

REPORT TO CANDIDATES

PATENT ATTORNEYS PRACTICE PART II

2000 EXAMINATION

The papers presented, in general, showed a satisfying improvement over those presented in 1999 particularly in the attention candidates paid to answering the questions put. Questions directed to mainstream subjects in Patent and Trade Mark areas were generally well handled, however, questions directed to Australian Designs and practices in foreign jurisdictions achieved lower marks than was considered desirable. Good candidates scored consistently on Foreign and Australian legal and practice issues, as well as across all species of IP. The ethics and professional conduct questions were notably well handled. Candidates would do well to always consider for whom they are acting in relation to any set of facts presented, and should consider closely questioning the clients statements if necessary.

Question 1

(a) A terminal disclaimer is part of US patent practice often relating to Continuation in Part applications and involves disclaiming that part of the term of a patent that extends beyond the term of the parent or another earlier relevant patent of the same owner. A terminal disclaimer is required to avoid extending protection beyond the extent of the term provided by the parent or earlier case for subject matter claimed in the CIP which overlaps in scope with subject matter claimed in the earlier case. It mitigates against the "double patenting" which is possible under the aforesaid conditions in US law.

(b) File Wrapper Estoppel is another aspect of US law relevant to infringement proceedings. It prevents argument being put in support of claim scope which is contrary to comments, admissions or argument put in prosecution in relation to the same term/s. In other words, it is not possible to reclaim territory ceded during examination in order to make something an infringement which would not otherwise be if the interpretation argued during examination were to be maintained.

(c) Presumption of validity is not a statutory term, but is used internationally to refer to the likelihood of a patent being held valid in Court proceedings in which the issue is raised. Presumption of validity is in part based on the rigour of patent office examination procedures. Thus, for example, a patent granted in the United States or in Europe will have a high presumption of validity. A patent granted in South Africa will have a low presumption of validity. This question was not well handled.

(d) Candidates appreciated the availability of reexamination procedures in, for example, the United States, which allow for the renewed examination of a granted patent based on a potentially novelty or inventive step destroying publication.

Question 2

Candidates needed to approach this question logically first establishing the rights of the client; what "well known" might mean, what protection was afforded by the registered trade mark and how far that protection extended. Did it, for example, extend to cookware? Candidates needed also to consider whether the client had use in respect of cookware. A consideration was needed as to whether MASTER GOURMAND was substantially identical or deceptively similar to GOURMAND. Finally, as a result of all the above considerations a decision had to be made as to whether the client was in a position to take action against the importer in terms of common law, Trade Mark rights, passing off or Trade Practices. Advice had to be provided to the client in terms of the steps he should take, his chances of success and any risks involved.

Question 3

These questions were generally well handled.

(a) It was necessary to point out that the Attorney has both a duty of confidentiality and a duty of full disclosure, which in this case may have come into conflict with each other. Depending on the immediacy of the deadline, it may have been possible to file the Notice of Opposition to preserve the client's interests, but beyond that scenario it was considered absolutely necessary to hand the client away. The size of the client, any potential business that may eventuate and the fact that a novelty search may not have found the trade brochures were all considered irrelevant.

(b) The first consideration should have been to review the letter to ascertain whether or not it was really threatening. Then it was necessary to try to ascertain whether or not the alleged infringement really was an infringement. Having determined these two issues the Attorney could then make a decision as to whether or not it was sensible to countersue for infringement, to approach the competitor to try to retrieve the situation or to try to arrange a licence.

Question 4

In this question it was considered that mere recitation of the relevant Crown use provisions of the Patents Act was insufficient. Candidates needed to consider whether it was possible that the competitor could supply devices to meet the tender but which would fall outside the scope of the patent and whether the tender constituted written authority from the Government (several cases exist on this point, *Pyrene Co. Ltd v Webb Lamco* (37 RPC 57) and *Aktiengesellschaft Fur Autogene Aluminium v London Aluminium Co* (40 RPC 107) as well as the more recent *Brisbane City Council* case). That is, it was necessary to review the tender documents. Candidates should have been aware that the client was entitled to compensation and that the Commonwealth has the right to acquire the invention if they see fit.

Question 5

Comments were required on each clause in turn.

(i) The term of the licence was questionably long and the aspect of irrevocability probably should have been attached to performance clauses to protect your client's interests. Good papers questioned whether the patent covered heating units per se.

(ii) Whilst the percentage rate is probably not unreasonable, it was considered that it may have been to the clients advantage to direct it to the wholesale or retail cost of the blade or the heating unit.

(iii) Whilst there is nothing wrong with this clause from the point of view of the licensor, candidates should have pointed out to their client that their potential licensee may have found this clause objectionable and too biased. Other alternatives might have included a royalty free licence, a grant back arrangement or a sole licensee arrangement.

(iv) Most candidates appreciated that this clause fell foul of both the Patents Act and the Trade Practices Act because it amounts to a tying clause. Most candidates did not appreciate that it may have been possible to impose this condition under the auspices of the quality control provisions of a Trade Mark licence.

Question 6

All candidates handled the petty patent aspect of this question well by pointing out that the client could attempt to prevent the renewal of the term of the petty patent by lodging all relevant materials at the Patent Office before expiry of 11 months from the grant of the petty patent. Other alternatives included suing for revocation, contacting the competitor to try to negotiate a licence or come to another agreement, ignoring the property whilst making provision for dealing with an infringement suit if it eventuated or seeking a non-infringement declaration. Most candidates did not however appreciate the amendments to the Designs Act made several years ago that make any materials, whether published or used, relevant to an objection to the renewal of the design registration. Otherwise, similar options were available in respect of the Design registration as were available in respect of the petty patent. Good candidates indicated the need to review the "very similar" product to determine whether it was in fact novelty destroying particularly in relation to the design registration.

Question 7

The Examiners were pleased with the high standard of answers to this question.

(a) Candidates needed to appreciate that the client was not the Associate, but rather the Applicant of the intellectual property, and accordingly any dispute with the associate could not impact upon the Attorneys duty to the IP owner. Attorneys should attempt to achieve allowance and if impossible, file a divisional application.

(b) The dual obligation of confidentiality and candour was again at issue here. It would be prudent to hand both clients away being careful not to disclose the reasons why because doing so would prejudice the other client.

(c) Again, candidates needed to know that their duty lies to the IP owner and not to the Associate. The Attorney must communicate directly with the President as instructed, although it would have been polite to let the Associate know that this was the case. The answer to this question should not have been different either way it was put.

Question 8

This question was not simply directed to reporting a search to a client preparatory to filing a Trade Mark application. Candidates had to appreciate that the client's rights were to a varying extent affected by the property rights and information revealed by the search. The challenge of this question was to establish what rights the client did have, whether or not they had to deal with the owners of the IP revealed by the search, what steps they had to take to shore up their rights, how their rights were limited if at all by, for example the entry in the Gazetteer, and then to conclude the chances of success against Channel 7. It would have been wise to also suggest the immediate filing of a trade mark application and it's expedited examination.

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