



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal
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Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

Trustco Group International (Pty) Ltd v Vodacom (Pty) Ltd (82/2015) [2016] ZASCA 56 (1 April 2016).

The Supreme Court of Appeal (SCA) today handed down judgment relating to the discretionary power of the Registrar of Patents (registrar) to grant extensions of time periods within which any act or thing is required to be done in terms of the Patents Act 57 of 1978 (the Act).

The appellant, Trustco Group International (Pty) Ltd (Trustco), the holder of South African Patent no 2010/03199, had failed to timeously pay prescribed patent renewal fees. That resulted in the lapsing of the patent on 26 November 2011. Trustco applied for the restoration of the patent in terms of s 47(1) of the Act. In accordance with the prescribed procedure, the restoration application was advertised in the Patent Journal on 26 June 2013. The application was opposed by the first respondent, Vodacom (Pty) Ltd (Vodacom), which filed its notice of opposition on 26 August 2013.

Trustco's counterstatement had been due on 26 October 2013, but since that day fell on a Saturday, the counterstatement was due on 28 October 2013. On 30 October 2013 Trustco's former attorneys had requested a two-month extension of time from the registrar within which to file the counterstatement. The registrar granted the extension against which Vodacom appealed to Commissioner of Patents (Makgoba J).

Vodacom argued before Makgoba J that the provisions of regulation 83 of the Patent Regulations (regulations) were peremptory and failure to comply with the time limit set by them – a counterstatement shall be lodged within two months of notice of opposition – resulted in the deeming provision being triggered. That meant that the application for restoration could rightly be considered to be abandoned thus preventing the registrar from exercising the power of extending the time limit in regulation 83, so Vodacom argued.

Makgoba J held that the registrar was authorised by s 16(2) of the Act to extend the time either before or after the expiry of specific times except where it was otherwise expressly provided for in the Act and regulations. Makgoba J held that this meant that the registrar was not given an unfettered discretion to extend the time periods. He further held that the regulations had to be read conjunctively with the Act having regard to the peremptory and deeming provisions of regulation 83.

Makgoba J consequently upheld Vodacom's appeal with costs and declared the application by Trustco for the restoration of the patent to have been abandoned. It was against those orders that the appeal to the SCA was directed with the leave of the court below.

The SCA held that Makgoba J erred in his reasoning and conclusions, first, in that regulation 83 does not in express terms or otherwise limit or in any way impinge on the registrar's express remedial power as provided for in s 16(2) of the Act.

The SCA further held that it is generally impermissible to use regulations created by a minister as an aid to interpret the intention of the legislature in an Act of Parliament, notwithstanding that the Act may include the regulations. The SCA held that a remedial power, such as the power to extend time periods aimed at avoiding harsh results should be extended as far as the wording of a statutory provision will admit.

The SCA held that the rule of statutory interpretation, that a specific provision overrides a general provision, applies to provisions within the *same* legislative instrument and that a specific provision in a regulation cannot override a general provision in a statute. As to read the Act 'conjunctively' with the regulations and to construe the regulations in the manner resorted to by Makgoba J was in effect to have the tail wag the dog.

The SCA found that the fear that had been expressed on behalf of Vodacom that a finding that the registrar's discretionary power provided for in s 16(2) of the Act was not limited by the provisions of regulation 83 which would lead to uncertainty and hardships for those who 'infringed' a patent during a period that might extend indefinitely; was not real in that s 66 of the Act restricts recovery of damages for infringement of a patent and it provides that a patentee shall not be entitled to recover damages from a defendant who proves that at the date of the infringement he was unaware and had no reasonable means of making himself aware of the existence of the patent.

The SCA accordingly upheld that appeal with costs including the costs of two counsel. The decision of Makgoba J was set aside and substituted with an order dismissing the appeal against the Registrar of Patent's decision to grant Trustco an extension of time for filing its counter-claim.

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