

# Accept No Imitations

## Caroma Industries Ltd v Technicon Industries Pty Ltd



Spruson & Ferguson Lawyers represented Caroma Industries Limited (“**Caroma**”) in a recent successful design and copyright infringement action against Technicon Industries Pty Ltd (“**Technicon**”) in respect of Caroma’s well known Trident toilet pan. The Court found that the toilet pan sold by Technicon was a fraudulent imitation of Caroma’s design Trident toilet pan and that it had infringed Caroma’s copyright in its technical drawing of the Trident Sovereign toilet suite.

### A. Infringement of a Registered Design

(a) Under the old *Designs Act 1906* which applied to this proceeding (now replaced by the *Design Act 2003*), it is an infringement of the monopoly in a registered design to:

- i. apply the design;
- ii. apply an obvious imitation of the design; or
- iii. apply a fraudulent imitation of the design.

(b) It is the Court’s responsibility to determine whether infringement has taken place. For this purpose, appearance to the eye is the critical issue to examine by reference to the essential features of the design. The scope of the registered design is determined by reference to the prior art at the date of filing the design and will depend upon the extent to which the features of the registered design are seen to be novel or original compared to what was available and known before the design’s filing date.

(c) The tests for infringement of a registered design under the old Act may be summarised as follows:

- i. for direct infringement, what must be applied to the alleged infringing article is the same design; that is an exact copy. In this case Caroma accepted that the Technicon pan was not an application of the registered design;
- ii. for an article to be an obvious imitation, it must be a copy apparent to the eye, notwithstanding slight differences. To establish obvious imitation the question must be looked at as one of substance by examining the essential features of the design which must differ from the prior art. Caroma contended that the Technicon pan was an obvious imitation of the registered design. As set out below, however, this argument did not succeed;
- iii. for an article to be a fraudulent imitation:
  - » the application of the design by the alleged infringer must be with the knowledge of the existence of the registration and of the absence of consent to its use, or with reason to suspect those matters; and
  - » the use of the design may produce an imitation which is less apparent than an obvious imitation (i.e. there may be greater differences between the registered design and the offending design than between the registered design and what could be held to be an obvious imitation). In this case, the Court found that the Technicon pan was a fraudulent imitation.

### B. Design Infringement Findings

In brief the Court decided:

(a) The similarities between the registered design and the Technicon pan could not be explained by reference to the prior art. The Technicon pan incorporated significant visual features of the registered design, namely the overall curvilinear design, the outline of the shroud and throat and the same configuration

of bolt holes. It was acknowledged by Technicon’s expert, that the overall outline of the Technicon pan and the Trident pan were virtually the same from a distance.

(b) The principal visual detail which distinguished the Technicon pan from the registered design was the absence of the “scalloping feature”, being a feature designed to assist in distribution of water to the front of the toilet pan upon flushing.

(c) Despite the concessions of Technicon’s expert regarding overall appearance, the absence of the “scalloping feature” meant the Technicon pan did not possess such a close resemblance to the registered design that was “almost unmistakable” and was therefore not an obvious imitation of the registered design.

(d) The Technicon pan was a fraudulent imitation of the registered design. In the Court’s view, Technicon “had reason to believe or strongly suspect” that the design of the Trident pan may have been registered for the reasons outlined below:

- i. Technicon obtained, read and relied upon a Caroma brochure in the development of its Technicon pan. The Caroma brochure contained the following warning:

“Warning: Products in this leaflet are the subject of registered designs and patents”
- ii. The CEO of Technicon claimed he had no recollection of having seen such warnings. The Court rejected this and inferred the brochure was read by Technicon, and that the warnings contained in them would have come to his attention.
- iii. The CEO of Technicon gave evidence that in January 2003 he was aware of Technicon registering the new design of a tap, but in the same month did not turn his mind to the possibility that the design of the toilet pan could have been protected by registration. This evidence was found to be implausible.

# The Power of the Patent

## Federal Court clarifies patent non-infringement declaration provisions

- iv. There was documentation provided to the CEO by Technicon's proposed exclusive distributor highlighting the danger of written references to the similarity of the Technicon pan to Caroma products. Such communication would have alerted Technicon to the possibility that Caroma's design in the Trident pan could have been protected by registration.

### C. Copyright Infringement Findings

Technicon was also found to have infringed Caroma's copyright in the Caroma drawing as the Technicon drawing substantially reproduced the Caroma drawing which, in fact, depicted the Trident pan (that is it included the "scalloping feature") not the Technicon pan.

### D. Conclusion

The case provides an important warning to potential design infringers that even if there are differences between a registered design and a product, documents revealing deliberate attempts to copy "as closely as possible" may lead to a finding of fraudulent imitation even if the infringer was not actually aware of the registered design. In this case, there were no relevant markings on the product or the packaging to assist in establishing actual knowledge of the registered design but sufficient documents to establish to the Court's satisfaction that there was a strong likelihood of this and a reckless disregard to consider a search for such registered rights.



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Provisions have existed for many years in the Australian patents legislation whereby a person can apply to a court for a declaration that some commercial act which the person intends (such as the manufacture of a particular product or the adoption of a particular process) does not infringe the claims of a specified patent or patent application. If a non-infringement declaration is made but subsequently revoked, its holder is not liable for damages or an account of profits in respect of infringement of the specified patent before the date of revocation of the declaration.

The wording of the statutory provisions dealing with non-infringement declarations underwent a significant change between the current Patents Act and its predecessor but it has not been until very recently that the meaning of the current provisions has been considered by a court.

In the case referred to, *Occupational and Medical Innovations Ltd v Retractable Technologies Inc* [2008] FCA 1102, Dowsett J considered the relevant provisions of the *Patents Act 1990* and interpreted them to mean that when a person applies to the court for a non-infringement declaration in respect of a specified patent or patent application ("patent A"), it is a pre-condition that the applicant's proposed act (that is, the act which the applicant asserts does not infringe patent A) itself be the subject of a patent or a patent application ("patent B"). Furthermore, the court cannot make the declaration applied for unless a patent has been granted on patent B.

It is unclear why the Parliament chose to express the relevant statutory provision the way it did. The way it has been construed by Dowsett J appears to mean that it is not possible for a non-infringement declaration to be obtained in respect of some proposed commercial activity that is not the subject of a patent or patent application.

Other aspects of the statutory provisions remain to be clarified. In particular, it is not clear whether patent B (as identified above)



must be in force when the applicant seeks the non-infringement declaration. It is also unclear whether patent B must be owned by the person applying for the non-infringement declaration; it would seem not, but at the least it would appear that the applicant must be a licensee in respect of patent B if that patent is still in force.

The possibility of relying on the existence of a patent at some time in the future so as to obtain the benefits of holding a non-infringement declaration are additional to the more obvious benefits flowing from the protection of rights over an invention by virtue of patent ownership. This recent judgment of the Federal Court therefore provides a further reason for persons in possession of patentable subject matter to consider obtaining a patent to protect the subject matter, rather than attempting to keep it confidential.

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