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3MFuture wins patent case against Standard Bank and MTN

by Ernest Mabuza , 31 August 2012, 18:35

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INFORMATION technology company 3MFuture Africa on Friday registered a victory in its patent infringement lawsuit when the North Gauteng High Court ruled that Standard Bank, MTN and MTN Mobile Money had infringed on its card security technology patent.

The patent allowed users to switch their payment cards on and off with their cellphones, thereby eliminating the problems of card cloning, skimming and theft.

3MFuture Africa's director, Wolfram Reiners, claimed in the company's application that Standard Bank, MTN and MTN Mobile Money conspired to infringe the patent following meetings he held with Standard Bank between July 2001 and June 2002, where he made presentations on his system.

He said in 2006, MTN Mobile Money was launched as a joint venture between Standard Bank and MTN, and the transaction authorisation system was the same as the one 3MFuture Africa patented in 2001.

In the order granted on Friday, Judge Tati Makgoka ruled that 3MFuture Africa's technology was valid and was infringed by the MTN Money Banking until the "on/off" functionality was disabled in January this year. Judge Makgoka would release a full judgment in the next month.

The court had heard during the trial that in more than 30 meetings and workshops during the course of a year, Standard Bank was able to learn everything about the 3MFuture Africa innovation. 3MFuture Africa was then told that the bank was uninterested in the technology – which then became an important component of the MTN Mobile Money (Pty) Ltd offering.

Mr Reiners, said the judgment on Friday capped several years' worth of struggling to obtain justice and said it was a vindication of his company's assertion that its rights had been infringed. He said the judgment sent a clear message to the business world to respect others' intellectual property rights.

Standard Bank said it was still studying the order and would comment later.

"Our case was not as rare as one would think. Large corporates misappropriate the intellectual property of smaller companies on a regular basis, comfortable in the knowledge that they have deeper pockets, and can stretch out any litigation until the smaller company either gives up the fight or goes under," Mr Reiners said.

3M Future Africa was forced to find guarantees running into millions of rand before it could even consider going to court. Dr Reiners said there was a long and expensive discovery process, and this trial ran well over the original two weeks set aside due to delays at the hands of MTN and Standard Bank.

"We have proved that South African patent law does work to protect companies' intellectual property rights, albeit at great financial cost," Mr Reiners said.

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