Interdict granted -Trade Marks Act 194 of 1993, s 34(1)(a). *The Sugarless Company (Pty) Ltd v* Case No: 25802/2018 GJ WHG Van der Linde J 30 pages Serial No: 1450/2018 – CD 18/2018

**Intellectual property** – Copyright – Infringement – Applicant the distributor of confectionary products under S.SUGARLESS logo – Respondent a competitor and distributing product in similar packaging bearing S.SUGARLEAN logo – Applicant seeking order, on basis of inter alia breach of copyright, interdicting conduct of respondent – Applicant qualifying as holder of copyright in its logo – Given similarity between logos and packaging, respondent having breached copyright of applicant – Interdict granted – Copyright Act 98 of 1978. *The Sugarless Company (Pty) Ltd v* Case No: 25802/2018 GJ WHG Van der Linde J 30 pages Serial No: 1450/2018 – CD 18/2018

**Competition** – Competition Commission – Investigative powers – Merger control – Whether Commission may use its search and summons powers to investigate alleged notifiable merger between public and private television broadcasters – Whether such powers curbed by Competition Appeal Court order – Competition Act 89 of 1998, ch 5 part B; s 49A. *SOS Support Public Broadcasting Coalition and Others v South African Broadcasting Corporation (SOC) Ltd and Others* 2019 (1) SA 370 (CC) Case No: CCT 121/17 unanimous judgment by Kathree-Setiloane Jto account distinguishing features between two marks – Appeal upheld – Trade Marks Act 194 of 1993, s 10(14). *Dinnermates (Tvl) CC v Piquante Brands International (Pty) Ltd* Case No: 401/17 28-03-2018 SCA Maya P and Wallis JA and Mathopo JA and Rogers AJA 12 pages Serial No: 1291/2018 – CD 18/2018

