

# FAQ

## ESTIMATED PATENT COSTS

Filing a provisional patent application	R 5 000 to R20 000
Filing a complete patent application	R 5 000 to R20 000
Filing a PCT Application (individual)	R11 000 to R60 000
(company)	R30 000 to R60 000

Filing national phase applications:

<u>Country</u>	<u>Filing fee*</u>
ARIPO	R18,000 (filing fee) plus R2,000 per country
Australia	R22,000
Brazil	R36,000
Botswana	R8,000
Canada	R18,000
China	R40,000
Europe	R43,000 + R1,500 per country designated up to a maximum of R15,000
France	R40,000
Germany	R40,000
India	R18,000
Japan	R60,000
Nigeria	R30,000
OAPI	R58,000
UK	R20,000
US	R35,000

\* Please note that the foreign filing costs are only the costs associated with filing the foreign patent applications. In most countries, additional costs will be incurred in prosecuting the patent applications to grant. These costs typically range between 1 and 3 times the filing cost and are payable over a period of 2 to 5 year from filing.

PLEASE NOTE THAT THE ABOVE ARE MERELY BALLPARK ESTIMATES.

## LITIGATION

### • Costs and Time

- Both the cost and time for an action is dependent on the process followed. Potential steps in the process include:
  - a) approaching the Commissioner of Patents Court for an order that a patent is infringed.
  - b) The action may lead to a counterclaim for **revocation** of the patent.
  - c) The counterclaim may require the main action for infringement to be **stayed** and an application to **amend** the patent to be heard by the Commissioner of Patents.
  - d) The application to amend may be **appealed** to the Full Bench / Supreme Court of Appeals.
  - e) The **infringement** action may then be re-instituted in the Commissioner of Patents Court
  - f) The Commissioner's decision may be **appealed** to the Full Bench or the Supreme Court of Appeal.

Accordingly, an action may cost anywhere between R300 000 and R3 million and can take anywhere between 8 and 24 months.

### • Recoverable Costs

- A successful party to an action is typically granted an order for costs on the Party-Party scale. This limits the amount recoverable to that dictated by the official tariff, which generally amounts to around one-third of the actual costs incurred.

- **Damages Claimable / Marking of Product**

- In South Africa, damages are only claimable from the date on which the infringer knew or ought to have known about the existence of a patent. This is why patented products should be marked with the patent number.
- The quantum of damages claimable is limited to damages actually suffered by the patentee. This does not necessarily correspond to the profits that the infringer derived from the sale of the infringing products. Often, the concept of a reasonable royalty is used to determine the quantum of damages.

- **Enforcing a Patent or a Patent Application**

- Only a granted patent may be enforced.
- Action may typically only be instituted 9 months after the grant of a patent. Although, damages may be claimed as from the date of grant.

- **Claim Drafting**

- One should identify the primary potential infringers and draft the claims so that each infringer satisfies each step or integer in a claim.

## **COMMERCIALISING INTELLECTUAL PROPERTY**

- **Royalty Payable / Determining the Value of a Patent**

- Depending on the invention, **royalty** may be calculated based on:
  - a) a percentage of the profit derived from a patented product or process;
  - b) a percentage of the saving realised in an existing product or process as a result of the invention; or
  - c) a percentage of the premium chargeable for an existing product or process as a result of the addition of the invention.

The “percentage” is typically between 25 and 33 percent.

- In determining the **value** of a patent, one typically calculates the royalty payable over the expected useful life of the patent, reduces this to a net present value amount and applies a discount factor thereto.

NOTE: This merely provides a guide to the amount payable. Other factors, including the exclusivity of the licence, up-front payments, risk assumed, useful life, cancellation provisions, technological area, the right to assign or cede one’s rights, etc would impact on this amount.

- **Claim Drafting**

- If the invention relates to a component of a product, it may be prudent to draft the claims to claim the invention in combination with the product so that rights in the invention are not exhausted by the sale of the patented article. In this way, royalty

may be payable based on the sales price of the product instead of the cheaper component.

## **PATENTING STRATEGY**

### **•Filing Own Provisional**

- An applicant may draft and file a provisional application, although this is inadvisable. A complete application must however be signed by a patent attorney.
- A provisional application should fully describe the invention.
- When claiming priority, a complete patent application is constrained by the disclosures made in the provisional application.

### **•File Provisional or Complete?**

- Factors in favour of filing a provisional application:
  - Where an invention is in a state of flux, i.e. where the manufacture, commercialisation or further research during the following year may result in modifications or additions to the invention, it is advisable to file a provisional application. During the one year period, further provisional applications may be filed to cover additions and modifications, with all the inventions combined in a complete application, filed at the end of the year. If a complete application is filed in the first instance, this can only be added to by filing supplementary disclosures or patents of addition.
  - A provisional application is quicker and cheaper to file.

### **•File a PCT application?**

- Where a patent application is to be filed in various foreign countries, it is advisable to file a PCT application to determine the patentability of the invention prior to incurring foreign filing costs.
- A PCT application also delays the costs of filing foreign patent applications by up to 19 months, providing the applicant with more time to finance the filing of the foreign patent applications through the commercialisation of the invention.
- The PCT Search Report and the Preliminary Examination Report may assist in persuading a licensee to assist in financing the foreign patent applications.

### **•File an EU Application?**

- One should consider filing an EU application if applications are to be filed in three or more member countries.

### **•Adding to the Invention**

- An invention may be added to by:
  - (a) Filing a new patent application (provided that the addition is new and inventive).
  - (b) Filing a patent of addition (provided that the addition is new).
  - (c) While the complete application is pending: filing a supplementary disclosure BEFORE grant of the South African complete patent application.
  - (d) While the provisional application is pending: filing a new provisional and claiming priority from both provisional applications when filing the corresponding complete patent application.

## **FILING A DESIGN OR A PATENT APPLICATION?**

### **• Advantages and Disadvantages of Designs**

#### Advantages:

- Designs are cheaper and quicker to file.
- Design applications proceed to grant faster than a patent application.
- Designs are cheaper and simpler to enforce in the courts than patents.

#### Disadvantages

- Designs only protect the way an object looks and not the inventive principle.
- The scope of protection afforded by a design registration is typically far narrower than that of a patent.
- The scope of protection afforded by a design registration is dependent on the prior art. The determination of the scope for designs is therefore much more subjective than for patents.

### **• Instances where designs should be filed**

- Where it is difficult to vary the aesthetics of an object.
- Where a mould has to be made to manufacture the object and the cost of making the mould is prohibitive.
- Where the object would be used to cast a mould required to reproduce the object.
- Where “instant” protection is required.

### **• Instances where designs should not be filed**

- Where the aesthetics of an object can easily be changed.
- Where the registration is for a functional design of a spare part.

## **MANUFACTURING IN SOUTH AFRICA AN INVENTION SEEN OVERSEAS**

### **• Patenting the Invention in South Africa**

- Any disclosure of the invention destroys novelty in South Africa. The invention is therefore no longer patentable.

### **• Liability for Infringement in South Africa**

- Only a corresponding South African patent can be infringed in South Africa. One should therefore conduct a suitable search to determine whether the invention is protected in South Africa

### **• Extension of Patent Rights to South Africa**

- If no PCT application was filed, a South African application must be filed within 12 months of the filing of the priority application.
- If a PCT application was filed, a South African national phase application can be filed up to 31 months from the priority date of the invention.

## **COUNTRIES THAT ARE SIGNATORIES TO THE PARIS CONVENTION AND THE PATENT CO-OPERATION TREATY**

Priority can only be claimed in countries that are signatories to the Paris Convention. Accordingly, any disclosure in South Africa after the date of filing a South African provisional patent application may invalidate future foreign patent applications in non-signatory countries.

Also, when filing a PCT patent application, it is important to note the non-member countries. Applications in non-member countries should be filed at the time of filing the PCT patent application.

The table below indicates whether a country is a signatory to the Paris Convention and a member of the Patent Co-operation Treaty.

	PCT Update: (10 Dec 2001)	Paris Conv. (13 Feb 2002)
Afghanistan		
Albania	X	X
Algeria	X	X
American Samoa		
Andorra		
Angola		
Anguilla		
Antigua and Barbuda	X	X
Argentina		X
Armenia	X	X
Aruba		
Atlantic Ocean		
Ashmore and Cartier Islands		
Australia	X	X
Austria	X	X
Azerbaijan	X	X
The Bahamas		X
Bahrain		X
Baker Island		
Bangladesh		X
Barbados	X	X
Bassas da India		
Belarus	X	X
Belgium	X	X
Belize	X	X
Benin	X	X
Bermuda		
Bhutan		X
Bolivia		X
Bosnia and Herzegovina	X	X
Botswana		X
Bouvet Island		
Brazil	X	X
British Indian Ocean Territory		
British Virgin Islands		
Brunei		
Bulgaria	X	X
Burkina Faso	X	X
Burma		
Burundi		X
Cambodia		X
Cameroon	X	X
Canada	X	X
Cape Verde		
Cayman Islands		
Central African Republic	X	X
Chad	X	X
Chile		X
China	X	X
Christmas Island		
Clipperton Island		
Cocos (Keeling) Islands		
Colombia	X	X
Comoros		
Congo	X	X
Congo, Democratic Republic of		X

Cook Islands		
Coral Sea Islands		
Costa Rica	X	X
Cote d'Ivoire	X	X
Croatia	X	X
Cuba	X	X
Cyprus	X	X
Czech Republic	X	X
Denmark	X	X
Djibouti		X
Dominica	X	X
Dominican Republic		X
Ecuador	X	X
Egypt		X
El Salvador		X
Equatorial Guinea	X	X
Eritrea		
Estonia	X	X
Ethiopia		
Europa Island		
Falkland Islands (Islas Malvinas)		
Faroe Islands		
Fiji		
Finland	X	X
France	X	X
French Guiana		
French Polynesia		
Gabon	X	X
The Gambia	X	X
Georgia	X	X
Germany	X	X
Ghana	X	X
Gibraltar		
Glorioso Islands		
Greece	X	X
Greenland		
Grenada	X	X
Guadeloupe		
Guam		
Guatemala		X
Guernsey		
Guinea	X	X
Guinea-Bissau	X	X
Guyana		X
Haiti		X
Holy See (Vatican City)		X
Honduras		X
Howland Island		
Hungary	X	X
Iceland	X	X
India	X	X
Indian Ocean		
Indonesia	X	X
Iran		X

Iraq		X
Ireland	X	X
Israel	X	X
Italy	X	X
Jamaica		X
Jan Mayen		
Japan	X	X
Jarvis Island		
Jersey		
Johnston Atoll		
Jordan		X
Juan de Nova Island		
Kazakstan	X	X
Kenya	X	X
Kingman Reef		
Kiribati		
Korea, North	X	X
Korea, South	X	X
Kuwait		
Kyrgyzstan	X	X
Laos		X
Latvia	X	X
Lebanon		X
Lesotho	X	X
Liberia	X	X
Libya		X
Liechtenstein	X	X
Lithuania	X	X
Luxembourg	X	X
Macau		
Macedonia, Former Yugoslav Rep.	X	X
Madagascar	X	X
Malawi	X	X
Malaysia		X
Maldives		
Mali	X	X
Malta		X
Man, Isle of		
Marshall Islands		
Martinique		
Mauritania	X	X
Mauritius		X
Mayotte		
Mexico	X	X
Micronesia, Federated States of		
Midway Islands		
Moldova	X	X
Monaco	X	X
Mongolia	X	X
Montserrat		
Morocco	X	X
Mozambique	X	X
Namibia		
Nauru		
Navassa Island		
Nepal		X
Netherlands	X	X
Netherlands Antilles		
New Caledonia		
New Zealand	X	X
Nicaragua		X
Niger	X	X
Nigeria		X
Niue		
Norfolk Island		
Northern Mariana Islands		
Norway	X	X

Oman	X	X
Pacific Ocean		
Pakistan		
Palau		
Palmyra Atoll		
Panama		X
Papua New Guinea		X
Paraguay		X
Peru		X
Philippines	X	X
Poland	X	X
Portugal	X	X
Puerto Rico		
Qatar		X
Reunion		
Romania	X	X
Russia	X	X
Rwanda		X
Saint Helena		
Saint Kitts and Nevis		X
Saint Lucia	X	X
Saint Pierre and Miquelon		
Saint Vincent and the Grenadines		X
Samoa		
San Marino		X
Sao Tome and Principe		X
Saudi Arabia		
Senegal	X	X
Serbia and Montenegro	X	
Seychelles		
Sierra Leone	X	X
Singapore	X	X
Slovakia	X	X
Slovenia	X	X
Solomon Islands		
Somalia		
South Africa	X	X
Southern Ocean		
Spain	X	X
Spratly Islands		
Sri Lanka	X	X
Sudan	X	X
Suriname		X
Svalbard		
Swaziland	X	X
Sweden	X	X
Switzerland	X	X
Syria		X
Taiwan		
Tajikistan	X	X
Tanzania	X	X
Thailand		
Togo	X	X
Tokelau		
Tonga		X
Trinidad and Tobago	X	X
Tromelin Island		
Tunisia	X	X
Turkey	X	X
Turkmenistan	X	X
Turks and Caicos Islands		
Tuvalu		
Uganda	X	X
Ukraine	X	X

United Arab Emirates	X	X
United Kingdom	X	X
United States	X	X
Uruguay		X
Uzbekistan	X	X
Vanuatu		
Vatican City (Holy See)		
Venezuela		X
Vietnam	X	X
Virgin Islands		
Wake Island		
Western Sahara		
Yemen		
Yugoslavia	X	X
Zambia	X	X
Zimbabwe	X	X

## 16. COUNTRY CODES

AE	United Arab Emirates	EG	Egypt
AF	Afghanistan	EP	EPO
AG	Antigua and Barbuda	ES	Spain
AI	Anguilla	ET	Ethiopia
AL	Albania		
AM	Armenia	FI	Finland
AN	Netherlands Antilles	FJ	Fiji
AO	Angola	FK	Falkland Islands
AP	ARIPO	FR	France
AR	Argentina		
AT	Austria	GA	Gabon
AU	Australia	GB	United Kingdom
AW	Aruba	GD	Grenada
AZ	Azerbaijan	GG	Georgia (also Guernsey)
		GH	Ghana
BB	Barbados	GI	Gibraltar
BD	Bangladesh	GM	Gambia
BE	Belgium	GN	Guinea
BF	Burkina Faso	GQ	Equatorial Guinea
BG	Bulgaria	GR	Greece
BH	Bahrain	GT	Guatemala
BI	Burundi	GW	Guinea-Bissau
BJ	Benin	GY	Guyana
BM	Bermuda		
BN	Brunei Darussalam	HK	Hong Kong
BO	Bolivia	HN	Honduras
BR	Brazil	HR	Croatia
BS	Bahamas	HT	Haiti
BT	Bhutan	HU	Hungary
BU	Burma	HV	Upper Volta
BW	Botswana		
BX	Benelux Trademark & Designs Office	IE	Ireland
BY	Belarus	ID	Indonesia
BZ	Belize	IL	Israel
		IN	India
CA	Canada	IQ	Iraq
CF	Central African Republic	IR	Iran
CG	Congo	IS	Iceland
CH	Switzerland	IT	Italy
CI	Ivory Coast		
CL	Chile	JE	Jersey
CM	Cameroon	JM	Jamaica
CN	China	JO	Jordan
CO	Colombia	JP	Japan
CR	Costa Rica		
CS	Czechoslovakia	KE	Kenya
CU	Cuba	KG	Kirgiz
CV	Cape Verde	KH	Cambodia
CY	Cyprus	KI	Kiribati
		KK	Kazakhstan
DD	German Democratic Republic	KM	Comoros
DE	German Federal Republic	KN	St. Kitts-Nevis
DJ	Djibouti	KP	North Korea
DK	Denmark	KR	South Korea
DM	Dominica	KW	Kuwait
DO	Dominican Republic	KY	Cayman Islands
DZ	Algeria		
		LA	Laos
EC	Ecuador	LB	Lebanon
EE	Estonia	LC	Saint Lucia



LI Liechtenstein  
LK Sri Lanka  
LR Liberia  
LS Lesotho  
LT Lithuania  
LU Luxembourg  
LV Latvia  
LY Libya

MA Morocco  
MC Monaco  
MD Moldavia  
MG Madagascar  
ML Mali  
MM Myanmar  
MN Mongolia  
MR Mauritania  
MS Montserrat  
MT Malta  
MU Mauritius  
MV Maldives  
MW Malawi  
MX Mexico  
MY Malaysia  
MZ Mozambique

NA Namibia  
NE Niger  
NG Nigeria  
NI Nicaragua  
NL Netherlands  
NO Norway  
NP Nepal  
NR Nauru  
NZ New Zealand

OA OAPI  
OM Oman

PA Panama  
PE Peru  
PG Papua New Guinea  
PH Philippines  
PK Pakistan  
PL Poland  
PT Portugal  
PY Paraguay

QA Qatar

RO Romania  
RW Rwanda

SA Saudi Arabia  
SB Solomon Islands  
SC Seychelles  
SD Sudan  
SE Sweden  
SG Singapore  
SH St. Helena  
SL Sierra Leone  
SM San Marino

SN Senegal  
SO Somalia  
SR Suriname  
ST Sao Tome & Principe  
SU Russia  
SV El Salvador  
SY Syria  
SZ Swaziland

TC Turks & Caicos Islands  
TD Chad  
TG Togo  
TH Thailand  
TJ Tajikistan  
TM Turkmen  
TN Tunisia  
TO Tonga  
TR Turkey  
TT Trinidad & Tobago  
TV Tuvalu  
TW Taiwan  
TZ Tanzania

UA Ukraine  
UG Uganda  
US USA  
UY Uruguay  
UZ Uzbekistan

VA Vatican City  
VC St. Vincent & Grenadines  
VE Venezuela  
VG Virgin Islands  
VN Vietnam  
VU Vanuatu

WO WIPO (PCT)  
WS Samoa

YE Yemen  
YU Yugoslavia

ZA South Africa  
ZM Zambia  
ZR Zaire  
ZW Zimbabwe

## OVERVIEW OF PATENTING TIME LINE

