

THE REPUBLIC OF SOUTH AFRICA



IN THE HIGH COURT OF SOUTH AFRICA

(WESTERN CAPE DIVISION, CAPE TOWN)

Case Number: 1729 /2022

In the matter between:

EVA-LAST DISTRIBUTORS (PTY) LTD

Applicant

(Registration Number: 2014/157047/07)

and

TIMMDEK (PTY) LTD

First Respondent

(Registration Number: 2020/922648/07)

ZENTIA TRADING (PTY) LTD T/A BEST DECK

Second Respondent

(Registration Number: 2015/069904/07)

Coram: Wille, J

Heard: 18 April 2024

Delivered: 8 May 2024

JUDGMENT

WILLE,J:***Introduction:***

[1] This application initially explicitly concerned alleged design infringements. Most of these alleged infringement issues have now been settled between the applicant and the first respondent. The issue that remains for my determination is an amendment application at the instance of the applicant. The second respondent opposes this amendment application. Accordingly, the first respondent takes no part in the opposition to this amendment application.¹

[2] The applicant initially sought an interdict against the first respondent, surrender of the infringing products, and relief regarding a determination of a reasonable royalty. The applicant's business involves the importing and manufacturing of wood plastic products and bamboo polyethene composite products used for decking, cladding, railings, pergolas, decorative beams, and indoor flooring.²

[3] The applicant is the proprietor of at least sixteen registered designs for a specific design styled as an '*arched deck board*' design. These are both aesthetic designs and functional designs. Similarly, the first respondent operates in importing and supplying composite products for the same purposes. The applicant previously employed two of the respondents' directors. The first respondent alleged that the applicant's designs formed part of the '*state of the art*' immediately before the date of application for the registered designs and should not have been registered due to a lack of novelty. Neither the first nor second respondent applied to register any of the applicant's designs.³

[4] The second respondent initially took no part in the infringement proceedings but later joined them. The second respondent opposes the applicant's amendment application. The second respondent's case is that the amendment application lacks merit and is irregular because the amendments sought are not clerical errors.⁴

¹ All the litigation between the applicant and the first respondent has been amicably settled.

² I granted an interim injunction against the first respondent before the matter was resolved.

³ The protected design is the "*arched deck board*" design.

⁴ The second respondent says these are not clerical errors under section 26 (1) of the Designs Act, 38 of 1997 (the "Act").

[5] The registered designs were applied for on 16 August 2016 and were granted on 31 August 2016. The definitive statements for the respective designs are as follows:

‘...The features of the design for which protection is claimed include the pattern and/or shape and/or configuration and/or ornamentation of the arched deck board substantially, as illustrated in the accompanying representations. The length, width, and thickness ratios as shown are not claimed, and these ratios can vary as required...’⁵

Overview

[6] Essentially, on behalf of the applicant, it is contended that the applicant's design configuration was functional and aesthetically pleasing. In addition, four different textured surfaces remained relevant to the designs regarding the decking board surfaces. In turn, all of these were registered in favour of the applicant. In summary, the applicant contends that the surfacing itself can perform a function to provide either additional grip or a smooth surface finish, depending on the installation purpose and site.⁶

[7] The first respondent needed to engage with this with some clarity but did not. The first respondent alleged that it also caused these polyethene composite materials to be manufactured, imported, and supplied. These products are primarily from abroad. The first respondent alleged it commenced trading with these products about three years ago.⁷

[8] Save for the first respondent's denial that none of its products possessed either transverse grooves or arched grooves on the surface, the first respondent did not dispute the products purchased, the photographs taken, or the comparisons drawn between the first respondent's products and the applicant's registered designs. One of the main grounds of the first respondent's initial opposition to the relief sought by the applicant was that the applicant's designs should never have

⁵ At no stage did the first respondent also attempt to register a similar design.

⁶ This was alleged to be a definitive feature of the applicant's registered design.

⁷ This occurred during March 2021.

been registered since the designs formed part of the '*state of the art*' before registration.⁸

[9] The parties accept that the applicant owns the sixteen registered designs referenced above. The reason for the amendment application was that the first respondent heavily criticized the applicant in the now-settled proceedings. This criticism was that the designs should never have been registered since they formed part of the '*state of the art*' at their registration. One of the core complaints by the first respondent was the alleged disclosure of the design articles by the applicant at a public exhibition.⁹

[10] I must record that I considered all the complaints the second respondent now relies on when I considered the first respondent's affidavits in the now-settled litigation. This analysis was embarked upon when I adjudicated the infringing conduct interdict application. Because the first respondent initially piloted this *state-of-the-art* argument, the applicant applied to amend its design registration certificates to include a release date.¹⁰

[11] Thus, the amendments before me only relate to a release date. After the interim relief was granted against the first respondent, the first respondent piloted a revocation application in an attempt to revoke the registration of the sixteen registered designs premised on the contention that the designs should not have been registered because, at the time of the registration, the designs were not novel.¹¹

[12] The only new evidence I needed to consider regarding the amendment application was included in two further affidavits filed by two foreigners alleging the manufacture and sale of the design article abroad. The applicants followed the appropriate procedure and published the amendment applications. Both respondents initially opposed the amendment applications. The relevant regulatory registrar held a virtual hearing about the amendments and determined that the application be referred to this court for determination. It was determined that the appropriate court would be this one because, at that stage, there was already

⁸ This is an argument which is also chartered by the second respondent in opposition to the amendment application.

⁹ This was a display and exhibition by the applicant at the "Decorex Exhibition".

¹⁰ The release date to be 27 April 2016.

¹¹ The argument was that the design already formed state-of-the-art.

pending litigation concerning the same subject matter before this court. After some initial concerns, I was satisfied that this court possessed jurisdiction to determine the amendments.¹²

Consideration

[13] The applicant initially premised its amendments on two sections of the targeted design legislation. However, a prior determination was made on this score. Thus, this court's 'terms of reference' for adjudication refer only and were limited to one of these sections. This section of the targeted legislation allows the court to authorize the correction of clerical errors and errors in translation and the amendment of any document for which no express provision is expressly made.¹³

[14] The empowering section stipulates that this section may be invoked where a document is sought to be amended premised on an amendment for which no express provision is made. The process to be followed when utilizing the amendment process contemplated in the section is also set out.¹⁴

[15] With some patent law jurisprudence on this issue, this court can be informed by the approach adopted in similar legislation when dealing with patents. In patent matters where a document contains a simple error, such as the misspelling of a name, the proper procedure is to proceed by way of a request to correct the clerical error. Suppose an additional priority claim is sought to be inserted in a conventional patent application. In that case, the proper procedure is to proceed by way of an application to amend the particular document.¹⁵

[16] In my view, the amendments sought by the applicant do not envisage an amendment of the designs themselves. I say this because neither the illustrations nor the descriptions of the design for which protection is sought will be altered by the amendments sought. The amendments are not aimed at the designs themselves because the applicant seeks only amendments to the respective design documents.¹⁶

¹² The Registrar of Designs determined that the matter should be dealt with according to section 26 of the Act.

¹³ Section 26 of the Act (the "empowering" section).

¹⁴ There is no direct jurisprudence dealing with this species of amendment.

¹⁵ Similarly, in this case amendments are sought to existing documents by including a release date.

¹⁶ So that these certificates reflect a release date as opposed to the present position where no release date is reflected.

[17] It is a matter of agreement that a 'release date' concerning a design must mean the date on which the design was first made available to the public with the consent of the proprietor or any predecessor in the title, whether this occurred in our country or abroad.¹⁷

[18] A release date only guides consideration of the primary requirement of any application for the registration of a design, namely that of novelty. This essentially means that a design may be made available to the public by the prospective proprietor (or with the consent of the prospective proprietor) on a date earlier than the registration date of the design. In this context, if the design application is made within six months, the proprietor will have the right to seek the protection of its design. If the design application is made after six months, the design will be deemed part of the '*state of the art*' and will not be novel.¹⁸

[19] The only influence the release date will have will be on the novelty of the design and the determination at which point the '*state of the art*' should be considered as opposed to the registered design. If the design was not released before registration, it must be compared with the prior art on the preceding day. In simple terms, the reason for including a release date is to allow for a proprietor's right to benefit from its design and not to be thwarted by the prospective proprietor's disclosure of the design to the public domain.¹⁹

[20] This notwithstanding, the difficulty that may arise in connection with designs is that a third party could have lawfully copied the design before it was registered in the interim between these two dates. This could be construed as an act of infringement resulting in considerable hardship to such a third party where the registered design owner may notionally be able to prevent the third party from continuing with the act of infringement. This, even though this infringement commenced before the date of the design registration. At this juncture, it should also be noted that the legislation dealing with patents does not have a similar provision for making allowances for a release date earlier than the application date.²⁰

¹⁷ There was no release date initially requested by the applicant.

¹⁸ As such, it is not registerable (for want of compliance with section 14(1)(a)(i) alternatively section 14(1)(b)(i) of the Act).

¹⁹ This is to allow for a consideration of the design's commercial potential before the registration expense is incurred.

²⁰ Section 35 of the Patents Act, 195 of 1993.

[21] In the absence of jurisprudence on the issue of the amendment, I am obliged to strike a balance between the rights of the parties involved. It must be so that the underlying rationale concerning the court's discretion to allow amendments is underpinned by its duty to protect the public from abuse of monopolies.²¹

[22] In these amendment proceedings, I was urged to consider the protection of the monopoly imparted on a registered proprietor and compare the same with the conduct of the party seeking to impugn that monopoly.²²

[23] In general application, an amendment should be granted if such an amendment would facilitate the proper ventilation of a dispute. This approach is well-recognized concerning pleadings. It is equally applicable to patent legislation. Thus, it must be so that it would be incorrect to grant an amendment to a document if it, as amended, would render it invalid.²³

[24] The second respondent contends it started selling arched deck boards with different arch depths about six years ago, is currently selling them, and holds large stocks. These allegations, however, lacked specificity. Further, the second respondent must concede that it should have endeavoured to establish the validity aspect of the sale of curved decking boards before these events.²⁴

[25] I say this because the second respondent claims it only became aware of the applicant's designs after the litigation between the applicant and the first respondent.²⁵

[26] The applicant takes the position that it believes the amendments sought should be permitted because they do not seek to introduce any new matter, in substance, that was not disclosed in the initial design registrations.²⁶

[27] In simple terms, the applicant alleges it does not seek to introduce any matter that was not fairly based on the source matter disclosed in documents before the

²¹ Undoubtedly, the legislature foreshadowed the possibility of allowing for amendments hence section 26 of the Act.

²² It was emphasized that the second respondent never challenged the design registration in any way.

²³ Here, we are only dealing with a release date.

²⁴ The second respondent does not engage with this issue in any material fashion.

²⁵ Before this the second respondent adopted a supine attitude towards the applicant's designs.

²⁶ A full disclosure was made save for the release date.

amendment. The amendment was triggered solely by adverse averments in the now-settled litigation.²⁷

[28] This, however, is not the end of the inquiry. I say this because the second respondent avers that the designs will remain invalid and liable to revocation if the amendments are granted. The core complaint by the second respondent on this score is that the subject designs are not and were not registerable in the first place.²⁸

[29] That said, the amendments must be considered in the context of the current applicable facts. In addition, the regulatory registrar has already determined the terms of reference for the adjudication of these amendments in that the appropriate approach is to consider the amendments in terms of the specific provisions in the design legislation.²⁹

[30] An argument is advanced that one of the grounds to be considered in adjudicating the amendment is to balance the parties' interests in the context of their respective conduct. This may be so, but in this case, I believe this is not a material interest to be considered and is a neutral interest against the factual backdrop.³⁰

[31] I say this because it cannot be said that some adverse inference must be drawn against the applicant that warrants the exercise of any discretion adverse to the applicant's interests. I say this also because the applicant had to consider the veracity of the assertions regarding the prior exhibition made by the first respondent. After all, the employees representing the applicant at the exhibition were the same individuals who later comprised the first respondent's core management team.³¹

[32] The applicant did not deny the prior exhibition disclosure but took the court into its confidence and applied for an amendment. The applicant was well aware that the application for the amendment would imply a shorter remaining monopoly period. It cannot be asserted that the applicant's conduct amounts to a party attempting to abuse its monopoly in any material manner.³²

²⁷ The second respondent joined the litigation in support of the first respondent's revocation application.

²⁸ This, although the second respondent has not launched a revocation application

²⁹ The provisions of section 26(1)(b) of the Act.

³⁰ I say this because the second respondent has failed to explain the inaction on its part until the litigation.

³¹ When the first respondent made this challenge the applicant chartered for an amendment of the release date.

³² The applicant has fully disclosed its intention to protect and continue to protect its registered design since 2016.

[33] During the argument, the second respondent emphasized that, according to it, the applicant's declaration in the initial design application contained a false statement, which was and is now material. If this was and is so, this may be grounds for revocation under the specified targeted legislation. This must be limited to a revocation ground because it cannot be that if a declaration confirms the content of a design application to be correct, it may also be taken as a ground upon which a subsequently requested amendment is opposed.³³

[34] Nevertheless, I will now consider this topic. At the outset, I find it hard to understand how the applicant's failure to include a release date equates to a material misrepresentation in these circumstances.³⁴

[35] I say this primarily because the applicant is not requesting something to which the applicant was not entitled at the outset. Protection would only have been afforded to the applicant from the earlier release date. Further, it cannot be conceivably argued that including a release date would divest the applicant of any of its rights, including any of its vested interests. I say this because the second respondent's case is that it only started trading in similar products after the registration of the applicant's design.³⁵

[36] The second respondent's position regarding '*prior art*' also bears scrutiny. I say this because the second respondent was not initially involved in the infringement litigation in any manner whatsoever. In addition, the second respondent relies almost entirely on the allegations made in the papers filed by the first respondent.³⁶

[37] The first respondent opposed the initial infringement proceedings because it averred that the design was not novel at the time of registration. I comprehensively considered this issue before I issued the interim injunction. Much of the material in the first respondent's opposing papers lacked specificity and was hearsay evidence.³⁷

[38] Significantly, the additional information presented in these papers needed to demonstrate more evidence, to which sufficient probative weight could be attached,

³³ This will be contrary to the intention which allows for amendment applications in terms of Section 26(1)(b).

³⁴ The applicant would only gain protection from an earlier date which would shorten the monopoly period.

³⁵ The applicant's designs had been registered before the second respondent allegedly traded in this products.

³⁶ I have some concerns about the probative weight that may be attached to these affidavits in these proceedings.

³⁷ This inadequacy has not been cured by the allegations in the second respondent's papers.

to show, on a balance of probabilities, that the arched deck board formed part of the *state-of-the-art* before the registration of the designs. It did not.³⁸

[39] The first respondent also raised the issue of the prior release of the designs through price lists and site installations under the applicant's control. I agree that these price lists were disclosed under confidentiality to subcontractors and not made available to the general public end-user. The site installations were also conducted under the auspices of confidentiality. In any event, the applicant falls to be protected from any disclosures arising outside this confidentiality.³⁹

[40] Even if I am wrong in the measure of probative weight, which I attach to the papers filed by the first respondent (who no longer takes part in this litigation), the second respondent has not made a tenable case for the presence of prior art. Thus, the contention that the designs were not registerable due to a lack of novelty must be dismissed. Self-evidently, the validity of the design (even in an amended state) cannot be said to be affected in this amendment litigation.⁴⁰

[41] Finally, the only remaining issue to be considered is what the effect of allowing the amendments will be. I say this because some legislative barriers to amendments following this targeted legislation exist. These prohibitions are closely connected to an amendment to the design itself.⁴¹

[42] Following this theme, the first respondent argues that the scope of the applicant's protection will increase should the amendment be allowed. But in this case, no addition is sought to the design of the monopoly sought to be exercised. Put another way, the proposed amendments leave the design unaltered. The applicant would have been entitled to the inclusion of a release date. Further, the interests of third parties affected by subsequent registration would also be protected.⁴²

[43] Most significantly, no third parties have raised any objections after the publication of the intended amendments. The opposition raised by the second respondent is directed to try to make their prior conduct lawful. Any application for

³⁸ The two short affidavits filed by Juno Zhong and Rachel Shen were not sufficient and there needed to be more.

³⁹ This in terms of section 17 of the Act.

⁴⁰ No new design matter is sought to be introduced by the proposed amendments.

⁴¹ A comparison must be had to see if any subject matter has been added to the design. In this case, not.

⁴² The period of monopoly would be shortened if the amendments are granted.

the revocation of the designs is absent from these proceedings. Also, no historical narrative endeavours to explain why the second respondent did not seek to challenge the applicant's designs before it was drawn into this litigation by the first respondent. It is in this context that I must consider the amendment's scope.⁴³

[44] Fortunately, I am informed by some jurisprudence on this score, albeit in connection with some legislation that has since been repealed, but the reasoning adopted remains apposite. The following is stated in an endeavour to define the scope of an amendment in similar factual circumstances. The following wording attempts to define the scope of a proposed amendment, namely:

*'...The sphere or area over which any activity operates or is effective.... the field covered by a branch of knowledge, an enquiry, concept....'*⁴⁴

[45] Thus, taking this into consideration, I believe that none of the grounds of opposition raised by the second respondent (or even the first respondent seeking to impugn the novelty of the designs) provide a tenable basis to conclude for the invalidity of the designs. Thus, the amendments should be allowed. Also, I believe that the effect of the amendments will support the position that the amendments may be granted. Thus, the opposition to the amendments must fail. I also needed to find reasons why costs should not follow the result. None were provided.⁴⁵

Order

[46] The following order is granted:

1. The applicant is, with this, granted leave to amend (by way of formal recordings), to record release dates for the applicant's registered design numbers set out below:

A2016/01137, F2016/01138, A2016/01139, F2016/01140, A2016/01141,
F2016/01142, A2016/01143, F2016/01144, A2016/01145, F2016/01146,
A2016/01147, F2016/01148, A2016/01149, F2016/01150, A2016/01151,
F2016/01152.

("the registered designs").

⁴³ Burrell's South African Patent and Design Law at paragraph 8.14.2.

⁴⁴ Bristol-Myers Co v Beecham Group Ltd 1982 WJSC-HC 120 (13 March 1981) per Costello, J.

⁴⁵ The second respondent strenuously opposed the amendments.

2. Following section 26(1)(b) of the Designs Act, Act 38 of 1997, the release dates for the amendments to the registered designs are granted so as to record them as 27 April 2016. (as their respective release dates).
3. The registrar is requested to rectify the register and issue amended design certificates for the registered designs to reflect a release date of 27 April 2016.
4. Upon the registrar's request, the applicant shall provide the necessary documents and pay all prescribed fees required to effect the amendments granted above.
5. The second respondent shall be liable for the costs of an incidental to the amendment application on the scale between party and party, as taxed or agreed. The costs of counsel shall be allowed on scale B unless agreed otherwise.

E. D. WILLE
(Cape Town)