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Tuesday, September 04, 2012

## MTN, Standard lose mobile patent battle

Local IT company 3MFuture Africa has taken on Standard Bank and MTN in a patent battle and come away on top. By Craig Wilson.

Added by **Craig Wilson** on 3 September 2012.

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Wolfram Reiners

3MFuture Africa, a Cape Town-based technology firm that has been embroiled in a patent battle with **MTN** and **Standard Bank** over its payment card security technology, has received a ruling in its favour from the patent court in Pretoria. 3MFuture says MTN and Standard copied the technology.

The court on Friday ruled that Standard Bank and MTN had infringed 3MFuture Africa's payment card security technology patent.

The patent concerns allowing consumers to switch their payment cards on and off using their mobile phones and is intended as a security measure to minimise the effects of card theft and cloning or skimming where card details are stolen or cards are duplicated.

In a statement, 3MFuture Africa says judge Tati Makgoka found that Standard Bank and MTN used the technology in their MTN Mobile Money joint venture until 13 January this year, when the functionality was disabled.

Makgoka also granted Standard Bank and MTN a counterclaim and provisionally revoked the patent, giving 3MFuture Africa a month to file an application to amend the patent to bring it in line with its case against the operator and bank after it simplified the points of contention to expedite the process of the patent infringement proceedings.

If 3MFuture Africa's application is granted, the counterclaim and provisional revocation granted to MTN and Standard Bank will fall away.

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3MFuture Africa maintains that it had more than two dozen meetings with Standard Bank around its product. At these meetings, it says the bank learnt about the product extensively. Standard Bank then declined to implement the product, claiming it wasn't interested in the technology. It says the technology was then used when the bank partnered with MTN to create MTN Mobile Money.

Wolfram Reiners, director of 3MFuture Africa and co-inventor of the patented technology, says it is essential that small companies patent their innovations or take other "precautionary measures" before demonstrating it to prospective partners because "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."

If nothing else, the matter "illustrates perfectly why it is critical to protect what is often a great financial and personal investment in your business".

"Had we not patented our payment card security technology, we would not have been able to successfully fight this case," Reiners says.

Standard Bank has said it is disappointed at the finding that some of the claims of 3MFuture Africa's patent were infringed. But it says it is pleased with the finding that has resulted in 3MFuture Africa's patent being provisionally revoked.

MTN, meanwhile, says it will review the written judgment before deciding on its next steps.

The full order will be made on 11 September. — (c) 2012 NewsCentral Media

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