



Madderns IP News

how inventive must a patentable invention be?

It depends on where you are! A basic requirement of a valid patent is that the invention involve an inventive step over previous knowledge (known as the “prior art”). That is, the invention must not have been obvious to the skilled worker in the relevant art given that previous knowledge. However, applying this tenet to particular circumstances so as to fairly reward innovation has often proved to be difficult. Rather inevitably then, a variety of pre-requisites (for inventiveness), tests and practices have now emerged around the world. This article looks at the “obviousness” laws in Australia and the United States.

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Assessing inventiveness requires a consideration of whether the invention embodies an inventive step or, in other words, is “non-obvious” over previous knowledge. The exact nature of this previous knowledge and the approach to how inventiveness should be assessed in the light of that knowledge, have been points of considerable recent debate. That is, just what information is the skilled worker expected to consult and/or be knowledgeable of when working in the relevant art of the invention? More particularly, should every possible document forming the prior art be considered, or is it only those documents from sources that the skilled worker would ordinarily be likely to consult that are relevant? Further, if the invention provides a solution to a particular problem, should the skilled worker be aware of that problem and have known what they would have done had they been actually asked to solve the problem?

These questions have recently been addressed by the highest courts in Australia and the United States. Notably, the two courts came to quite different conclusions.

In *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2007), the High Court of Australia first confirmed previous decisions that, in considering the question of whether an invention involves an inventive step, the patentee need only show that there was

a “scintilla of invention” or that some barrier was crossed or some difficulty overcome. Secondly, the court expressed the view that the so-called “problem solution” approach to the question (wherein a technical problem over the closest prior art information is initially identified and then a consideration is made as to whether the claimed solution (i.e. the invention) would have been obvious to the skilled worker), favoured in Europe, was overly harsh, especially in relation to inventions involving combinations of known components. Thirdly, the court indicated that so-called “secondary evidence” of inventiveness should not be lightly ignored. Such evidence includes commercial success, satisfying a “long-felt want” or need in the relevant art, the failure of others to find a solution to the problem at hand, and subsequent copying of the invention by others.

The Australian *Patents Act 1990* requires that for assessing inventiveness, the previous knowledge, if not belonging to the skilled worker’s “common general knowledge”, must have been found in prior art information that could have been “ascertained, understood and regarded as relevant” by the skilled worker at the relevant date. Additionally, where the previous knowledge was found in multiple pieces of information, the Act requires that the skilled worker could have been reasonably expected to combine them.

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Patent search results: to disclose or not disclose!

Changes to Australian patent law that came into effect on 22 October 2007 have removed the obligation to disclose the results of searches conducted by foreign patent offices. However, the effect of this change is not entirely retrospective. Therefore, any search results that were due to have been disclosed by 22 October 2007 should still be disclosed to the Australian Patent Office, along with payment of late fees. This only applies where:

- Examination was requested before 22 April 2007;
- The relevant search was conducted by a foreign patent office on a corresponding application prior to 22 April 2007; and
- The search was not an International Search under the PCT.

how inventive must a patentable invention be? (continued)

The court, in *Lockwood*, also looked at these requirements and found that the skilled worker would be a diligent searcher, who would be expected to perform a reasonable search for a solution to a problem at hand rather than a broad search in, for example, divergent and/or non-familiar arts (i.e. which might enable the identification of a solution from combinations of features from divergent sources). The court also considered that a diligent searcher would not be expected to find every relevant, publicly available document.

In contrast, the United States Supreme Court in *KSR International Co V Teleflex Inc (2007)* considered that broad searching would be the normal expectation of the skilled worker. Further, while affirming that secondary evidence was crucial in assessing inventiveness, the Supreme Court also opined that the pool of prior art that is relevant is much broader than that of the particular problem at hand. Indeed, it was suggested that any prior art information belonging to a "field of endeavour" was relevant, thereby seemingly permitting the combination

of information not clearly related to the invention with the knowledge of the skilled worker to render an invention as obvious. The court also expressed the view that the skilled worker is expected to combine information from multiple documents like pieces of a puzzle to obtain a solution to a problem.

Many commentators on *KSR* have indicated that the findings in that decision represent a significant "raising of the bar" for inventiveness in the United States. On the other hand, the decision in *Lockwood*, confirms that the threshold for inventiveness in Australia is low. Indeed, it appears that the High Court of Australia is of the view that where there is a need for wide searching for a solution to a problem, or where there is a need to combine multiple pieces of information, that need could itself represent, or at least indicate the presence of, an inventive step. The practical effect of the *Lockwood* decision is that Australian patents may be more likely to resist an attack for obviousness than their United States counterparts.

experimental use – an exemption to patent infringement

For many years there has been concern and uncertainty amongst patentees and researchers in Australia as to whether patent infringement might occur through the use or creation of a patented invention during the process of research and development. The Advisory Council on Intellectual Property (ACIP) was therefore asked by the Australian Government to examine whether, as a consequence of this concern and uncertainty, patent rights could actually be

inhibiting research and development in Australia. Further, ACIP was asked to determine whether Australian researchers and businesses would benefit from the introduction of an experimental use exemption to patent infringement into Australian patent law.

ACIP's report was recently accepted by the Australian Government and it has subsequently been proposed to amend the *Patents Act 1990* to provide that the rights of a patentee are not infringed by acts done for experimental purposes relating to the subject matter of the invention that do

not unreasonably conflict with the normal exploitation of a patent. The types of experimental acts intended to be exempt from patent infringement include:

- determining how a patented invention works;
- determining the scope of a patent;
- determining the validity of a patent; and
- seeking an improvement to a patented invention.

No indication has yet been given as to when these amendments will be made or what will be the exact wording of the amending legislation. It is feared, however, that if the legislation were to broadly and vaguely refer to "acts done for experimental purposes relating to the subject matter of the invention that do not unreasonably conflict with the normal exploitation of a patent", the object of providing patentees and researchers with some clarity on "experimental use" will not be realised.

Contributed by Alun Thomas

new signs: shape, colour, sound and scent trade marks

The *Trade Marks Act 1995* significantly broadened the definition of a trade mark to include, "signs" such as shapes, colours, sounds and scents. Applications for these "new signs" are generally examined in the same way as more traditional words and logos, but there are certain additional issues that are taken into account.

A requirement when applying to register any of the "new signs" is that they must be represented graphically, that is, they must be accurately described and entered on the Register with an endorsement. For example, colour and shape mark applications must include a concise description of the sign as well as a perspective or isometric drawing for shape marks or a pictorial representation for colour marks. Sound marks must be accompanied by either a description of the sound or a musical notation together with a recording of the sound. A scent mark must contain a description of the scent that the ordinary person will understand.

Shape marks

There are around 550 shape trade marks presently registered in Australia. These registrations include familiar shapes such as the Coca-Cola bottle and the McDonalds cardboard fries container. Functional shape trade marks are unlikely to be registrable, at

least without extensive evidence of use. Invented shape marks should be registrable without evidence of use. For example, the Full Federal Court held that the Kenman Kandy "millennium bug" shape confectionery was registrable without any need for such evidence.

Colour marks

There are around 200 colour trade mark registrations. One of the most well-known colour mark cases involved an application to register the colour terracotta for connecting inserts of rural polypipe fittings. In this case, the Federal Court held that due to the applicant's extensive evidence of use of the colour as a trade mark, the colour distinguished the applicant's goods from the goods of other traders where the typical colour for such connecting inserts was black. In this case, the court also indicated that colour marks will be registrable without evidence of use when the colour does not serve any utilitarian, ornamental or economic function and has no other competitive advantage.

Sound marks

There are 29 Australian trade mark registrations for sound marks. These registrations include the sound of the words "Ah McCain" followed by a "ping" as well as the sound of the word BOOST for Boost Juice being pronounced "with the

"OO" part of the word substantially elongated and an emphasis placed on the "T"." A sound will not be registrable if it is created by the normal operation of the goods.

Scent marks

There are not yet any scent trade mark registrations in Australia; however, an application to register the smell of beer for flights for darts was accepted, but never proceeded to registration. Some other applications which never proceeded to acceptance include the smell of lemon for tobacco and the smell of coffee for suntan lotions. A scent mark will not be registrable if it is the natural smell of the goods.

Other marks

The definition of a "sign" is not limited and a trade mark can consist of a combination of any of the signs discussed, provided the requirements of the legislation are satisfied. Other more innovative signs such as "moving" trade marks and perhaps even taste marks may also be registrable.

Contributed by Irena Bogdar

attention all ctm owners

On 1 October 2007, the UK Intellectual Property Office implemented a major change to its trade marks examination practice. This change has important implications for the owners of UK trade marks and European Community trade marks (CTMs).

Previously, the UK Office operated a system that was similar to the Australian system in that the Office would object to the registration of a trade mark that was too similar to a pre-existing UK trade mark or CTM. This system provided trade mark owners with a level of protection as many conflicting applications were blocked by the Office and consequently never proceed to acceptance.

Under the new system, the UK Office will still conduct a search of the Register to check for any conflicting marks but the Office will no longer object to an application on the basis

of pre-existing marks. Instead, the Office will send a notice to the owner(s) of conflicting mark(s) and it will then be up to the owner(s) of such marks to file an opposition against the application. If no oppositions are filed, the mark will proceed to registration. The new system will be similar to the CTM system.

Key point: the owners of UK trade marks will be automatically notified by the UK Office of any applications to register similar marks in the UK. The owner(s) of CTMs will only receive such notification if they have "opted" in by paying a notification fee (£50 per CTM for a 3 year period).

We recommend that you instruct us to pay the £50 notification fee in respect of each of your CTMs to ensure that you are notified of any applications to register conflicting marks in the UK and then have the opportunity to oppose. You may also wish to consider instructing us to set up watches to monitor applications to register marks that are similar to your UK marks and CTMs.

richard catt vale

Richard Catt, Madderns' senior partner for the last 15 years, sadly passed away on 17 July 2007 from a heart attack at age 57. Madderns grew dramatically under Richard's guidance, from two partners and a staff of 12 in 1992 to seven partners and a total staff of over 40 people just prior to his passing. This was a testament to Richard's skill as a patent and trade marks attorney, his business ability, and his absolute integrity and client focus. Richard is survived by his wife Angie, children Tony, Tanya, Julie and Lisa, and grandchildren Maegan, Lachie and Angus, and will be greatly missed by all.



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Madderns
First Floor, 64 Hindmarsh Square
Adelaide SA 5000 Australia
ABN: 98 056 210 140
Phone: +61 8 8311 8311
Fax: +61 8 8311 8300
Email: mail@madderns.com.au
www.madderns.com.au

Editors: Mark O'Donnell and
Louise Emmett
Design: Orbit Design Group
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This newsletter is intended to keep readers abreast of current developments in the field of intellectual property law. It is not, however, to be used or relied upon as a substitute for professional advice. Before acting on any matter in the area, readers should seek professional advice.

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catherine hustwick retires

Catherine Hustwick moved to Adelaide from New Zealand and started working at Madderns as a patent and trade mark attorney in 1988. We thank Catherine for almost 20 years of loyal service to Madderns and wish her all the very best in her future endeavours and travels.



five facts about adelaide, south australia:

- Adelaide is the home to the Flinders University of South Australia, the University of South Australia, Carnegie Mellon University and the third oldest university in Australia, The University of Adelaide, established in 1874
- Adelaide is regarded as "Australia's best learning environment" and is currently home to 23,000 international students (Education Adelaide)
- While Adelaide is a relatively small city of just over 1 million people, it has produced over 100 Rhodes Scholars and more Nobel Laureates than any other Australian city, including Sir William Lawrence Bragg, the youngest ever recipient of a Nobel Prize (Education Adelaide; Nobelprize.org)
- Located just 10 minutes from Adelaide's CBD and occupying over 200 hectares, the "Waite Precinct" is the largest agricultural research and education complex in the southern hemisphere
- **And...Adelaide is the home of Madderns Patent and Trade Mark Attorneys!**

scams involving unsolicited IP services

Scams involving the offer of services relating to the registration of intellectual property (IP) rights on fictional or non-official registers, bogus searching or marketing services, domain name registration scams, false invoicing for alleged IP-related services, and requests for royalty payments on the use of fictional IP rights continue to be problem. All IP owners should be wary of

such scams. In particular, Madderns urges that any communications from unfamiliar companies or unknown sources that purport to relate to IP matters should be treated with considerable caution. A list of companies reported to have distributed deceptive communications relating to patents and trade marks can be found at http://www.ipaustralia.gov.au/factsheets/unsolicited_ip.shtml.

Particular recent examples relating to domain names include offers to object to or block the registration of .cn domain names by fictional companies (even though official procedures for objecting to .cn domain names do not exist), and false .au domain name renewal invoicing.