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Competitive Intelligence = Competitive Edge



Competitive intelligence has entered a new age of opportunity. In recent years it has received increased attention and is now accepted as vital for developing and maintaining a competitive edge in a rapidly changing global economy.

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Watermark is Australian owned and a leading provider of Intellectual Asset Management services.

Our services include: Patents, Trade Marks and Designs, Intellectual Property (IP) Commercial and Litigation Legal Services, Research & Development and Tax Incentive Advisory and Business Information and IP Analytical Services.

Watermark boasts a 153 year history and employs over 110 people.

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The NAPPY LAND case: when unregistered and registered trade mark rights collide

Australian company and business names may co-exist with registered trade marks. Consequently, an owner of a business can obtain unregistered reputation rights in a trading name and enforce them against the owner of a registered trade mark.

Recently, the Federal Court of Australia was asked to consider such competing claims of ownership in the case of CI JI Family Pty Ltd & Luong Huynh Ngo v National Australian Nappies (NAN) Pty Limited and Nhut Thang Ho [2014] FCA 79.

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Competitive Intelligence = Competitive Edge

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Core to this opportunity is the continuing growth of online resources, enabling a level of information access considered unthinkable only a few years ago. Of equal significance is the rapid expansion of the type of information available online. It is now possible to search, organise and analyse scientific and technical publications, patent publications and patent prosecution histories, business news, commercial information and corporate and government disclosures in an unprecedented manner.

How can competitive intelligence assist you?

While all of these information sources are important, for many businesses developing an awareness of the patent landscape can be invaluable. According to a study¹ carried out by the European Patent Office, approximately 80% of scientific and technical information can only be found from patent documents, making them a unique source of technical information and competitor business strategy. Further, publication of a patent document will often be the first public disclosure of information on a particular development. Clearly, competitive advantage may be obtained if patent publications are monitored and analysed, so as to uncover activities in a particular field and, vitally, to uncover them early.

Key outcomes from an awareness of patents

Identify competitors and partnering opportunities

Searching and analysing patent filings can identify obvious competitors in a particular industry space. It can also identify companies with similar technology or synergic technology currently being used in other industries, which may highlight potential partners or joint venture opportunities. Gaps in a company's patent filings may signify areas where the company needs to licence or partner. Based on a competitor's granted patents you may also need a license from them to commercialise your developments.

Determine importance of a technology to a competitor

If a patent application is filed in the name of a company and in numerous countries, then the technology is likely better funded and more important than an application filed in the name of a single inventor and filed in a single country. Further, the filing of additional patent applications in the patent family or multiple related applications may point to ongoing significant development efforts.

Continuous monitoring of newly published patent applications

Watching the development of your competitors' technology can identify changes over time in the focus and intensity of patent filings and also identify new technologies and

future trends in the industry. As patents contain a wealth of technical information, often such information can be utilised in guiding your developments - of particular value early in a development cycle.

Assess competitors' development efforts and direction

Foreign patent family searches can indicate geographical regions that a competitor is targeting. If these regions are changing, this may indicate the level of importance of the development or that the competitor is abandoning certain regions.

Patent information may be combined with other information released by a competitor to help identify its key focus areas. Other information includes published technical papers, technical conference presentations, corporate press releases, announcements by management and regulatory activity.

Invest for the future

While patent searching, patent landscaping and analysis involves some financial outlay, it should be considered as a sound business investment. According to the same EPO study¹, 30% of R&D investment is wasted on redeveloping existing inventions - 'reinventing the wheel'. One reason for this is the lack of awareness that something had been prior patented, often because the patent was the sole vehicle of publication. Further, the technical information in patents provides solutions to problems. Being informed of these solutions soon after their publication may provide information that can directly and immediately impact on your developments.

Therefore, while competitive intelligence is partly an exercise in due diligence, it is also an opportunity analysis. Most companies can benefit from competitive patent intelligence, whether it is focused on simply increasing awareness of the global landscape in a particular industry or specifically targeted to key competitors and their development strategies.

As part of our services, Watermark provides comprehensive patent searching, patent landscaping and analysis services to help clients develop their competitive edge through competitive intelligence.

By Dr Grant Jacobsen

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¹ http://ec.europa.eu/invest-in-research/pdf/download_en/patents_for_researchers.pdf



The NAPPY LAND case: when unregistered and registered trade mark rights collide

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Background

CI JI Family Pty Ltd and its sole director, Ngo, were the Applicants in proceedings brought against the Respondents, National Australian Nappies and its sole director, Ho. Ho's previous company and Ngo were formerly partners who conducted a business called "Nappy Land" in New South Wales between 1997 and 1999.

After the partnership was dissolved, Ngo continued to carry on the business of selling commercial quantities of nappies, paper products, disposable gloves and baby wipes. Ngo and his wife became the registered owners of the New South Wales business name 'Nappy Land'. They carried on their business in New South Wales using the following logo:



Ho continued to carry on business throughout Australia, including in New South Wales. His company, National Australian Nappies, registered the business name 'Nappy Land' in Victoria, Queensland and South Australia.

On 11 February 2002, National Australian Nappies obtained a registration for the following trade mark:



National Australian Nappies also owns the domain name www.nappyland.com.au.

Sometime during 2013 the Applicants became aware of a significant number of its customers receiving price lists of the Respondents' products bearing the www.nappyland.com.au domain name. The Applicants alleged that an injunction should be granted restraining the Respondents from using the name 'Nappy Land' in New South Wales. The grounds relied upon were section 18 of the Australian Consumer Law (ACL), which prohibits misleading or deceptive conduct, and the tort of passing off.

Holding a registered trade mark is no defence to an action for misleading conduct or passing off

The Respondents contended that the

trade mark registration was a complete answer to the misleading conduct and passing off allegations.

The trial judge pointed to section 230(1) of the Trade Marks Act (TMA) which expressly provides that, except in certain limited circumstances in relation to the assessment of damages, the registration of a trade mark does not affect the law relating to passing off. Similarly, it was held that the registration of a trade mark does not affect the operation and reach of section 18 of the ACL.

The registration of a trade mark, accordingly, confers no licence upon the registered owner of the trade mark to use that mark in a manner which is misleading or deceptive, or in a manner which passes off the goods of the registered owner as the goods of another. [42]

The Court determined, based on the evidence, that the Respondents' use of 'Nappy Land' and the domain name in New South Wales had potential to mislead, and had in fact misled, some of the Applicants' customers and potential customers. It was further concluded that the elements of the tort of passing off had been made out. Injunctions were granted and orders restricting how the www.nappyland.com.au website may be used have been made. The sum of \$25,000 in damages was awarded, a quantum determined by what the trial judge described as being 'within the bounds of accepted 'guess work' because there was insufficient support for the Applicants' claim to compensation in the amount of \$624,000 in the event that no injunctive relief was granted or alternatively, \$208,000 in the event that injunctive relief was granted.

National Business Names Register

It does not follow from section 230(1) of the TMA that the registration and use of a company or business name will necessarily create a superior entitlement against a competing registered trade mark. Whether rights in a name or mark acquired by use will succeed over the rights to use a registered trade mark will ultimately turn on whether there is evidence demonstrating that the owner of the trading name has a sufficient

reputation in a particular area which trumps that of the registered trade mark owner.

The CI JI case highlights the complications created under the previous state/territory-based business names framework. Before 28 May 2012, it was necessary to register a business name in each state and territory in which a trader carried on business in Australia. It was possible for the same business name to be registered by different proprietors in up to 8 jurisdictions. There is now a consolidated national register of business names administered by the Australian Securities and Investments Commission (ASIC). Business names have national effect so that a business name registered under the National Business Names Registration System will block the registration of that same name by another trader wherever they operate.

However, businesses operating in Australia still need to be aware that the National Business Names Register is not cross-checked with Trade Marks Register, and vice versa.

Final thoughts

The National Australian Nappies' trade mark registration was not challenged by the Applicants. Were National Australian Nappies' trade mark registration challenged, the Court would have then had to grapple with competing claims of ownership of a trade mark that is not geographically restricted and grants to the owner a statutory monopoly to use that mark in the Australian marketplace, as against unregistered rights based on reputation which may or may not have been acquired in New South Wales prior to the date of the trade mark registration. Certainly, in the CI JI case it is not inevitable that in the context of trade mark rectification proceedings, the Court would have ordered conditions or limitations on the trade mark registration.

By Joy Atacador

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Serving evidence in an Australian patent opposition? Be diligent...

In April 2013 the Raising the Bar legislation implemented new regulations for patent opposition procedures, including changes to deadlines and extensions of time for serving evidence.

Parties involved in oppositions need to ensure their actions are diligent so that they meet the relevant deadlines or, alternatively, have a basis on which to obtain an extension of time.

Under previous regulations, an extension of time was available for serving evidence providing IP Australia was 'reasonably satisfied' that it was 'appropriate in all the circumstances'. In practice, the extension of time would be allowed if the applicant demonstrated progress in evidence preparation or that settlement negotiations were occurring. Consequently, patent opposition proceedings became protracted and could extend over a number of years.

Aiming to speed up the process, the new regulations allow:

- three months for the Opponent to file evidence in support,
- three months for the Applicant to file evidence in answer,
- two months for the Opponent to file evidence in reply.

In the event that any of these deadlines cannot be met, an extension of time can only be obtained by the relevant party if the Patent Office can answer 'yes' to the following questions based on material provided in the extension application:

1. has the party (and their attorney or agent) made all reasonable efforts to comply with all relevant filing requirements? and
2. was the failure to file the evidence in time despite the party (and their attorney or agent) acting promptly and diligently at all times to ensure the evidence is filed in time? or
3. were there exceptional circumstances that warrant the extension?¹

IP Australia has now issued a number of decisions based on the new regulations.

Extensions of time have been refused where:

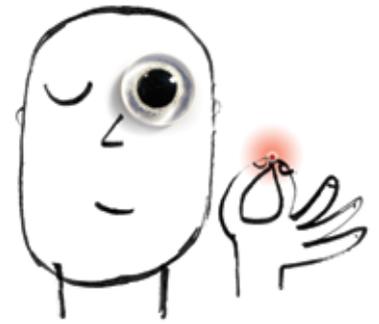
- insufficient information about steps taken was provided¹;
- the expert was on anticipated extended holiday leave²;
- no action was taken to prepare evidence while a settlement proposal was being considered⁵.

Extensions of time have been granted where;

- settlement discussions have been occurring and are close to resolution⁴;
- experts have been identified and subsequently been found to be unsuitable or unexpectedly unavailable³.

Exceptional circumstances do not include:

- the attorney incorrectly assuming the evidence deadlines were those applicable under the previous regulations⁵;
- a requirement to provide further and better particulars¹;
- an attorney reading and understanding the new regulations¹;
- anticipated extended holiday leave or work commitments².



The Opponent and Applicant (and their attorneys) must therefore work consistently and quickly to prepare and file their evidence. Experts must be promptly engaged and instructed, and their report(s) prepared and affidavits/statutory declarations finalised in a timely fashion. If an extension of time is required, full disclosure of all actions taken must be provided. Reasonable efforts will be determined on a case by case basis but do not include unexplained delay, delay in engaging an expert, delay in engaging a further expert (if required), delay in an expert providing evidence or delay in provision of instructions to the legal representative.

If the patent applicant decides to amend the patent claims during the opposition procedure this may lead to a stay in the proceedings and should thus be considered as a strategic option. Given the much stricter requirements now in force, it is imperative that those involved in patent oppositions take all necessary steps as early as possible to ensure deadlines are met, or alternatively to ensure there is sufficient basis on which to obtain an extension of time.

By Carolyn Harris

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¹ Julie-Anne McCarthy and Bradley McCarthy v TRED Design Pty Ltd [2013] APO 57

² Merial Limited v Novartis AG [2013] APO 65

³ RTI Pty Ltd v Scantech International Pty Ltd [2014] APO 4

⁴ Innovia Security Pty Ltd v JDS Uniphase Corporation [2014] APO 5

⁵ Fonterra Co-operative Group Limited v Meiji Dairies Corporation [2014] APO 11