THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal
Date: 29 September 2017
Status: Immediate

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.

CIPLA AGRIMED
v
MERCK SHARP DOHME CORPORATION

Today the Supreme Court of Appeal handed down judgment striking from the roll an appeal against the grant of an interlocutory interdict. The parties have been involved in a number of applications and actions in the Court of the Commissioner of Patents. The appellant (Cipla) is the proprietor of South African Patent 92/7457 (the 1992 patent). The first and second respondents (Merck and Merial LLC, respectively) are the joint proprietors of South African Patent 98/10975 (the 1998 patent). The third respondent (Merial SA) is a registered licensee of the 1998 patent. Merck, Merial LLC and Merial SA brought an action for a final interdict and other relief arising from Cipla having infringed it. This action is still pending. Cipla brought an application against Merck and Merial LLC for the revocation of the 1998 patent. The application was based on two grounds based on s 61(1)(c) of the Patents Act 57 of 1978 (the Patents Act) read with s 25(1), namely: (i) that the patent was not a 'new invention' as contemplated in s 25(1); and (ii) that to the extent it was a new invention, it did not involve an 'inventive step' as contemplated in s 25(1). Cipla relied on the 1992 patent for both grounds. The application was

argued on the papers because the first ground could be determined without recourse to oral evidence. Cipla stated in its heads of argument that, if this failed, it had not abandoned the second ground but would seek to refer this to oral evidence. Merck and the other respondents (hereafter 'Merck') in the application argued that, absent a separation order, the argument on the papers would dispose of all the issues in the application and recourse could not be sought to oral evidence thereafter. Despite this, Cipla did not apply for a separation of the issues. Cipla succeeded in the Court of the Commissioner of Patents but failed in this court which substituted an order dismissing the application and certifying valid each of the claims of the 1998 patent.

This prompted Merck to apply to the Court of the Commissioner of Patents to interdict Cipla from infringing the 1998 patent pending the finalisation of the action for a final interdict. The right asserted by Merck was that this court had certified as valid all the claims of the 1998 patent. Cipla maintained that this was not so because the second ground had not been determined and that it had brought an application to amend its plea in the action to raise a third ground of invalidity of the 1998 patent. Merck in turn maintained that the issue of validity of the 1998 patent had been finally determined by this court and brought an application to amend its replication by setting up the SCA judgment as rendering the validity of the 1998 patent res judicata. Both applications were opposed and remain pending. The interim interdict was granted. With the leave of the court below, Cipla appealed to this court against its grant.

The issue before this court was whether the interim interdict was appealable. Cipla argued that, because the final determination of the res judicata point was unlikely to take place prior to December 2018 when the patent expired, the interdict, while interim in form, was final in substance and thus appealable. This court held that the order was not appealable and struck the appeal from the roll. Two concurring judgments reached this conclusion along somewhat different lines.