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WAVES OF CHANGE - Trade Marks & Patents

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ALWAYS USE PROTECTION

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Waves of Change

Recent Developments in IP & the effect on Australian Businesses

- **Trade Marks**
 - international protection of marks
- **Patents**
 - the “Innovation Patent”
 - the 1 April 2002 amendments

Madrid Protocol

New system for international trade mark registration

- **commenced 11 July 2001**
- **Single application → single registration**
- **Protection in all (or any) member countries**
(currently 54 countries - see Schedule 4)
- **Members = Europe, UK, Japan, China**
(not USA, Canada, NZ)

Madrid Protocol

Previous system (still exists) for international protection

- **Separate applications/registrations in all countries of interest**
 - appoint local attorneys in each country
 - translation of application
 - bundle of separate registrations
 - monitoring these registrations (having different requirements & time periods)
 - paying renewal fees in all countries
 - if assigned - recordal in individual countries

Madrid Protocol

Madrid Protocol:

- **1 application → 1 registration covering many countries**
- **1 renewal (each 10 years)**
- **Amendments/Assignments - only 1 action**
- **Don't need attorneys in each country (unless problems)**
- **Lower costs**
- **Flexibility**
 - can delete countries
 - can add countries

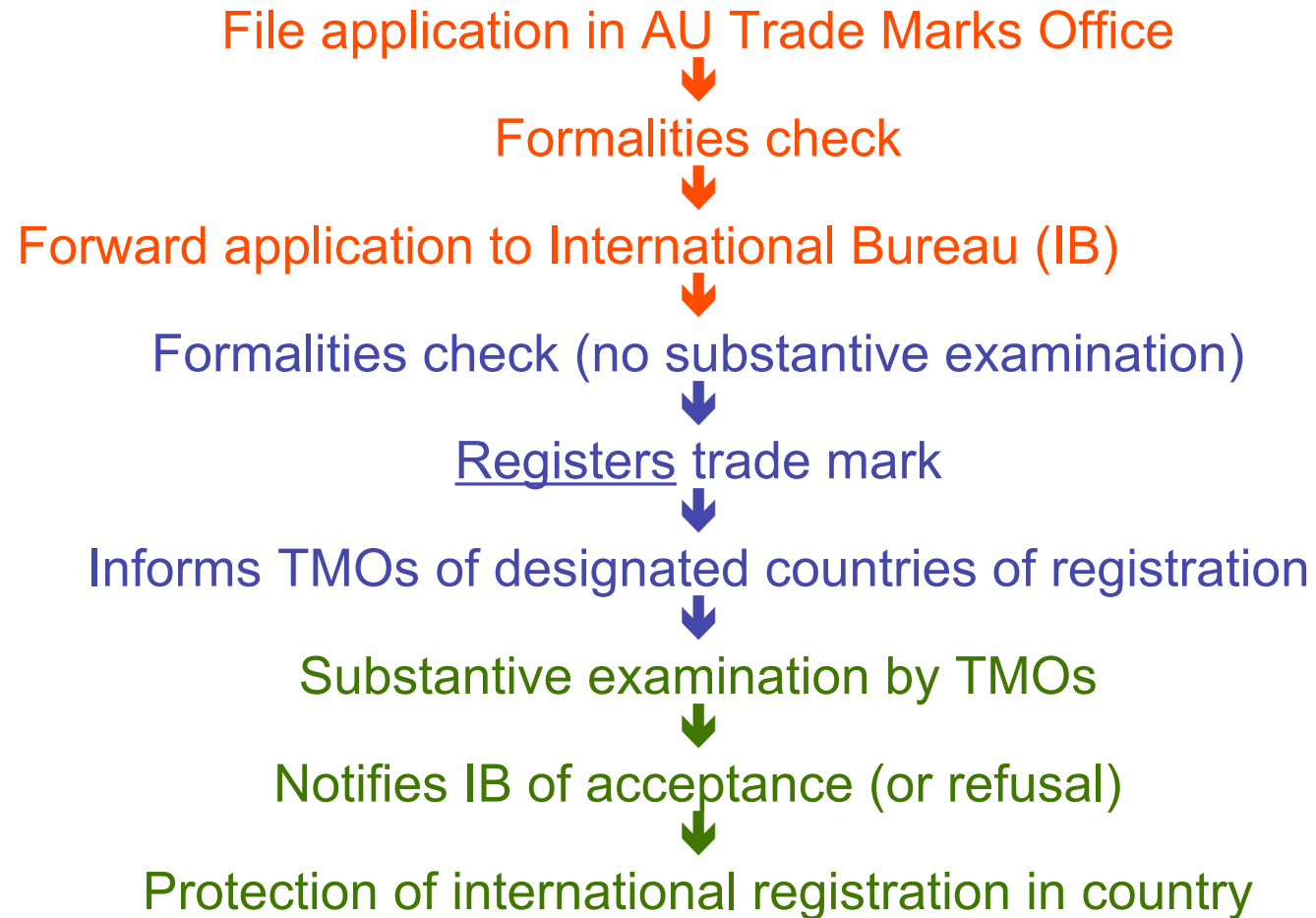
Entitlement

- **Only the following may file Madrid Protocol application:**
 - Australian national
 - domiciled in Australia
 - owns a ‘real and effective industrial or commercial establishment in Australia’

Threshold Requirement / Dependence

- **A Madrid Protocol application:**
 - based on existing AU application/ registration for:
 - completely dependent on AU application/ registration for 5 years

Procedure (for AU applicants)



Costs

- **Filing Costs**
 - depends on countries and number of classes
 - 20% - 50% cheaper than national filings
- **Bigger savings**
 - at renewal (every 10 years)
 - recording assignments etc
- **Lower administration costs**

Notes for Selection 'Foreign' Trade Marks

- **Unusual/invented words - greater chance of success**
- **Avoid trade marks which are:**
 - descriptive, laudatory or common to the industry
 - surnames
 - geographical words
- **Care with translations:**
 - phonetic equivalents of English words may have very different meanings in other languages

Innovation Patent

- **Commenced 24 May 2001**
- **Intention**
 - a simple, quick & inexpensive system for lower-level inventions

Innovation Patent

- **Reality**
 - grant of patent is simple and quick
 - unenforceable & possibly invalid patents (until examination process completed)
 - costs comparable to standard patents
 - public nuisance
 - many invalid patents granted
 - uncertainty
 - costs

Innovation Patent

Major differences

- **Lower “inventiveness” threshold**
 - innovative step (cf inventive step)
- **Fewer claims**
 - maximum 5 (cf unlimited)
- **Shorter protection**
 - maximum 8 years (cf 20 years)
- **Procedure**

Innovation Patent

Procedure

- **File application**
- **Formalities check (no substantive examination, no pre-grant opposition)**
- **Innovation patent granted (< 1 month)
(but unenforceable; validity untested)**
- **Examination (only if requested)**
 - Certified (enforceable); or
 - Revoked

April 2002 Amendments

Major changes to Patents Act 1990 commenced 1 April 2002

- novelty
- duty of disclosure
- grace period
- standard of proof
- **Attempts to strengthen the patent system in Australia**

Novelty

- **“Novelty” laws differ between countries**
 - Local novelty
 - not published in a document or by an act in the country
 - Relative novelty
 - not published
 - in a document anywhere in the world
 - by an act in the country

Novelty

- Absolute novelty
 - not published:
 - in a document anywhere in the world
 - by an act anywhere in the world
- **Australia is now an “absolute novelty” country**
- **Only applies to complete patent applications filed after 1 April 2002**

Duty of Disclosure

- **Higher obligation on applicants**
- **Results of all documentary searches re patentability of invention carried out before grant of the patent**
- **Time periods:**
 - within 6 months of the search; or
 - when requesting examination; or
 - up until 1 January 2003 (transitional)

Consequence of failure to disclose

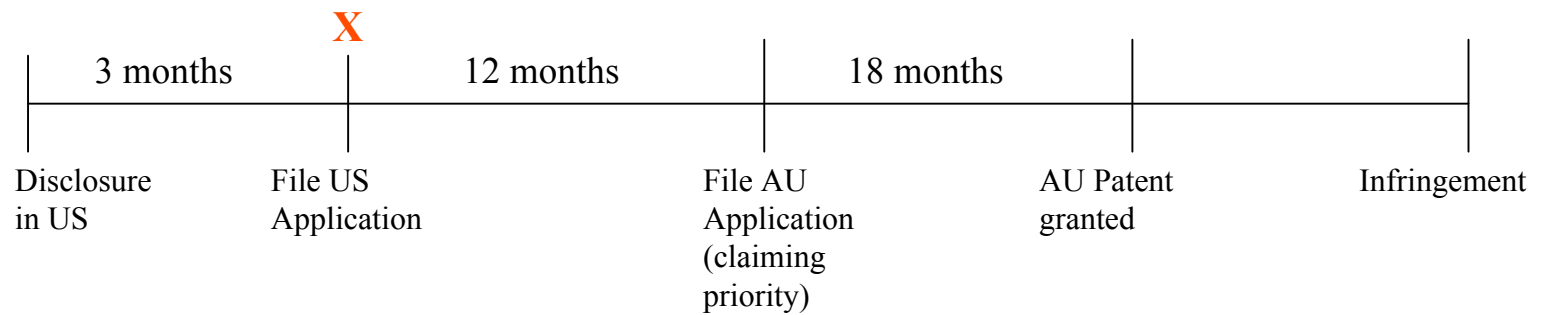
- if relevant prior art document not disclosed; and
- if claims of patent application require amendment to be novel over this prior art

the amendment will not be allowable (and claims will be invalid)

Grace Period

- **Any disclosure of an invention by inventor, during 12 month period before filing complete patent application, will not destroy novelty**
- **Limits loss of rights in Australia due to inadvertent disclosure**
- **Several hazards**
 - priority date is still date of filing, not date of invention
 - still destroys novelty in other countries without a grace period (eg. Europe)

Grace Period - “False Sense of Security”



Rule of thumb - never disclose before filing

Standard of Proof

- **Previously, the benefit of any doubt as to the novelty /inventiveness of an invention needed to be exercised in the applicant's favour**
- **Now, onus is on the applicant to satisfy Commissioner that the invention is novel and inventive**
- **Standard of proof = “on the balance of probabilities”**
- **Further strengthens Australian patents**

Conclusion

Madrid Protocol

- international trade mark registrations
- much cheaper and easier

Patents

- tougher requirements → stronger patents
- grace period - don't rely on it
- don't disclose before filing
- innovation patent - exists (but limited benefits)