

Intellectual Property 2: Trade Marks and Patents

Unregistered Trademarks	1
Tort of Passing off	1
Tests for Passing off	3
Reputation	4
Misrepresentation	8
Registered Trademarks	12
Registration process	14
Absolute grounds of refusal	15
Relative grounds of refusal	24
Deceptive similarity	25
Comparing goods/services	27
Infringement	32
Defences	37
Loss of Rights	39
Removal from Register	40
Patents	42
Application process	45
What is a patentable invention?	52
Novelty	59
Inventive Step	67
Innovative Step	71
Utility	73
Secret Use	76
Disclosure and Claiming	78
Exploitation	85
Infringement	87
Defences	91

Assembled using independent research, lecture/tutorial notes and references to the prescribed casebook: Bowrey, Handler, Nicol and Weatherall, *Australian Intellectual Property: Commentary, Law and Practice* (2015)

TRADE MARKS

UNREGISTERED TRADE MARKS

What is a trade mark?

- Word, logo, word/logo combination
- Not simply a word or symbol - it's used in trade to serve specific functions, specifically the function of differentiating a trader's goods and services from others
- They indicate trade origin - they indicate that goods come from an identifiable trade source, they underpin market diversification

Why protect trade marks?

- They serve to point out the origin of TMs
- They have advertising and investment functions

Why register trade marks?

- similar logics to land registration: identifies the property (providing security of ownership, and signals to others about what is owned), and helps lower 'clearance costs' (making transfers more efficient)
- but the 'information function' of the Register is compromised by:
- the fact that passing off / ACL provide protection for unregistered marks (ie, Register provides incomplete information)
- registration invariably generates false positives (no public benefit in having 'invalid' marks recorded)

Three main forms of legal protection in Australia

1. Tort of passing off
2. Consumer protection legislation
3. Registered trade mark system

Tort of Passing off

- ***Perry v Truefitt (1842) 49 ER 749, 752***
 - "A man is not to sell his own goods under the pretence that they are the goods of another man... He cannot therefore be allowed to use names, marks, letters, or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person."
- Passing off often used to protect 'unregistered trade marks', but
 - Goodwill/reputation can attach to insignia other than 'trade marks'
 - Since it only recognises property in goodwill, you can't sell or assign an unregistered mark separately from the goodwill of the underlying business

Consumer Protection Legislation

- See now *Competition and Consumer Act 2010* (Cth) ('CCA') sch 2 (Australian Consumer Law) ('ACL')

Tests for passing off

- ***Erven Warnink BV v J Townend & Sons Ltd* [1979] AC 731 (CB, p 619) (Advocaat test)**
- ***Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 (CB, pp 619-20) →** Articulates the key elements of the passing off action (**classical trinity**)
 - These three elements are interrelated, not separate hurdles e.g. the extent of the trader's reputation will be relevant when assessing misrepresentation

Advocaat Test:

To create a valid cause of action for passing off, there must be:

1. A misrepresentation;
2. Made by a trader in the course of trader;
3. To prospective customers of his or ultimate consumers of goods or services supplied by him;
4. Which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and
5. Which causes actual damage to a business or goodwill of the trader by whom the action is brought will probably do so

Reckitt & Colman Test:

1. Trader must show goodwill / reputation (attaching to goods/services supplied under a mark, symbol or other indicia that is identified with that trader)
2. Another party must have engaged in misrepresentation (involving the use of the sign or indicia, or a similar variation)
 - Not misrepresentation at large, must involve use of sign/indicia, logically consumers are only going to be misled if the marks in question are sufficiently similar
3. The misrepresentation causes, or is likely to cause damage to the first trader's goodwill / reputation

Goodwill/reputation

- plaintiff will need to prove an exclusive reputation in the branding elements alleged to have been taken by the defendant
- ***Erven Warnink BV v J Townend & Sons Ltd* [1979] AC 731 (CB, pp 643-645)**
 - House of Lords held that a passing off action can be brought by a member of an affected class of traders that holds collective goodwill in a designation that "denot[es] a product endowed with recognisable qualities [eg, 'advocaat'] which distinguish it from others of inferior reputation that compete with it in the same market"

Misrepresentation/Misleading or Deceptive Conduct

- Contextual inquiry, looking at whether the defendant's conduct, *in all the circumstances*, constitutes a misrepresentation / misleading or deceptive conduct → look at the WAY in which they've used them
- E.g.

OVERVIEW OF THE REGISTRATION PROCESS

Application

PART 4--APPLICATION FOR REGISTRATION: **TMR Pt 4**

Trade Marks Act 1995 (Cth), ss 27-29

- What the application must have: **TMA s 27(2)-(3)**
- Application by joint owners (2 or more persons): **TMA s 28**
- Application for registration of trade mark whose registration has been sought in a Convention country – claim for priority: **TMA s 29**

Examination

Process: **TMA, ss 31, 33, 35**

- Registrar to examine, and report on, application: **TMA s 31**
- Application accepted or rejected: **TMA s 33**
- Appeal: **TMA s 35**

Grounds of refusal:

- **TMA, ss 39-44 and TMR, reg 4.15A**

Acceptance and Opposition

Process: **TMA, ss 34, 52(2)**

- Notice etc. of decision: **TMA s 34**
- Notice of opposition must be filed: **TMA s 52(2)**

Grounds of opposition:

- Most of the grounds of refusal: **TMA, s 57 (which refers back to the grounds in TMA, ss 39, 41-44 and TMR, reg 4.15A)**
- New opposition grounds: **TMA, ss 58-62A**
- Registration may be opposed on same grounds as for rejection: **TMA s 57**

Procedures: **TMA, ss 54-56; TMR, Pt 5**

- Opposition proceedings: **TMA s 54**
- Decision: **TMA s 55**
- Appeal: **TMA s 56**

Registration, and loss of rights

Section 6 of the *Statute of Monopolies 1623* (21 Jac 1, c 3)

Provided also, that any declaration before mentioned shall not extend to any letters patents and grants of privilege for the term of fourteen years or under, hereafter to be made, of the sole working or making of any manner of new manufactures within this realm to the true and first inventor and inventors of such manufactures, which others at the time of making such letters patents and grants shall not use, so as also they be not contrary to the law nor mischievous to the state by raising prices of commodities at home, or hurt of trade, or generally inconvenient...

The specification and 19th century developments

- *A-G (Cth) v Adelaide Steamship Co* (1913) 18 CLR 30 – the patent bargain – courts will give a limited monopoly in return for detailed specification of the invention.
- Shift from Crown patents/privileges to a bureaucratic process

Patent law in Australia, and justifications for protection

- ***Justification for the patent system***
- The present patent system is justified on the basis that the grant of patents encourages innovation, which is beneficial to the Australian economy.

Machlup and Penrose: identified 4 distinct theses as providing possible justifications for the 19th century patent system:

1. **The natural law thesis:** that people have a natural right to property in their own ideas;
2. **The reward-by-monopoly thesis:** that there should be some reward to the inventor for his or her efforts in producing a useful invention, and the greater the usefulness, the greater should be the reward;
3. **The monopoly-profit-incentive thesis:** that, assuming that innovation and economic growth are desirable, there should be some incentive to encourage inventive activity, which further assumes that inventive activity is causally linked to economic growth; and
4. **The exchange-for-secrets thesis:** that the patent is a bargain between the inventor, who gains a temporary monopoly, and the public, who gain by disclosure of the invention.

The monopoly-profit-incentive thesis is widely accepted as the primary justification for the modern patent system.

- This thesis makes two important assumptions: that technological innovation leads to greater economic welfare, and that patenting encourages innovation.

Social benefits include:

- Incentives for innovation; and disclosure of inventions.

Application process

- Two types of application for a standard patent:
 - **Provisional Application:** applicants may lodge a provisional application where they have not yet finished testing their invention, for example, but want to establish what is known as an early 'priority date'.
 - The applicant would then have up to 12 months to make a complete application in relation to the same subject matter (Patents Act, s 38; Patents Regulations, reg 3.10)
 - **Complete application:** applicant may make a complete application without first making a provisional application - where the invention has been finished and all details of the invention can be described and included in the application
 - Detailed below
- There are a number of different methods for applying for a patent:
 - directly to a local patent authority
 - or through what are known as Patent Cooperation Treaty or Convention Treaty applications
 - they nominate in what countries they wish to apply for a patent



1. Application	<p><u>Who can apply?</u></p> <ul style="list-style-type: none"> - PA, s 29: an inventor, a patent attorney, a company, etc. - Very broad section, no limitations on who may make an application - Note about patent attorneys: must meet certain academic/knowledge requirements to be registered (<i>Patents Regulations, reg 20.3(1)</i>); to practice must undertake specific training (per Trans-Tasman IP Attorneys Board) and they must be registered and be of 'good fame, integrity and character' (<i>Patents Reg, reg 20.3(2)</i>) <p><u>Who may be granted a patent?</u></p>
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Process of Examination

How to examine:

1. Prior Art Base
2. Anticipation
3. Combinations of documents and acts
4. What is "publicly available" information
5. Publications and use not defeating novelty

Prior Art Base

"Prior art base" means:

- (a) in relation to deciding whether an invention does or does not involve an inventive step or an innovative step
 - (i) information in a document that is publicly available, whether in or out of the patent area; and
 - (ii) information made publicly available through doing an act, whether in or out of the patent area
- (b) in relation to deciding whether an invention is or is not novel
 - (i) information of a kind mentioned in paragraph (a) [*information in a document that is publicly available and information made publicly available through the doing of an act*]; and
 - (ii) information contained in a published specification filed in respect of a complete application where:
 - (A) if the information is, or were to be, the subject of a claim of the specification, the claim has, or would have, a priority date earlier than that of the claim under consideration; and
 - (B) the specification was published on or after the priority date of the claim under consideration; and
 - (C) the information was contained in the specification on its filing date.

Anticipation

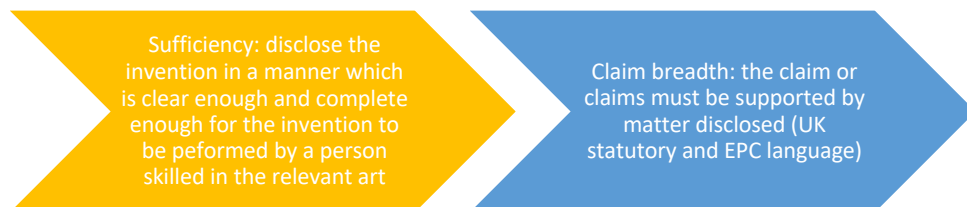
- the prior art must be such that a person of ordinary knowledge of the subject would at once perceive, understand, and be able practically to apply the discovery without the necessity of making further experiments and gaining further information before the invention can be made useful: **Hill v Evans** (1862) 4 De G F & J 288; (1862) 31 LJ Ch 457 at 463
- Novelty is measured against the prior art base at the priority date as understood by a person skilled in the art.

Disclosure and Claiming Requirements

S 40 (OLD)



S 40 (NEW)



- Disclosure serves a number of purposes
 - Similar to cert of title over land - defines the boundaries of the property right so others know when they are encroaching on it
 - Provide the necessary information to enable others to practise the invention once the patent expires, so the monopoly does not extend beyond the period of the patent grant
 - Provide the necessary info to enable others to test the invention to see if it does what it claims to do, and if what is being claimed is justified given what has actually been invented
 - This information is provided in patent specification, which has two components:
 - Body of specification describes the invention
 - Claims set out the boundaries of what is being claimed