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In practical terms, we recommend all patent applicants file a request for examination before the commencement date to gain the benefit of the current standards.

What does this mean for patent system users?

We expect the new laws, if passed in their current form, will mean patent attorneys will have to work even harder for their clients in arguing that inventions involve an inventive step over the prior art. But we expect the standard to be similar to that in the US; in that case, the bar has not been raised beyond reach.



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IP Australia Backlog Statistics

IP Australia (incorporating the Patent, Trade Marks and Designs offices) is continuing to work on reducing the backlog of patent applications by moving forward with the comprehensive program they introduced in 2008 to address the issues. As outlined in the Department of Innovation, Industry, Science and Research Annual Report 2009-2010, IP Australia is continuing to work *"to improve the timeliness of patent examination and modernise its ICT systems to enhance its capacity to handle interactions with customers in efficient ways."*

One way in which it aims to improve timeliness is by increasing the number of Australian patent examiners. This increase in examiners is to be funded by the increase to patent fees, introduced in August 2010. As explained in the Annual Report the *"revenue generated through these modest increases, the first general fee increases from IP Australia since 2007, will assist with funding the increased numbers of patent examiners, enabling continued progress in addressing the backlog and service time frames."*

The report acknowledges the current average time between requesting an examination and the examination itself is 14 months. IP Australia aims to reduce this in the "long term" to nine months. According to the patent data published by IP Australia, 42% of standard patent applications are now examined and issued with reports within 14 months of receiving exam request, up from 30 % in 2009. Further, in accordance with the Charter Standards, 72% of international search reports are issued for patents within nine weeks of receiving the request.

Only time will tell whether the program will make strides in reducing the backlog.

In a surprising result, a majority of the Full Federal Court of Australia has upheld an appeal by the Bodum Group in a long running dispute about a "copy" CHAMBORD coffee plunger.

In the first instance and on appeal, Bodum submitted that it had a reputation or secondary meaning in the design of its CHAMBORD coffee plunger among a significant number of people in Australia and that DKSH, the company responsible for importing a coffee plunger called EUROLINE with very similar features to the CHAMBORD coffee plunger, misled consumers by selling products whose features signify that they were made or licensed by Bodum, part of the Bodum range or otherwise associated with Bodum.

The trial judge rejected this proposition finding that Bodum's reputation didn't lie in the features of the Bodum products per se but were "distinctly tied to its products being properly labelled and sold in conjunction with reinforced packaging and, significantly, by reference to the Bodum name. He noted that the evidence indicated that "Bodum understood the need to (and did) educate the relevant market to be aware of copyists, and to look for the 'original'". The trial judge endorsed the general principle laid down in the High Court case of *Parkdale v Puzo* that "If an article is properly labelled so as to show the name of the manufacturer or the source of the article, its close resemblance to another article will not mislead an ordinary reasonable member of the public. This long held principle of the High Court has been adopted in many other cases.

Interestingly, in light of the orthodox way in which the trial judge approached the case, a majority of the Full Federal Court came to a different view on the facts by primarily focusing on evidence rejected by the trial judge concerning the way in which the product is at times offered for sale outside of its box.

The primary judge found that the absence of the Bodum name and logo in connection

Bodum's Chambord coffee plunger wins Federal Court appeal

with a rival coffee plunger tells a reasonable consumer that the rival coffee plunger is not a Bodum product and thus no reasonable consumer is, or is likely to be, misled or deceived by the rival's adoption of the features and shape alone of the CHAMBORD coffee plunger. It followed that passing off would also not be made out.

The most critical finding of the trial judge which was overturned on appeal was as to reputation which existed in the shape and features of the plunger CHAMBORD coffee plunger per se absent the other identifying indicia such as its packaging and trade mark. Bodum had emphasised the importance of the retail display of the products themselves arguing that the product was of utmost importance to consumers. Consumers seeking to purchase a plunger with the Bodum features would, if confronted by the EUROLINE product, be misled into thinking there was an association between these products and Bodum. The relevant deception would occur before packaging could influence the consumers otherwise. The trial judge disagreed on this point. Consumers seeking the Bodum product (even if not by name) would be aware of copies (of which there were many in the marketplace) and would discover, upon viewing the products for sale of the different brands, by their packaging and presentation. Further, even if the products were displayed out of their boxes, they were "closely enough physically to be connected to the product when out of the box, to be instructional and informative of the brand". Further, the evidence showed that Bodum "devoted considerable skill and experience in designing its product packaging so that it would be attractive to customers".

Notwithstanding the trial judge's findings, the majority of the Full Federal Court found that: (a) A secondary meaning or independent reputation did subsist in the features of the CHAMBORD coffee plunger, in light of the vast body of advertising and promotional materials;

(b) In the circumstances of the case, and in particular the evidence of sale, display and promotion of the Bodum product and the rival product, the packaging adopted by each trader and the totality of the get-up, DKSH had not sufficiently differentiated and distinguished its rival EUROLINE product from Bodum's product such that DKSH was likely to mislead or deceive consumers into believing or pass off its product as a CHAMBORD coffee plunger or a coffee plunger made, promoted or sold with the license, sponsorship or approval of Bodum.

In particular, the Full Court noted:

- (a) The EUROLINE mark of the rival product was on the box only. It was not on the product and the product was displayed out of the box, sometimes away from the box.
- (b) The price, of the rival product was approximately that of the Bodum product.
- (c) The placing of a small sticker with the small text "Made in Taiwan" was not sufficient to distinguish the EUROLINE product from the CHAMBORD coffee plunger.

Whilst the case is a victory for potentially iconic designs which is likely to lead to further differentiation by copyists, it is important to bear in mind that Bodum did not contend that it was entitled to a de facto monopoly in the features of the CHAMBORD coffee plunger. The contention which was successful was that DKSH could not adopt the distinctive features of the CHAMBORD coffee plunger without labelling or distinguishing its product adequately so as to ensure that no false representation was made to potential purchasers of the rival product, that it was a CHAMBORD coffee plunger or made, promoted and sold with the licence, sponsorship and approval of Bodum.

From July 2004 to a date in 2008 the EUROLINE product was not marked with any label, tag, name or logo which differentiated it from the CHAMBORD coffee plunger. Placing a sticker on the base of the beaker did not achieve

that result nor given the manner in which the products were sometimes offered for sale (i.e. out of the box), did the associated packaging.

Interestingly, in 2008 DKSH affixed a sticker to the EUROLINE product itself with a view to differentiating its product from Bodum's product. The Court did not make a finding on the impact of this sticker and indicated that, whether the conduct of DKSH after the sticker had been affixed contravened section 52 and 53 of the *Trade Practices Act 1975 (Cth)* (now the *Australian Consumer Law 2010*) and passed off its rival product was to be considered further by the primary judge. In other words, the primary judge's deliberations on the issue will be important when considering future claims for "copycat" products.

Clearly, in light of the decision, importers of "copycat" products should obtain proper advice at the earliest opportunity to minimise the risk of claims being made by the owners of famous and well known product designs particularly where those products are regularly advertised out of their packaging.



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