

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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