

Upkeep of patents: Renewals, amendments and enforcement

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Significant capital and effort are invested in creating an invention, applying for and obtaining a granted patent, and then ensuring that the granted patent is in a valid form that meets all the requirements for patentability. However, protecting an invention doesn't end there - it is just as important to ensure that the granted patent remains in force, and that it can be enforced as soon as any infringement is identified. There are several key areas of patent management that need to be safeguarded to ensure that it is enforceable.



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Renewal fees, restoration and enforcement of a patent that has lapsed

In South Africa, renewal fees are payable annually from three years after the date of application. The prescribed fees are payable on form P10 on or before the anniversary of the date of application, or within six months thereafter on application to the Registrar and on payment of the prescribed (late) fee. Provided that renewal fees or late fees are paid correctly, a valid patent will remain in force on the Patent Register. If a renewal fee is not timeously paid, or paid within the six-month grace period, the patent will lapse. Provision is made in the Patents Act for restoration provided that the patentee did not intentionally allow the patent to lapse, and that there was no undue delay in applying to restore the lapsed patent.

However, unless and until a lapsed patent is restored, it cannot be enforced against an infringer. Restoration requires a substantive application supported by evidence on affidavit, and an opposition period of two months applies. This may be detrimental to a possible urgent application, and will certainly delay obtaining relief in an infringement action. Such a restoration application may also be opposed, creating further delay. Another difficulty is that damages cannot be claimed for infringement that took place during the period when the patent had lapsed¹.

In addition, it is not possible to institute infringement proceedings against a person who, during the period when the patent had lapsed, commenced *using* or *exercising* the invention to which the patent relates and who continues to use or exercise

the invention after the patent has been restored¹. The further use or sale of products produced by such continued use or exercise can also not be prevented.



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Shortfall payment or omission of late renewal fees

If it is discovered that a renewal fee was paid timeously, but inadvertently underpaid, or the late fee was inadvertently omitted when paying the renewal fee within the grace period, a patentee may still launch infringement proceedings in respect of the patent.

The acceptance by the Registrar of a shortfall payment of a renewal fee is an unlawful or irregular administrative act. However, it is settled law in South Africa that an unlawful administrative act remains valid unless and until it is set aside by a court on review. The courts have a discretion whether or not to set aside that irregular administrative act. As such, a patent in such a circumstance remains in force, unless and until the Registrar's administrative act is set aside on review.

The court dealt with a similar set of facts in *Trinamics Inc v Registrar of Patents and Others [2013] (CP)*, in which the Registrar had accepted a shortfall renewal payment. Under the set of facts in that case, the court declined to set aside the administrative act complained of. It is arguable that, just like an acceptance of a shortfall payment of a renewal fee, acceptance by the Registrar of a renewal payment within the grace period without the requisite late fees is an unlawful or irregular administrative act, which remains valid unless and until it is set aside by a court on review.

However, if the Registrar's decision is set aside on review, then the patent will have lapsed, and it would be necessary to apply for the restoration of the patent.

Enforcement of an expired patent

In the *Trinamics* case, infringement proceedings were launched in respect of an expired patent with a claim for damages for infringements occurring before expiry of the patent. In such a case, should the court in its discretion have set aside the Registrar's acceptance of a shortfall payment of a renewal fee, the patent would have lapsed. Because the Patents Act does not make provision for restoring an expired patent, it would not have been possible to restore the patent and there could have been no valid claim for damages. A patentee wishing to enforce its patent or recover damages at or after the end of the patent's term should be aware of the seemingly incurable position that may result following a successful review application, in circumstances where renewal fees were underpaid or late fees omitted during the lifespan of the patent.



Assignment, licences and amendment

To obtain the benefit of being able to enforce a patent as soon as one becomes aware of an infringement, it is also important to make sure that any assignments or licences in respect of the patent have been recorded in the Patent Register, to show that a litigant has the necessary *locus standi*. Although a lack of such housekeeping may not cause significant delays in enforcing a patent, it is recommended that it be dealt with prior to considering infringement proceedings.

Importantly however, any question of invalidity that arises during the term of a patent should be dealt with as soon as possible, and certainly prior to considering infringement proceedings, because the invalidity of any one claim leaves the patent invalid and liable to be revoked. Further, a patent cannot be amended (to remedy an invalidity) once infringement proceedings have commenced without leave from the Commissioner of Patents. Should leave be granted, the infringement proceedings will be stayed and any relief that may be granted in respect of the infringement will be delayed.

Another factor to consider is that a post-grant application to amend a patent must be advertised in the Patent Journal and lies open to opposition for a period of two months, creating a further delay to obtaining relief in infringement proceedings.

Lastly, where a patent has been amended, the Commissioner has a discretion whether to grant damages to a patentee in respect of infringements before the amendment was allowed, and the court may take into account the conduct of the patentee in allowing the patent to remain unamended on the Patent Register.

Conclusion

Given the investment in obtaining a granted patent, a patentee should ensure that it is valid and remains in force. Careful attention must be given to paying all renewal fees correctly, dealing with any housekeeping in respect of assignments or licences, and rectifying by amendment any issues of validity as soon as they arise. This will ensure that the patentee is in a position to enjoy the whole profit and advantage accrued through patenting the invention.

1. The applicable period is from six months after a missed renewal fee was due until the date on which an application to restore the patent was advertised.

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