



DATE: 29 May 2007

NAME OF ASSOCIATION/SECTION: FICPI Australia

WEB PAGE OF ASSOCIATION/SECTION: www.ficpi.org.au

MEETING: ExCo Meeting in Amsterdam, The Netherlands

DRAWN UP BY: Greg Chambers, Secretary

1 Activities of FICPI Association/Section

1.1 Meetings and other internal activities

The Council of FICPI Australia has met three times since the ExCo meeting in Santiago. The principal business at these meetings has been to discuss planning and arrangements for the Sydney ExCo meeting in 2008, preparation for the FICPI Australia Annual General Meeting to be held this year in Darwin between 20 to 24 July 2007 and to discuss Government and Patent Office reports regarding IP law reform in Australia.

1.2 Meetings with Officials and other external activities

No meetings with Officials or other external activities since the last ExCo meeting.

1.3 Submissions made

(a) ACIP discussion paper – Post Grant Enforcement of Patents

ACIP, the government appointed committee to review intellectual property laws in Australia, recently issued a discussion paper regarding possible reforms for the enforcement of patents in Australia. The discussion paper was broad ranging covering issues such as litigation insurance, patent office infringement opinions, statutory litigation funds for IP enforcement and specialist courts. FICPI Australia made extensive written submissions. A further report from ACIP is expected later this year.

(b) Patent Search Report Disclosure Obligations – Section 45(3)

The Australian Patent Office has recently released a discussion paper in which it has proposed the repeal of the provisions requiring a patent applicant to furnish the results of foreign patent office examination on corresponding cases. FICPI Australia has made submissions regarding transitional arrangements and has advocated for the repeal of the provisions that adversely impact on those that have secured patent rights during the short period of the operations of section 45(3).



(c) Registration of Security Interests in Personal Property

The Australian Government is currently looking at the possibility of setting up a separate register with respect to security interests in personal property, including intellectual property. FICPI Australia has made submissions in response to this report arguing that security interests such as mortgages, should still be recorded on the registers of IP Australia against any specific intellectual property rights concerned in addition to any recordal on a central register covering all forms of personal property.

1.4 Changes in membership

Retirements: Doug Carter, Colin Oberon.
New members: Chris Owens, David Clark.

1.5 Changes in office bearers

No changes.

1.6 Other activities

(a) Patent Attorney Privilege

FICPI Australia is working together with the Australian Institute of Patent and Trade Mark Attorneys (IPTA) and the Australian Law Council in preparing further submissions to Government for a change in the law in Australia so that communications between overseas patent attorneys and their clients are privileged in Australia to the same extent as communications between foreign lawyers and their clients. FICPI Australia, together with IPTA and the Law Council, has recently briefed Mr Neil Young QC to provide advice with respect to the constitutional validity of the current law and to comment on the proposal jointly endorsed by the three associations.

(b) Benchmarking Survey

Council is continuing its work in preparing a questionnaire so that the question of a benchmarking survey may be raised with members at the forthcoming Annual General Meeting.

1.7 Upcoming events

Annual General Meeting 20 to 24 July 2007, Darwin, Northern Territory.

2 Changes in Law

2.1 Legislation

No significant changes.



2.2 Major cases

- (a) *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* [2007] HCA 21

Whilst it probably didn't have the same international fanfare as the KSR decision from the US Supreme Court, the Australian High Court (Australia's highest Court of Appeal) has issued its own decision on obviousness and inventive step. In a most unusual case the High Court has now twice overruled the Full Federal Court with respect to the same patent. Previously the High Court had unanimously overturned a finding that the patent was invalid on fair basis grounds. The High Court has now overturned the decision of the Full Federal Court that the patent was bad on obviousness grounds.

Importantly the High Court found that admissions in a patent specification are not binding on a patentee but are to be assessed as to their probative force like any other evidence. In addition the Court noted the differences between Australian law on inventive step and the laws which apply in Europe and the United States. The Court rejected the "problem and solution" approach as being universally applicable and noted that under Australian law there is no need to identify the "inventive concept" in terms of problem and solution.

The Court rejected an argument of obviousness based on what the revoking party stated to be an implicit corollary from an admission in the patent specification and noted that inventive step considerations need to be assessed by reference to evidence from appropriately skilled addressees.

In many ways the High Court decision is unexceptional. However it marks a clear difference in attitude presently prevailing between judges of the High Court in Australia and several of the judges of the Federal Court. Interestingly each of the Federal Court decisions have been unanimous in finding the patent invalid and each of the High Court decisions have been unanimous in finding the patent valid.

- (b) *Burge v Swarbrick* [2007] HCA 17

Works of industrial design are afforded copyright protection in Australia if they are "works of artistic craftsmanship". However, it is rare for a mass produced product to be identified as such a work. The High Court (setting aside the judgment of the full Federal Court) found that various yacht components (including hull and deck mouldings) were not works of artistic craftsmanship and as such were not protected under the Copyright Act once there had been industrial application. The Court noted that the problems overcome during the design of the yacht had been predominantly matters to do with function, requiring engineering skills rather than artistic effort. Such products are protectable only through design registration in Australia.



- (c) *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* [2001] FCAFC 70

In the long running saga between Cadbury Schweppes and local chocolate manufacturer Darrell Lea over the use of the colour purple the Full Federal Court has found that important evidence was wrongly excluded by the trial judge. The Full Federal Court has ordered a re-trial.

2.3 Official practice

No significant changes.

3 Proposes for changes

- (a) Patent Search Report Disclosure Obligations – Section 45(3)

As indicated in 1.3 above the Australian Patent Office has announced its intention to amend the regulations under the Patents Act so that it will no longer be necessary to file the results of examination of corresponding patent applications from overseas patent offices. It is not yet clear what rules will be in place for transition cases and when the changes might be introduced. Further announcements are expected later this year.

- (b) Regulatory Regime for Patent and Trade Marks Attorneys

Following further submissions from both FICPI Australia and IPTA the Government has announced a series of new measures for the regulation of patent and trade marks attorneys in Australia.

Existing attorneys will now be required to participate in continuing professional education. Each person registered as either a patent or trade marks attorney will be required to attend at least 10 hours of continuing professional education courses in each year. For those that are registered as both a patent attorney and a trade marks attorney the requirement will be 15 hours each year.

Those seeking to become registered as either patent or trade marks attorneys will still need to pass an accredited course. Those seeking registration as a patent attorney will need to have appropriate technical qualifications. In addition, generally a candidate will require at least two years employment with a registered patent attorney. In special circumstances the Professional Standards Board will have the discretion to waive or reduce the employment period required. Council of FICPI Australia were pleased with the Government announcement as earlier proposals had not addressed the concerns of the profession.