

Inspire



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intellectual property

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Welcome

With 2019 drawing to a close, this edition of Inspire reflects on a number of different endings and some new beginnings.

As Mark Williams and Raffaele Calabrese report, the conclusion to *Encompass v Infotrack* was something of a letdown for practitioners in the ICT field who had been hoping for some clarification of the test for patentable subject matter in computer implemented inventions. Ultimately, the Full Court decided the matter by applying earlier decisions without addressing whether the current patent office practice is consistent with the principles derived from those precedents. While the *Encompass* litigation appears to be at an end, other disputes now making their

way through the Federal Court may yet cast new light on this vexed area of Australian patent law.

Also coming to an end is the Australian innovation patent. The abolition of this second-tier patent regime has been mooted for some time but with relevant legislation now making its way through parliament it seems that 2020 will be the end of the road for the innovation patent. As Edwin Patterson notes, inventors may want to take advantage of the final opportunity to obtain this useful form of IP protection.

Despite having been registered for over 20 years, Bendigo Bank has recently lost its rights to the trade mark COMMUNITY BANK. As Ye Rin Yoo explains, Bendigo's dispute with Community First Credit Union resulted in a finding that its trade mark was not adapted to

distinguish its financial services and had not become distinctive despite use over many years.

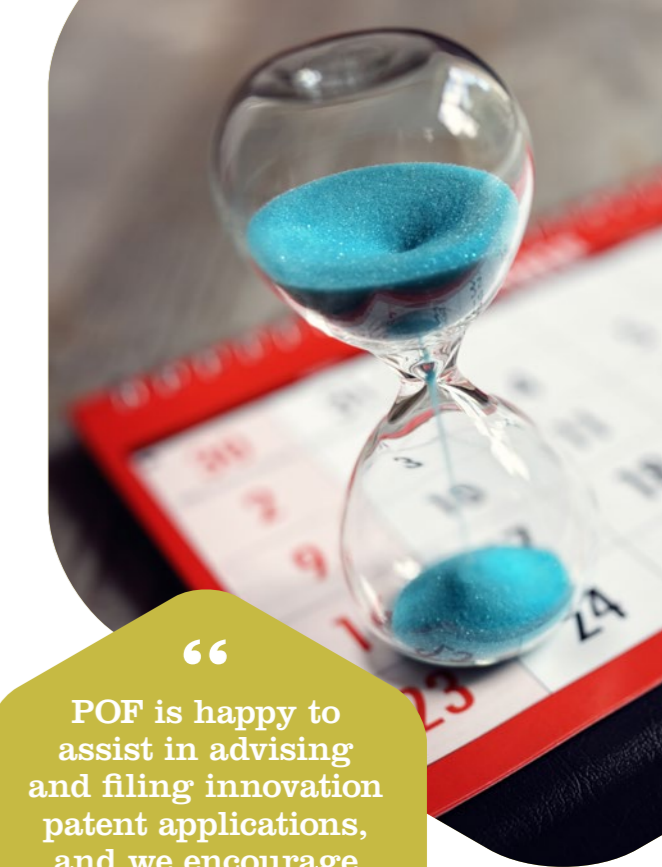
Also in this edition of Inspire, Anita Brown discusses the Registrar's power to initiate trade mark revocation proceedings, Annabella Newton provides an update on the never-ending saga of Lundbeck's Lexapro patent, and we welcome three new members of the POF team.



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Australian Innovation Patents likely to be abolished

In July 2019, IP Australia announced a Bill¹ which phases out the innovation patent system. This bill passed the Australian Federal Senate in October, continuing the legislative process that will likely remove this useful form of patent filing from Australian practice. However, there is still a window in which innovation patents can be filed, and we encourage you to take action while it's still available.



“POF is happy to assist in advising and filing innovation patent applications, and we encourage you to take action while it's still available.”

Once enacted, the Bill will prevent the filing of new innovation applications 18 months after it receives royal assent. Any rights from existing innovation patent filings will be maintained until their natural expiry date ensuring that existing rights-holders are not disadvantaged.

Types of Australian patents

The Australian patent system provides for the filing of “standard” and “innovation” patent applications. Innovation patents are a second tier patent filing system which has a lower innovative step threshold in place of the inventive step applied to standard patents.

Innovation patents can be granted quickly, typically within one month of filing. Quick grant is because innovation patent applications are not subject to substantive prior art searches or examination before patent grant. However, there are a number of limitations compared to standard patents. An innovation patent has a maximum term of eight years, is only permitted to contain five claims defining the invention, and can only be enforced after passing an optional post grant examination process. These features have allowed many applicants to use

innovation patents as an economic option for quickly obtaining effective protection to either supplement any main patent grant or, if that main patent should be found to be invalid, to recover at least some form patent protection for the invention. Innovation patents are also a valuable litigation tool offering the same remedies for infringement as a standard patent but with a lower validity threshold.

Committee recommendations

Despite these advantages, at least two legislative review committees recommended that the innovation patent system be abolished. It was found that most small and medium enterprises gain no value from the innovation patent, or have not used the system effectively (i.e. have never obtained any enforceable rights, have allowed their right to lapse at the earliest opportunity, have never used the system again, and are less likely than others to utilise the IP system afterwards). It was also argued that the system is heavily used by foreign and multinational firms and is being used for undesirable strategic purposes by large companies, causing uncertainty in the marketplace.

The latest report prepared by the Productivity Commission (2016) concluded that the costs of the innovation patent to the economy outweigh the benefits and that the system imposes a net cost on Australia. As a result it recommended that the system be abolished. This conclusion was accepted by the Australian Government.

We can assist

POF is happy to assist in advising and filing innovation patent applications to protect your IP while this right is still available.



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Season's Greetings and Happy New Year!



We hope you and your loved ones enjoy the festive season.

As the year comes to an end, we note the intellectual property rights filed in Australia continue to reflect our changing society. Medical technology was the leading field in patent applications filed at IP Australia this year, while applications for Biotechnology and Pharmaceuticals also grew strongly.

The three classes with the most trade mark applications this year were Technological and electrical apparatus, Advertising and business functions, and Education, training and entertainment. These trends are consistent with an ageing population and the consequent growing demand for medical goods and service as well as technology life cycles.

2019 has been another year of change in the Australasian IP firm market, with consolidation

continuing amongst firms owned by publicly listed IP companies, and the growth of micro-firms at the other end of the market. Around 60% of all Australian patent filings are now controlled by firms owned by publicly listed IP companies.

At Phillips Ormonde Fitzpatrick, we remain one of Australia's largest independent and privately owned intellectual property firms. We have no obligations to the stock market, or to institutional shareholders, and we have no financial or corporate links to other Australian patent attorney firms.

We remain focused on helping you achieve your goals, and on ensuring that we have a talented team and efficient systems to deliver great outcomes for you. We look forward to continuing to work with you.

In line with [our ongoing efforts to support Health and Wellbeing in our community](#), we will once again be making a donation to the Starlight

Children's Foundation, a not-for-profit organisation dedicated to brightening the lives of seriously ill children and their families.

If you would like to support this cause, donations to the Starlight Children's Foundation can be made at www.starlight.org.au

Our offices will close at 3pm (AEST) on Tuesday 24 December 2019 and will reopen on Thursday 2 January 2020. We look forward to continuing to work with you in the year ahead.



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¹ Intellectual Property Laws Amendment Bill (Productivity Commission Response Part 2 and Other Measures)

Encompass Corporation v InfoTrack – Our full analysis

The Full Federal Court recently released its much anticipated decision regarding manner of manufacture in [Encompass Corporation v InfoTrack¹ \(Encompass\)](#), dismissing an appeal from a Federal Court judgment. The expanded bench (five judges) upheld the primary Judge's finding that a computer-implemented invention for displaying information was not patentable subject matter.

This appeal has been closely followed by those of us in the ICT space in the hope that it might clarify the correct approach to take in assessing what is patentable subject matter in Australia (i.e. "manner of manufacture") in the context of computer implemented inventions.

In arriving at the conclusion that the invention did not involve a manner of manufacture, the primary Judge in [Encompass](#) relied on an approach – which the Institute of Patent and Trademark Attorneys of Australia (IPTA) considered to be erroneous – combining prior art considerations into the manner of manufacture test. For instance, his Honour remarked at [195]:

"In this case, the method disclosed in the Patents (and the apparatus) result in the computer being used to do something it has not been used to do before. But it is not clear to me that in doing so they have improved the functionality of the machine. This is because the method (and apparatus) merely involve a concatenation of three other methods, none of which is new: the use of a network representation, the querying of remote data sources and the use of a purchasing step."

Claims did not require particular software or programming

While the Full Bench in the appeal also concluded that the invention did not involve a manner of manufacture, and was at pains not to criticise the primary Judge's findings, their conclusion relied heavily on the guidance espoused in earlier authorities, including *Research Affiliates* and *RPL Central*, rather than a much anticipated commentary on the correct approach to assessing patentability of computer-implemented inventions. The guidance included at [95]: *"here the claimed invention is to a computerised business method, the invention must lie in that computerisation."* whereas the claims in suit *"are, in truth, no more than an instruction to apply an abstract idea (the steps of the method) using generic computer technology"* at [99]. Further, at [100], *"the claims in suit do not secure, as an essential feature of the invention, any particular software or programming that would carry out the method"*. This conclusion applied equally to the apparatus claims too, *"which provide no more than an uncharacterised apparatus ... to carry out the steps of the abstract method"*, at [102].

What is the correct approach in assessing patentable subject matter?

The appellants criticised the primary Judge for inquiring whether the claimed method results in an "improvement in the computer" when assessing patentable subject matter. This approach has been utilised by the Australian Patent Office in recent times – i.e. the Patent Office considers prior art or common general knowledge when applying the manner of manufacture test (as provided in the Australian Patent Office Examiner's Manual). As a result, both IP Australia and IPTA (the peak body representing Australian patent attorneys) sought leave to intervene in the appeal proceedings – their submissions focussing on what ought to be the correct approach to the Manner of Manufacture test.

However, in dismissing the appeal, the Full Federal Court made little to no comment on the submissions of IP Australia and IPTA, and explained that the primary Judge was not combining prior art into the manner of manufacture test, but instead was seeking to determine whether the claimed invention was something more than "generic computer implementation" of an otherwise abstract idea. Noting at [111]:

“...an invention, which resides in an abstract idea cannot be made patentable subject matter by incorporating features into the claims having generic computer functionality.”

"As we have said, in this part of his reasons the primary judge is to be understood as inquiring into and searching for possible patentable subject matter, such that the claimed method was something more than "generic computer implementation" of an abstract idea. It can be accepted readily that the three methods of the concatenation to which his Honour referred might not, in terms, encompass all the individual steps of the claimed method. However, we do not read his Honour's reasons as suggesting that they did."

Further, in relation to the primary Judge's analysis at [195]-[197] of whether the *"enhanced user experience"* afforded by the invention (and which could potentially give rise to an improvement in the computer) resulted from a *"combination of well-known computing mechanisms"*, the Full Federal Court held at [112]:

"We accept that his Honour's use of this language suggests that other, conceptually distinct elements of patentability might have intruded into his Honour's consideration of whether the claimed method and apparatus were directed to a manner of manufacture: see, for example, the caution expressed in CCOM at 291, which was repeated in Research Affiliates at [111]. But, at the end of the day,

we see no error in his Honour's ultimate conclusion that no manner of manufacture is involved in the method and apparatus as claimed."

Conclusion

As a result, this judgment endorses the earlier *Research Affiliates* and *RPL Central* cases, and the law is essentially unchanged. The vexed question of whether it is appropriate to include prior art considerations when assessing manner of manufacture (as is currently the practice at the Australian Patent Office) is still yet to be tested. It is possible this will be explored in the Commissioner's appeal against a Federal court judgement in [Rokt Pte Ltd v Commissioner of Patents \[2018\] FCA 1988](#), which overturned a decision of the Patent Office, deciding in favour of the patentability of 'a dynamic, context-based advertising system'.

The take home message from this judgment is that it continues to be the case that an invention, which resides in an abstract idea (such as a business method), cannot be made patentable subject matter by incorporating features into the claims having *generic* computer functionality. It seems, however, that claims reciting *particular* software or programming steps for carrying out such a method may satisfy the manner of manufacture test.

Detailed information about *how* the invention is implemented by means of computer technology should therefore be provided in the description and claims to support an argument for patent-eligibility.

If you have any questions about how the outcome of this case affects your current or future patent applications, please contact Mark Williams or Raffaele Calabrese.



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¹Encompass Corporation Pty Ltd v InfoTrack Pty Ltd [2019] FCAFC 161

A Big Win for the Small COMMUNITY BANKS

Community First Credit Union Limited has recently been successful in a number of related claims¹ against Bendigo and Adelaide Bank Limited. Community First's win may mean that any bank and any Authorised Deposit-Taking Institution (ADI) intending to become a bank can use COMMUNITY BANK for financial services in Australia.

Markovic J of the Federal Court handed down the judgment and ordered that:

- > Bendigo's 20 year old trade marks, COMMUNITY BANK and  Community Bank, be removed;
- > Community First's old trade mark, COMMUNITY FIRST, stay registered; and
- > Community First's new applications, COMMUNITY FIRST BANK and COMMUNITY FIRST MUTUAL BANK, proceed to registration.


ADIs have welcomed this judgment as a big win for the small players. The Business Council of Co-Operatives and Mutuals called it a 'David and Goliath' case, and publicly expressed their satisfaction:

"We are delighted...the courts have removed this unfair restriction by a publicly-listed bank against a community owned bank. The ability of Community First Credit Union to properly describe their business model has rightly been prioritised over the marketing strategy of a listed bank."

Community First and Bendigo first fell into a dispute when Bendigo opposed Community First's applications. Bendigo successfully established that Community First's applications conflicted with Bendigo's trade mark, COMMUNITY BANK. The Registrar found COMMUNITY FIRST BANK and COMMUNITY FIRST MUTUAL BANK to be 'deceptively similar' to COMMUNITY BANK. Unsatisfied, Community First commenced two proceedings to bring us to the present case: one to remove Bendigo's trade marks; and the second to appeal the decision of the Registrar.

Community First was successful in both proceedings for different reasons. In the first proceeding, Community First successfully established that COMMUNITY BANK in Bendigo's trade marks is descriptive of financial services. Markovic J held that COMMUNITY BANK is not 'adapted to distinguish' financial services as:

"The ordinary signification of the term "community" bank is a provider of banking services or financial institution that serves a particular community, whether defined by geography, workplace, trade or other feature."

Despite having more than 200 branches across Australia, Bendigo's use of COMMUNITY BANK was insufficient to make it adapted to distinguish as it almost always used the trade mark in conjunction with BENDIGO. However, it is interesting to note that Markovic J rejected Community First's submissions on s 44 that Bendigo's trade marks, COMMUNITY BANK and  Community Bank, conflicted with its trade mark, COMMUNITY FIRST. Markovic J considered the additional BANK in Bendigo's trade marks to be descriptive but still a big 'differentiator'. Expert evidence suggested that: *"...the term 'bank' is a significant one for marketing to consumers"* and referred to Customer Owned Banking Association's submission that *"...the term 'bank' is better understood by consumers than the terms 'credit union' or 'building society' "*.

In the second proceeding, Community First successfully

established that Community First's applications did not conflict with Bendigo's trade mark, COMMUNITY BANK. Disagreeing with the Registrar, Markovic J held that the additional FIRST and MUTUAL sufficiently differentiated COMMUNITY FIRST BANK and COMMUNITY FIRST MUTUAL BANK from COMMUNITY BANK.

It is also interesting to note the views of Markovic J in relation to the Court's exercise of discretion on s 88(1) and to s 42(b) that use of a trade mark must not be 'contrary to law'. Markovic J considered

Bendigo's more aggressive strategy in protecting COMMUNITY and COMMUNITY BANK to possibly be '...antithetical to the policy and purposes of the TM Act' such that it was a factor against the Court exercising its discretion to keep Bendigo's trade marks under s 88(1). Markovic J also did not consider Community First's applications to register COMMUNITY FIRST BANK and COMMUNITY FIRST MUTUAL BANK, whilst it was still a credit union, to be a breach of s 66 of the *Banking Act 1959* (Cth) that restricts the use of the word, 'bank'. Bendigo has now filed an appeal against this decision.



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This change may be perceived as good for trade mark owners, because it potentially expands the scope of what is considered to be their trade mark

“Substantially affecting the identity” of a trade mark

A number of provisions of the *Trade Marks Act* refer to the concept of “substantially affecting the identity” of a mark. These provisions relate to whether use of an amended mark counts as use of the mark as registered; whether a pending application is “substantially identical” to a prior mark; whether an amendment can be made to the representation of a mark after publication; and whether a mark infringes an earlier “substantially identical” mark.

The concept is also relevant when considering ownership of a mark, which in Australia is determined by the first person to use that mark (or use a mark with alterations or additions that do not substantially affect its identity).

For many years the test of what was “substantially identical”, and what were “changes that do not substantially affect the identity of the mark”, were determined on the basis of a side-by-side comparison. Relatively minor differences were considered to prevent the marks from being “substantially identical” (although they could still be “deceptively similar”). However, the decisions of the Full Federal Court in *Pham Global v Insight Clinical Imaging*¹ and *Accor v Liv*² suggest that quite significant differences between marks could exist, and they would

still be considered “substantially identical”. These differences include the addition of graphic elements and even additional distinctive words. This change to the interpretation of “substantially identical” has flowed through to the Trade Marks Office, which apparently is now allowing amendment of plain word marks by adding graphic elements and stylised lettering to form a logo. This has implications for non-use removal applications where the mark as used is a variation of the mark as registered, as well as oppositions where an opponent may claim ownership of a pending mark on the basis of having used a different mark where the differences do not substantially affect the identity of the mark.

This change may be perceived as good for trade mark owners, because it potentially expands

the scope of what is considered to be their trade mark. However, it also creates much more uncertainty as to how far a trade mark can be altered until it is no longer “substantially identical” to a registered or common law mark. In time we will no doubt receive more Federal Court rulings to help define the new boundaries of what is “substantially identical”. Until then, extra care must be taken when considering adopting a new mark to ensure it does not infringe a prior right.



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¹ *Community First Credit Union Limited v Bendigo and Adelaide Bank Limited* [2019] FCA 1553

¹ *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83

² *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56

Trade mark registration stacks up for JB Hi-Fi

JB Hi-Fi has won the battle to retain its Australian trade mark registration for STACK, its popular entertainment news brand, successfully challenging the Trade Mark Registrar's proposed revocation.

The trade mark STACK is used for JB Hi-Fi's magazine and website, providing news and reviews for games, movies, tv and music¹. The retailer acquired the unregistered mark STACK and related assets from Scribal Custom Pty Ltd in October 2017 and then filed an application for registration of the STACK mark. It was accepted and registered unopposed in June 2018.

However, in October 2018 the Deputy Registrar of Trade Marks notified JB Hi-Fi of its intention to revoke the registration under s 84A of the *Trade Marks Act* (the Act) on the basis of a prior registration for the mark Stacks / owned by Timauray Pty Limited (the Earlier Mark). This registration claimed overlapping services in classes 35 and 41 and services closely related to JB Hi-Fi's goods in class 9. The Registrar's view was that this prior mark should have been cited during examination.

JB Hi-Fi challenged the proposed revocation at a Hearing². The ruling on 31 July 2019, is only the fourth decision on revocation of registration since s 84A was introduced by the *Intellectual Property Laws Amendment Act 2006*. The section allows the Registrar to revoke a registration if he or she is satisfied that:

- (a) the trade mark should not have been registered, taking account of all the circumstances that existed when the trade mark became registered (whether or not the Registrar knew then of their existence); and
- (b) it is reasonable to revoke the registration, taking account of all the circumstances.

The section provides a non-exhaustive list of factors to be taken into account under sub-section 1(a) including:

- (a) any errors (including errors of judgment) or omissions that led directly or indirectly to the registration; ...
- (c) any special circumstances making it appropriate:
 - (i) not to register the trade mark; or
 - (ii) to register the trade mark only if the registration were subject to conditions or limitations to which the registration was not actually subject.

It similarly lists the factors to be taken into account in the exercise of ss 1(b). In determining that the STACK trade mark should not have been registered under the first limb of s 84A(1), the Hearing Officer

considered whether there had been an error or omission. He reviewed the office file including the examiner's notes to see whether the Earlier Mark had been identified during examination.

The Hearing Officer at paragraph 21 stated: *"In the interests of transparency, my inspection of the materials on file reveals that the Earlier Mark would likely have been viewed based on the searches conducted. However, the Earlier Mark was inexplicably omitted from the search results extract list and it was not mentioned on the examiner's worksheet. As such, it is impossible to draw any firm conclusions as to whether the Earlier Mark was duly considered by the examiner. It appears likely that the present circumstances fall directly within the first example of administrative oversight envisaged by the Explanatory Memorandum... Accordingly, the current matter is distinguishable from a mere change of opinion as to the registrability of the trade mark."*

In light of the error, the Hearing Officer was required to make a de novo decision as to whether the mark should have been accepted for registration. In his view the marks were deceptively similar, and covered overlapping services and closely related goods giving rise to a prima facie ground for objection under s 44. Consideration was then given to whether the STACK mark should have been accepted for registration on the basis of honest concurrent use under s 44(3)(a). While the Registrar was able to take account of JB Hi-Fi's honest concurrent use, he did not consider it sufficient to support acceptance.

This left the Hearing Officer weighing up whether it was reasonable in all the circumstances to revoke the registration under s 84A(1)(b) taking into account the non-exhaustive list of circumstances including:

- (a) any use that has been made of the trade mark; ...
- (d) any special circumstances making it appropriate:
 - (i) to revoke the registration; or
 - (ii) not to revoke the registration.

Weighing against revocation were a number of factors – including that JB Hi-Fi had acted prudently in dealing with the trade mark

since acquiring it, only substantially investing in the mark post-registration. Also relevant was that JB Hi-Fi had waived certain contractual rights against Scribal on the basis of the registration being valid.

Additional factors weighing against revocation were:

- > JB Hi-Fi's substantial financial investment in the mark and its concrete plans for its intermediate to long term use;
- > the use of the STACK mark for 14 years prior to notification of the intention to revoke it;
- > JB Hi-Fi's intention to and expansion of the goods and services offered after its acquisition of the mark;
- > the increased promotion of the mark; and
- > the failure of the Earlier Mark owner to object to the use or registration of the STACK mark.

In handing down his decision, the Hearing Officer noted: *"It has been recognised that the terms of s 84A provide the Registrar with a broad scope to exercise her discretion. A prevailing theme which emerges from the published decisions, the intent of the Act and Explanatory Memorandum concerning s 84A is that the Registrar must exercise great caution when considering revocation. A registered trade mark is a valuable intellectual property right and depriving a registered owner of this right must be reasonable given all the circumstances. Considering all of the circumstances, I am satisfied that it would be unreasonable to revoke the registration given the Registrar's substantial investment in and widespread use of the Trade Mark."*

To date only one registration has been revoked under s 84A. This provides trade mark owners with some comfort that the power to revoke will not be exercised lightly.



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¹ see: <https://stack.com.au/>

² *JB Hi-Fi Limited* [2019] ATMO 115 (31 July 2019)

Lundbeck's Lexapro saga continues with Patent Office granting license to Sandoz

A recent decision from the Australian Patent Office¹, has highlighted the Commissioner's power to grant a compulsory license to a third party in certain circumstances. This decision is the most recent chapter in one of the longest running fights in Australian patent litigation and this compulsory licence provides Sandoz with a defence against Lundbeck's multi-million dollar infringement claim.

While this decision is only the second time that the Commissioner has granted such a license, the outcome demonstrates that patentees should be aware that when a long extension of time is allowed, third parties may apply to the Commissioner for a compulsory license.

Background

H Lundbeck A/S (Lundbeck) was the patentee of Australian patent number 623144 (the Lexapro patent), which relates to escitalopram. Escitalopram is the active pharmaceutical ingredient in the antidepressant medication Lexapro[®], which was included in the Australian Register of Therapeutic Goods (ARTG) on 16 September 2003. Escitalopram is the enantiomerically pure form of citalopram, the racemic mixture of which was covered by patent number 509445 and included in a pharmaceutical marketed as Cipramil, which was included in the ARTG on 9 December 1997.

The Lexapro patent has been the subject of extensive litigation in Australia due to its extension of term history. The Lexapro patent was originally due to expire on 13 June 2009. A first extension of term was requested and granted to 13 June 2014, based on the inclusion of Lexapro on the ARTG. The first extension of term was then removed from the register on the basis that the request should have

been based on the earliest inclusion of escitalopram, which was held to be in the Cipramil listing. This order was confirmed by the Full Court on 11 June 2009. The following day, Lundbeck filed a second extension of term request based on the ARTG listing for Cipramil, along with a Section 223 extension of time request. The second extension of term request was advertised on 23 July 2009.

After several appeals to various higher courts, the Commissioner granted both the s223 extension

of time request and the extension of term request. The extension was recalculated accordingly and the term of the Lexapro patent was extended to 9 December 2012. Once the extension of term was granted, Lundbeck commenced infringement proceedings in June 2014.

In the meantime, various generics parties had entered the market on 15 June 2009. Sandoz launched its generic escitalopram products on this date, under the brand name Esitalo, having previously imported them from India in May 2009.

Order of Events

27 May 2004	First Extension of Term was granted to 13 June 2014 based upon the ARTG listing of Lexapro [®]
27 May 2009	Sandoz imports Esitalo Products from India
11 June 2009	Order removing First Extension of Term
12 June 2009	Lundbeck filed extension of time application to file Second Extension of Term application based on Cipramil ARTG listing
13 June 2009	Original expiry date of the Lexapro patent
15 June 2009	Generic parties entered market
23 July 2009	Second Extension of Term advertised
1 June 2011	Commissioner extended time to make Second Extension of Term application
25 June 2014	Commissioner granted Second Extension of Term to 9 December 2012
26 June 2014	Lundbeck commenced infringement proceedings

¹H Lundbeck A/S v Sandoz Pty Ltd [2019] APO 18



“ This outcome demonstrates that patentees should be aware that when a long extension of time is allowed then third parties may apply to the Commissioner for a compulsory license. ”

With the exception of Sandoz, all of the generics parties have since settled with Lundbeck. In a recent Federal Court² decision, Jagot J found that Sandoz had infringed the patent and awarded damages to Lundbeck amounting to several millions of dollars. Sandoz have appealed that decision to the Full Court.

Sandoz, along with the other generics parties, had previously applied to the Commissioner for a license to exploit the patent under section 223(9) of the *Patents Act*, and Regulation 22.21 of the *Patent Regulations*. The license application proceedings were stayed, pending the outcome of the extension of term and extension of time applications. The extension of term being finally determined, the stay on the licensing proceedings was lifted.

Compulsory Licenses

Section 223 of the Act is a general remedial provision which allows the Commissioner to extend the time for doing a relevant act.

Section 223(9) operates where the Commissioner grants an extension of time of more than three months for doing a relevant act. It provides protection or compensation for persons who, before the day on which the application for extension of time is advertised, exploited the invention because of the failure

to do the relevant act within the time allowed. Hence, this subsection allows the Commissioner to provide a remedy to any third party that is adversely affected by the decision to grant an extension of time.

The provisions referred to are outlined in regulation 22.21, which states that persons who exploited the invention within the period of time extended under subsection 223(9) of the Act; may apply to the Commissioner for the grant of a licence to exploit the invention. The Commissioner, if reasonably satisfied that the application should be granted, must grant a licence to the applicant on terms that the Commissioner thinks reasonable.

Sandoz applied for a license on the basis that they allegedly exploited the invention and that this alleged exploitation occurred because the Lexapro patent had expired on 13 June 2009 due to the failure to file an application for extension of term in time. Sandoz decided to launch its products in the belief that the second extension of time would not be granted and was not informed of the application for the second extension of term until it was ready to launch its product.

Lundbeck argued that granting a license would provide an extremely valuable right and a disproportionate reward, and would provide Sandoz

with a defence in relation to the infringement action brought by it.

However, the Delegate was satisfied that the importation of the Esitalo products on 27 May 2009 and subsequent sale was exploitation of the invention by Sandoz. This exploitation occurred, at least in part, due to Lundbeck's failure to file an application for the second extension of term by the relevant deadline. On this basis, the Delegate was satisfied that the application for a licence should be granted.

The compulsory license is effectively between the Commissioner and Sandoz. It is non-transferrable, and confers no royalties to Lundbeck. It commenced on 14 June 2009 and expired on 9 December 2012, along with the term of the patent.

This decision is on appeal to the Administrative Appeals Tribunal. And so the saga continues...



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²H. Lundbeck A/S v Sandoz Pty Ltd [2018] FCA 1797

Welcoming our new additions

Phillips Ormonde Fitzpatrick is delighted to introduce three new additions to the POF Group who joined in 2019; Jacqueline Leong and Ye Rin Yoo in our Trade Marks team, and Melissa Wingard in Phillips Ormonde Fitzpatrick Lawyers.

Prior to immigrating to Australia, Jacqueline worked as a trade mark solicitor in the intellectual property department of one of Malaysia's top-ranked law firms where she managed and prosecuted large trade mark portfolios for many well-known global companies, assisted in court actions and participated in anti-counterfeiting activities with local law enforcement agencies and private investigators. Jacqueline also worked briefly as a Federal Counsel in the Attorney General Chambers

of Malaysia and a legal aid volunteer with the United Nations High Commissioner for Refugees.

Ye Rin holds a dual degree in Commerce (Finance) and Law from the University of New South Wales. She is admitted as a Solicitor to the Supreme Court of New South Wales and is a Registered Australian Trade Marks Attorney. Prior to joining Phillips Ormonde Fitzpatrick, Ye Rin was a Senior IP Manager who worked end-to-end on all matters in relation to trade marks in Australia and internationally. Her work involves advising on the registrability of trade marks, prosecuting trade mark applications, representing in oppositions and revocations and managing trade mark portfolios.

Melissa is a senior commercial technology lawyer, with over 15 years' experience, assisting software, cybersecurity, and

technology companies, across the Asia Pacific region, to grow their business and meet strategic aims, while managing risk and regulatory compliance. She has extensive experience in relation to commercialising intellectual property particularly in exploiting software, drafting and advising on various contractual arrangements, competition law, information security, data protection and privacy.

A warm welcome to all our new team members, and we look forward to a fantastic year ahead with them in 2020.



Recognised POF practitioners in 2019 – MIP IP Stars Awards

We're proud to announce that a number of POF attorneys have been named among this year's IP Stars, the 250 Women in IP, and Rising Stars in the 2019 IP Stars awards.

This year, our Patent Stars were Managing Partner Ross McFarlane, along with Partners Saskia Jahn, Dr Edwin Patterson and Alyssa Telfer. Alyssa also managed to secure a spot in the Top 250 Women in IP. Additionally, taking home the award for Trade Mark Star once again in 2019 was Russell Waters.

Our Rising Stars in 2019 were Dr Annabella Newton and Helen McFadzean from our Chemistry and Life Sciences, and Electronics, Physics and IT teams respectively. These awards are a fantastic achievement for all of our attorneys, and we'd like to congratulate them on their well earned wins and thank them for a fantastic year of hard work.

Each year IP Stars research analysts receive and analyse information on law firms and practitioners that provide IP services. Traditionally, the individual listings in IP Stars feature senior IP practitioners. However, the Rising Star listing also shines the spotlight on some of the best up-and-coming IP practitioners below partner level who contribute to the success of their firms and clients. POF is proud to have such leading IP practitioners across the firm. You can view the entire list of Rising Stars in Australia [here](#).

