

## ROSE-TINTED WINDSHIELDS

Vehicle dealers are optimistic about future new vehicle sales, but Chris de Kock at WesBank does not believe the level of optimism is realistic. PAGE 20

# Court to decide on payment patent

## MTN retracts countersuit

Asha Speckman

THE NORTH Gauteng High Court will hear closing arguments on Monday in a multi-million-rand civil case for patent infringement brought against Standard Bank, MTN and MTN Banking.

The defendants are alleged to have infringed on the invention rights owned by 3MFuture Africa, a software developer registered in South Africa.

The matter resumed in court this week with the continuation of the cross-examination of expert witnesses regarding technical aspects of the case. This dispute came before the court for the first time in August last year.

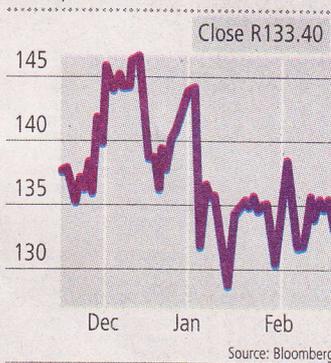
Cedric Puckrin, senior counsel for 3MFuture Africa, said the plaintiff would on Monday present arguments on the infringements and the lack of inventiveness. The defendants would then respond.

The invention allows for secure and fraud-proof credit card payments to be made to remote merchants over the internet or telephone.

The technology permits customers to switch their cards on before making a payment and the card is automatically disabled after the payment, preventing illicit use of the card.

### MTN

Share price, rand Nov 16-Feb 16



### Standard Bank

Share price, rand Nov 16-Feb 16



registered in the patent".

Standard Bank and MTN claimed the invention was not

## Rewards plan

Nompumelelo Magwaza

THE REWARDS programme that offered cardholders discounts at Woolworths remained its favourite business strategy, the retailer said yesterday.

Customers were lured by the rewards and sales grew in the six months to December, with turnover up 11.4 percent year on year to R14.1 billion.

Chief executive Ian Moir said yesterday: "The rewards programme remains a success and has boosted cardholders from 49 percent to 60 percent (of customers). This has given the business opportunity to understand its customers better."

The interim performance at Woolworths was in line with management's expectations, given that economic conditions in South Africa remain constrained.

But despite the subdued economic climate, trading for the first six weeks of the second half of the financial year had been positive, particularly over the festive season.

The group posted a 26.8 percent rise in pretax profit to R1.4bn and headline earnings a share leapt 34.6 percent to R1.36.

A portion of the cash generated by the operations was used to finance the conversions of former franchise stores into group-owned supermarkets.

Woolworths planned an acceleration in floor-space growth in the second half of the fiscal year, as it opened bigger outlets.

"Bringing in the offering of glasses, spoons and clothes along with our food is a no-brainer," Moir said in a presentation in Johannesburg yesterday. "It breaks my heart when I see a shopping trolley outside our store, while customers are shopping with baskets inside. We plan to change that."

Woolworths would open its first full-line supermarket on April 26 in Johannesburg.

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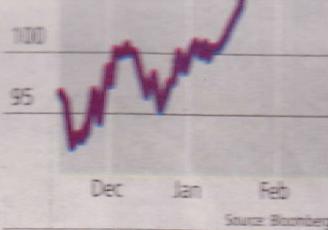
The invention allows for secure and fraud-proof credit card payments to be made to remote merchants over the internet or telephone.

The technology permits customers to switch their cards on before making a payment and the card is automatically disabled after the payment, preventing illicit use of the card.

The patent was registered on August 30, 2006, and a summons was filed in the high court on April 6, 2010.

In the summons 3MFuture Africa claimed it was the registered proprietor of the South African registered patent, number 2002/2337 titled Transaction Authorisation System.

3MFuture Africa claimed that all three respondents had, on a specific date unknown to it, "jointly and in concert" infringed or alternatively "aided or abetted or instigated among each other to infringe 10 claims out of 25 claims that were



Source: Bloomberg

registered in the patent".

Standard Bank and MTN claimed the invention was not new and that the patent was therefore invalid and subject to be revoked.

In August last year Philip Ginsburg, counsel for MTN and MTN Banking, said the application by his clients, claiming that several of 3MFuture Africa's claims were invalid, struck at the root of 3MFuture Africa's application.

He said if the application was successful, there would be no point in hearing 3MFuture Africa's application.

MTN withdrew this application yesterday but a reason was not provided.

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"The franchise conversion remains on track with 50 stores now converted and a further nine to be converted during the second half of the financial year," Woolworths said.

Food sales rose 11.7 percent, with comparable-store sales up by 8.4 percent. Inflation moved to 4.8 percent. Due to 12 percent more trading space, store costs advanced 16 percent to R3.6bn.

Marlo Scholtz, an equity analyst at Sanlam Investment Management, said Woolworths' interim results indicated a good performance.

"The food division has shown some good sales over the period... however, the clothing division was a little bit disappointing, particularly in the women's clothing," he said.

Woolworths chief climate, but he is s

Like retailers Myer and Sports Australia, Woolworths faced with a tough environment in which it would be difficult for the company to produce line growth. But the group had done well in improving its efficiency in managing its inventory.

This was similar to Woolworths' Australian Country Road, which was detracted by 2.4 percent in Australian dollar terms.

Moir said that while sales increased in this year, he was surprised at the decline in consumer confidence in the Australian market.

Conditions remain difficult, which is odd because the country has a good gross domestic product (growth) and a lower interest rate.