

## Patent Specifications: Watch what you are saying!

Patent laws in many countries impose an onus on patent applicants to act in good faith in dealing with the patent office. For example, in Australia, a patent may be held to be invalid if it is shown that the patent was obtained by fraud, false suggestion, or misrepresentation. In the United States, applicants, inventors and their attorneys have a duty of candour, good faith, and honesty in dealings with the patent office and a patent may be held to be unenforceable if there was inequitable conduct on the part of any of those people in their dealings with the patent office.

The effects of withholding information from the patent office have been seen in court decisions in Australia and the United States with patents being held to be unenforceable because applicants had not disclosed all of the relevant facts to the patent office during prosecution of their patent application.

In Australia, the full Federal Court revoked a patent directed to a specific form of Warner-Lambert's blockbuster cholesterol-lowering drug, Lipitor (*Ranbaxy Australia Pty Ltd v Warner-Lambert Co LLC (2008) 77 IPR 449*). The court held that data included in the patent specification represented that Warner-Lambert had found that activity of the R form of the drug was about ten times that of the racemate (ie mixture of R and S forms of the drug). Warner-Lambert's attorneys made a similar representation in response to an Examiner's report on the application. However, it turns out that all of the data available to Warner-Lambert showed that the R form of the drug had an activity level that was only about two times greater than the racemate. The court found that the representation that the R form of the drug was ten times greater was material to the patent office's considerations in granting the patent and were false and misleading. The patent was therefore revoked.

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# False Marking

Do you know why you mark your patented articles and associated advertising, brochures and web sites with "PATENT 1234567", "PATENT", or "PAT PEND"? There may be a number of reasons, but the primary reason will be to increase the likelihood that infringers will be liable from the earliest infringement and not just for their infringing activities after the date upon which they are advised in writing of the existence of the relevant patent. However, do any of your articles etc bear those markings even though the relevant patent or patent application is no longer in force or pending? Both in Australia and in other countries such as the United States, this is an offence under the relevant patent laws.

As mentioned recently by a US court (*The Forest Group v Bon Tool Company*; Appeal no 2009-1004 Fed Cir Dec 28, 2009), there are good reasons for why this type of action is not only illegal but is also against the public good. In particular, it was stated by the Court that "potential competitors may be dissuaded from entering the market [and] false marks may also deter scientific research when an inventor sees a mark and decides to forego continued research to avoid possible infringement".

In Australia, a person falsely representing that an article sold is patented in Australia, or is the subject of a patent application, will be liable for a penalty of \$6000. In the United States, a person must similarly



not "falsely mark" an article, but in that country, each and every product that is falsely marked is liable to the applicable penalty. Thus, while an offender "shall not be fined more than \$500 for every such offence", if, for example, 10,000 products have been falsely marked, the offender could receive a penalty fine of up to \$5 million.

A further, interesting aspect of United States law relating to false marking, is that "any person" may sue on behalf of the government, and their reward is half of the amount of the court imposed fine! It has been reported that in the first few months of 2010, there have been more

than 100 false marking suits commenced in the United States and almost none of them were brought by parties who would be classed as competitors to the company sued.

When was the last time you checked the patent markings on your articles etc? If you have any questions about this aspect of your business, then please contact us.

*Contributed by Bill McFarlane*



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The charge of inequitable conduct by patent applicants, inventors or their attorneys is also being increasingly used in the United States to render patents unenforceable. A recent decision of the Delaware District Court (*Cancer Research Technology et al. v Barr Laboratories et al.*, D-Del, Civ. No. 07-457-SLR, January 26, 2010) provides an insight into the extent of the duty of good faith that is owed to the United States Patent and Trademark Office (USPTO) by patent applicants.

Cancer Research Technology (CRT) was the assignee of a US patent covering the tetrazine compound temozolomide, which is marketed under the name Temodar® for the treatment of brain cancers. A patent application was filed in 1982 and the USPTO initially rejected the application for lack of utility on the grounds that the application did not include data showing the efficacy of the claimed compounds in humans. CRT did not file a substantive response but filed a series of continuation applications over the course of ten years to effectively keep the application alive. The USPTO rejected each continuation application on the same grounds until, finally, in 1993, CRT filed a response in

# Don't forget your trade marks!

Selling or winding up your business? Considering the assignment or transfer of your trade marks should be on your checklist of things to do.

A common mistake made by trade mark owners during the sale or winding up of a business is failing to realise the value of the trade marks owned by the business and the potential need to assign this intangible property in the same way as other tangible assets such as plant and stock. For example, if a company is wound up without the relevant trade marks being assigned, it can be very difficult (sometimes impossible) and costly to rectify this.



A trade mark can be assigned in a number of ways including by way of a sale of business contract or by way of a separate deed of assignment. Once a trade mark(s) is assigned, it is important to promptly record the assignment with IP Australia so that the Trade Marks Register reflects the current owner of the trade mark(s). The rights of a new owner will be particularly affected if infringement proceedings are commenced as they will not be able to obtain relief until the assignment is formally recorded with IP Australia.

Recording the assignment of a trade mark(s) is a simple process involving the filing of an application with IP Australia together with evidence that the title to the trade mark(s) has been assigned or transmitted, for example a copy of the deed of assignment or an extracts from the sale of business contract. Assignments can be recorded against pending or registered trade marks, and can be transmitted with or without the goodwill of the business. The assignment can also be partial in the sense that it may only relate to some of the goods/services covered by the application or registration. The assignment cannot, however, be geographically limited.

Attending to the assignment or transfer of trade marks does not have to be a very costly or time consuming process, but allowing the trade marks to be left behind can turn out to be just that.

*Contributed by Irena Bogdan*

which they argued (based on case law from 1986 and earlier case law cited therein) that they did not need to provide data showing efficacy in humans, and the animal test data already present in the application was sufficient. The application was allowed based on the response.

However, in the period during which the application was being kept alive at the USPTO, one of the inventors published numerous papers on tetrazine derivatives, including papers showing that some of the compounds covered by the claims were inactive. This information was not provided to the USPTO and the applicants continued to pursue broad claims that

covered compounds that were known to be inactive. The court held that CRT's patent was unenforceable. In this case, the data showing inactivity was material to patentability and should have been disclosed to the USPTO. This is particularly relevant as the Examiner had rejected CRT's patent claims for lacking utility over their full scope and the material published in the papers appeared to support the Examiner's rejection.

These cases emphasise the importance of inventors and applicants to provide all relevant data to their patent attorneys for the purpose of preparing a patent specification and also whilst their patent

## News

### Top Ten ranking for Madderns

*Managing Intellectual Property* journal recently released the results of their 2010 global survey of intellectual property firms. The results of the survey are based on extensive research and interviews conducted by MIP with practitioners and clients internationally. Receiving a very high MIP ranking in the category of patent filing and prosecution, Madderns joins a group of much larger and established patent firms in Australia's "Top Ten". Commenting on the survey results, Madderns Senior Partner Craig Vinall said "The MIP rankings reflect an outstanding effort by all partners and staff to the progression of the firm. It vindicates our belief that we are able to offer IP services that are up there with the very best on offer nationally".

applications are pending. Consideration should be given to disclosing to the relevant patent offices any new data, prior art or other matter that is material to the patentability of the invention or in conflict with earlier statements or data made in the specification.

*Contributed by Jeff Holman*

## Five facts about Adelaide, South Australia:

- Adelaide is the home of the South Australian Film Corporation who have produced some of Australia's most iconic films such as Storm Boy and Breaker Morant
- Scott Hicks, director of Shine, Snow Falling on Cedars and, more recently, No Reservations and The Boys are Back, hails from Adelaide
- Shine, The Boys are Back, Rabbit-Proof Fence, Wolf Creek, Mad Max Beyond Thunderdome, Picnic at Hanging Rock, The Adventures of Priscilla, Queen of the Desert are just a few of the films which have been filmed in South Australia
- Discussing his lead role in The Boys are Back with Ellen Degeneres on the Ellen Show, Clive Owen stated that his family consider South Australia to be "best place they've ever been"!
- And Adelaide is the home of Madderns Patent & Trade Mark Attorneys!

## MaddernsIPNews

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## Madderns on Gouger Street

Madderns has recently moved to a new green star rated 5 star building in the heart of Adelaide. Our new offices provide a modern, open and light-filled office on a single, large floor; the right environment to enable us to continue to provide superior, practical, cost-effective and timely service to our ever expanding client base.



## New appointments



On 11 January 2010, we were very pleased to welcome Nick McLeod to the firm.

Nick joins us as a Trainee Patent & Trade Marks Attorney. Prior to joining Madderns, Nick worked in the defence industry for several years as an aerospace engineer involved in aircraft modification and systems integration work. He gained practical experience in product design and development and acquired technical skills in structural analysis, fatigue and vibration.

Nick has technical qualifications in both Mechatronic Engineering and Computer Science from The University of Adelaide. He has particular interest in robotics, control systems, vibration, acoustics, aerospace engineering and renewable energy technologies. His final year engineering project constituted the design and build of a dual axis autonomous solar tracker which was judged "Best Project with Commercial Potential".

