Inspire

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intellectual property

Full Court provides guidance on infringement of Swiss-style claims

Ferrari takes its 488 Pista Spider design to a hearing and prevails

CSIRO developing technologies and solutions in response to COVID-19

Ellen Medical Devices developing affordable dialysis system to save lives

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Welcome

As 2020 progresses, the COVID-19 pandemic continues to provide challenges. However, sometimes challenges provide a useful opportunity to look at a problem in a new way. As Duncan Joiner reports, CSIRO is taking up the challenge of developing new technologies aimed at limiting the spread of COVID-19 infection.

In a client Q+A, Professor John Knight of Ellen Medical Devices speaks about their breakthrough affordable dialysis system which has the potential to save millions of lives. He discusses how IP is supporting their business strategy, the next steps, and potential investment opportunities.

For POF client Ferrari, ongoing adverse examination reports in relation to its 488 Pista Spider design registration necessitated the filing of expert evidence to highlight the registrability of its new product. While the design was an evolution of an earlier vehicle, testimony from a third party with experience in the prestige vehicle industry established that there were prominent and distinct differences which would be readily appreciated by the informed user.

Anita Brown highlights the importance of considering the IP implications of broader commercial strategies. While there may be sound financial reasons for a business to have a discreet IP holding company which licenses its rights to an operating entity, this can have significant implications for the validity of IP rights, as the decision in PDP Capital v Grasshopper Ventures illustrates.

The Full Court decision in Mylan v Sun Pharma provides important clarification in relation to the assessment of infringement of Swiss-style claims. As David Longmuir explains, the appeal bench rejected the approach at trial which gave primacy to the objective intention of the manufacture of the medicament. While intention was relevant, it was said to be only one factor amongst many and not in and of itself determinative of the infringement question.

Also, in this edition of Inspire, Mark Williams looks at extensions of time, both for COVID-19 related delays and to correct an error, and Raffaele Calabrese reviews the increasingly settled law relating to the patentability of computer-implemented inventions.

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IP Australia to allow multiple streamlined COVID-19 extensions of time

IP Australia has introduced a new streamlined process for extension of time requests for Applicants impacted by COVID-19.

These arrangements have now been extended until at least 31 October 2020.

In a new development, IP Australia are also allowing a further streamlined COVID-19 extension even if you have previously received an extension. Until this announcement, only one streamlined COVID-19 extension request per case/action was allowable.

By way of reminder, extension of time is available to extend most Patents, Trade Marks, and Designs deadlines for up to three months, and is:

- free of charge – associated fees will be waived or refunded; and
- only requires the submission of a simplified request based on standard text made available by IP Australia. This differs to standard extension of time requests that require a statutory declaration to be submitted setting out the circumstances for the extension.

One notable exception is that the arrangement does not apply to extensions of time for payment of renewal fees.

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> It is envisioned that the isolation hood may ultimately be used on commercial flights to prevent or reduce the spread of infection onboard an aircraft.

CSIRO developing technologies and solutions in response to COVID-19

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is urgently investigating and developing new technologies aimed at limiting the spread of COVID-19 infection.

One example technology is a new isolation hood device developed by CSIRO to reduce the risk of infectious particle transmission between individuals in close proximity (Figure 1).

It is envisioned that the isolation hood may ultimately be used on commercial flights to prevent or reduce the spread of infection onboard an aircraft. The hood might also be used to isolate infected hospital patients or to help protect vulnerable hospital patients from infection (Figure 2).

In contrast to some existing isolation devices such as sealed face masks or air-tight suits, the CSIRO isolation hood is configured to provide a more comfortable experience for the individual(s). The hood includes a partially open configuration enabling a wearer to reach inside the hood, if necessary. The hood may also be large enough to enable a wearer to eat a meal onboard an aircraft or to isolate an entire restaurant table from adjacent tables.

Working with our Patent Attorneys, CSIRO recently filed a patent application for the novel aspects of the device. In particular, the performance of an opening at the edge of the device which is configured to limit potentially infectious air from entering the hood and also limit potentially infectious air from escaping the hood, in the event that the wearer was infected.

CSIRO is now looking for opportunities to partner with manufacturers and end users in scaling up and using this technology.

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Figure 1

Figure 2

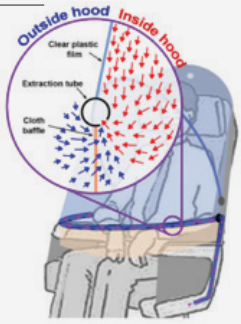
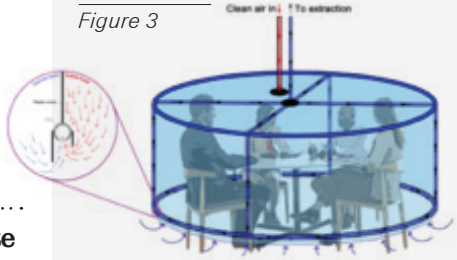


Figure 3



Trade mark ownership a wicked question

The case of PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd[1] is a reminder that a trade mark registration may be invalid if the application was filed in the incorrect name.

Capital brought an action for infringement of its WICKED SISTER trade marks, which it used mainly in relation to chilled dessert products, against Grasshopper in relation to its use of its WICKED marks for dipping sauces. While the trade mark infringement claim ultimately failed and Grasshopper's cross claim for rectification was not upheld, the case demonstrates the importance of getting trade mark ownership right at the time of filing a trade mark application.

Background

On 29 May 2008, PDP Fine Foods Pty Ltd (Fine Foods) filed for registration of the following mark (Fine Foods Mark) in classes 29 and 30:

Wicked Sister
FINE FOODS

On 9 February 2016, Capital filed an application for registration for the following mark as well as the WICKED SISTER word mark (the Capital Marks) also in classes 29 and 30 which covered a number of goods claimed in the earlier application (Common Categories):

Wicked Sister

> **"Even when the entities involved are part of the same corporate group, it is important to ensure applications are filed in the correct name.**

Capital was a related entity of Fine Foods incorporated to hold all the IP of the Wicked Sister business as part of an asset protection strategy and to licence it to third parties. Both companies had a common CEO and sole director. Registration of the Capital Marks had been sought in Capital's name to avoid possible tax consequences, which could flow from an assignment of the Fine Foods Mark to Capital.

The Capital Marks were accepted for registration following the filing of a letter of consent by Fine Foods permitting the 'use and restriction' - which should have read 'registration' - of the Capital Marks. A licence dated 11 February 2016 authorising Fine Foods as the entity responsible for recipes, production, promotion, and distribution of all WICKED SISTER products to use the Capital Marks was also executed.

Against this background Grasshopper sought rectification of the Capital Marks under s 88(2)(a) of the Trade Marks Act 1995. This provides for rectification on any of the grounds on which a registration can be opposed. Among the grounds that Grasshopper relied on was s 58, which provides that a registration may be opposed on the ground that the applicant is not the owner of the trade mark.

Grasshopper argued that Capital's Wicked Sister (logo mark) should not have been accepted in respect of the Common categories because Fine Foods, not Capital, was the owner. The question of ownership of the Capital Wicked Sister (logo mark) was assessed at the date of application being 9 February 2016. At that date, Fine Foods was the registered owner of the Fine Foods Mark. The two marks were said to be the same or substantially identical.

In the decision, Markovic J spelt out the requirements for ownership of a trade mark under the Act:

"Section 27 of the TM Act permits a person claiming to be the owner of a mark to file an application for its registration. Ownership is determined either by reason of authorship and prior use or by reason of authorship, the filing of the application and an intention to use or to authorise use: see Pham Global at [29]. Authorship refers to an applicant's adoption of a mark with the intention of using it in Australia in relation to the goods or services with

[1] *PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* [2020] FCA 1078

respect to which the applicant seeks to register the mark: see Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd (2018) 259 FCR 514 (Anchorage Capital) at [48].”

Markovic J found that at the filing date Capital had intended to authorise the use of the Capital Wicked Sister (logo mark) by Fine Foods as evidenced by the licence.

“But it could not be said that PDP Capital was the author of that mark. Clearly PDP Fine Foods was its author.”

His Honour found that at the filing date of the Fine Foods Mark, Fine Foods claimed to be the owner of that mark and used or intended to use the mark in relation to the goods claimed including the Common Categories and thus was its owner.

Referring to the Trident[2] case, Markovic J found that a similar ‘unity of purpose’ could be inferred as between Fine Foods and Capital given the common CEO and sole director, and the companies sharing the common goal of maximising Wicked Sister product sales and brand value. However, this did not address the question as to the identity of the owner of a mark under s.58.

Markovic J distinguished this case from Pham Global[3], where Mr Pham was found not to be the owner of the mark because he had not used the mark, had no right to use it and did not intend to use it but had nonetheless applied for registration. Here, a new corporate entity, Capital, had applied for a logo mark in circumstances where Fine Foods was the registered owner of and had been using the same or a substantially identical mark. Despite the consent to use the registration and Capital’s intention to authorise Fine Foods to use it, His Honour found it was difficult to see how Capital could ever be taken to be the owner of the Capital Wicked Sister (logo mark) such that the s.58 ground was made out. The same conclusion was reached in relation to the WICKED SISTER word mark.

Ultimately, the Capital Marks were not cancelled. Markovic J considered it was not appropriate to exercise the discretion to cancel the registrations due to the lack of risk of confusion if the status quo was maintained. His Honour considered the ‘unity of purpose’ between the companies was a relevant consideration in this regard.

Even when the entities involved are part of the same corporate group, it is important to ensure applications are filed in the correct name. Where an application is filed in the wrong name this cannot be remedied by way of assignment or amendment. While the issue of ownership may be raised in an opposition, critically a trade mark owner seeking to enforce its rights against an infringer may find its registration attacked for invalidity. A portfolio review can consider whether any registrations may be vulnerable to rectification on the basis of ownership and we recommend regularly seeking a review and/or advice on this issue.

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[2] *Trident Seafoods Corporation v Trident Foods Pty Ltd* [2018] FCA 1490
[3] *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83 (26 May 2017)

Affordable dialysis worldwide?

Q+A with John Knight of Ellen Medical Devices about the world's first low-cost dialysis system

Professor John Knight, a children's kidney specialist, is the Managing Director of Ellen Medical Devices and a senior researcher at The George Institute for Global Health. He speaks to POF about Ellen Medical's Affordable Dialysis System (the world's first low-cost dialysis system), discusses how IP is supporting their business strategy, and potential investment opportunities…

Q: What is the background and mission of Ellen Medical Devices?

Ellen Medical Devices is owned by The George Institute for Global Health which is a large Australian medical research institute. The George Institute consistently ranks number one in the world for research impact. We undertake large scale clinical trials and epidemiological studies and have a particularly strong interest in the translation of our research into practical policy changes that will improve the health of people. The George Institute has had a direct impact on the health of hundreds of millions of people around the world as a result of the research that we've done. Along with Australia, we have offices in India, China and the UK and a network of experts and collaborators throughout the world, including in the US.

In 2010 we discovered there were around 10 million people in the world who needed dialysis for kidney failure, but only approx. 2.6 million people were receiving dialysis. The sole reason many couldn't receive dialysis is because they couldn't afford it. Here in Australia, dialysis costs around $85,000 per patient per year. The Australian community picks up the full cost through the taxation system, and so all Australians can access the treatment. Unfortunately that's not the case in many developing countries and so many cannot access treatment. The need for dialysis is growing around the world because of the growing epidemic of diabetes and high blood pressure which can cause kidney failure. The numbers we found in 2010 are likely to be 50% higher today.

The George Institute published our findings in The Lancet in 2015 and as a follow up, announced our US$100,000 Affordable Dialysis Prize. We received entries from all over the world with innovative approaches to low-cost dialysis. The international judging panel unanimously awarded the prize to an Irish engineer, Vincent Garvey, as he came up with a brilliant breakthrough invention. Vincent asked the George to form a partnership with him – and Ellen Medical Devices was founded. We set about building a prototype at the start of 2017 and have been going from strength to strength over the last three years. We've now reached the stage where we have a robust system which is ready to test with patients, which we hope to do for the first time at the end of this year.

Q: What are the key differences between the Ellen Medical Dialysis system and other machines on the market?

There are two forms of dialysis. There's hemodialysis (HD) which purifies the blood and is the most common form of dialysis. For HD you need to attach yourself to a machine for five hours a day, three days a week – obviously a very time-consuming process. In Australia, about 70% of patients are receiving

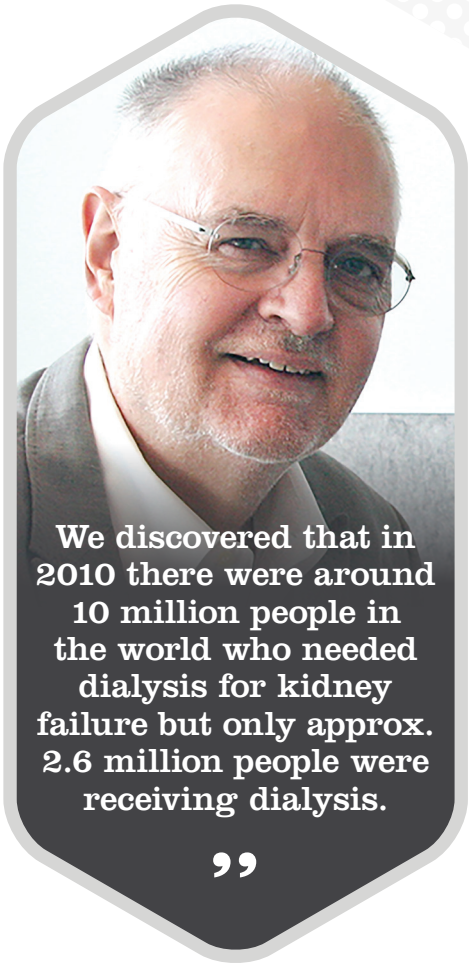
this form of dialysis. It's more expensive than the other dialysis on the market, which is called peritoneal dialysis (PD). To start on PD, a surgeon will insert a silicone tube about the size of a drinking straw into your stomach which has a connector on the end. The patient is taught to connect a two-litre bag of fluid containing some salt and some sugar to the connector, and hang it up on a hook. Then by gravity the two litres of fluid drains into your stomach and all of the waste products in your body can diffuse out into the fluid. This procedure can be safely performed at home. Recently there's been a global trend towards PD but for historical and also for commercial reasons, HD is still much more common, partly because it is also much more profitable than PD for the supplier.

PD bags are made in a large factory – there's just one for the whole of Australia and NZ. The manufacturing process is quite expensive and the bags of fluid which weigh 2kg each are shipped on trucks to the patient's home. Vincent realised there was an opportunity to simplify this process if you could use water from the tap. So his invention is in two parts. The first is a small pure water distiller which can sit on the kitchen table and can use water from the tap (or rain or river water). It boils the water and cools it down and makes it into distilled water of sufficient purity for medical purposes. The second part of the invention is a plastic bag full of a concentrate of salt and sugar. Instead of weighing 2kg, it only weighs 120 grams. So, we can make the bags with the concentrate very inexpensively and provide them to the patient. The patient can fill the bag with water in their own home and then use it for PD. The benefits are you save on the shipping costs and save on the expensive centralised manufacturing costs, and in volume you can drive the price down to roughly five times less than current prices. This would reset the price point for this treatment and make it available to millions of people around the world who are currently missing out.

Our system will also work very well for urgent dialysis – for example for the many Covid-19 patients who have experienced kidney failure, or for children with kidney failure due to dehydration, for whom a few days of urgent dialysis can be lifesaving.

Q: How is IP supporting your business strategy?

Protecting our IP is critical for the success of the company. As with all medical treatments, unless there's a reasonable return on investment, there are no sustainable clinical outcomes. The expertise of the POF team has been a wonderful help to us as we protect our innovative ideas in many different countries around the world. Very soon, we're going to be looking for a commercial partner who can help us roll our dialysis system out globally. The ideal commercial partner will be a major player who's already active in medical devices, and has a global footprint, sales forces, clinical support teams and warehouses in different countries around the world, and who could deliver our system to the clinics, working in local languages. There's already been a huge amount of interest from the international medical devices community.



We discovered that in 2010 there were around 10 million people in the world who needed dialysis for kidney failure but only approx. 2.6 million people were receiving dialysis.

Obviously, whoever partners with us would want to be able to rely on the fact that the IP is protected and our patents are strong. We've now reached the stage where the patent applications are being evaluated in different countries around the world, and our first patent application in the US has been allowed and a patent will be granted shortly.

We want to make an impact on the health of millions of people, particularly some of the most disadvantaged people in the world, while creating and running a sustainable business. Having properly protected IP is essential to achieve that success for our company.

Q: When will the Affordable Dialysis machine be available to market and what are the next steps?

We expect to have approval by the Australian Therapeutic Goods Administration (TGA) in two years' time and for our treatments to be available in the clinic shortly thereafter. The TGA is the regulator in Australia who approves all drugs or medical devices. They usually take 12 months to approve a medical device, but they're running slower now because of COVID. So we are now looking at early 2023 if everything goes according to plan. Australian approval is critically important because many developing countries rely on the judgments of the TGA for local approval.

We have reached the point now in the development of this project where we are actively seeking conversations with potential investors as commercial partners. We're very proud that we've raised approx. $5.4 million in capital to support this company. The George Institute has put in a significant amount of money, and we were fortunate to find some critically important private philanthropic donors earlier on. Our two key sponsors have been the New South Wales Government, through NSW Health. The other funder who also gave us more than AU$2 million is the Paul Ramsay Foundation, who had the vision to understand very early in the process what we were trying to do, and to invest in our company. We will always be grateful to them all.

Anyone interested in talking to Ellen Medical Devices about investment opportunities should contact John Knight at The George Institute on +61 2 8052 4300.

Full Court provides guidance on infringement of Swiss-style claims

Swiss-style claims are an increasingly important part of a patentee's armoury against manufacturers of competing pharmaceutical products, particularly those manufactured elsewhere and imported into Australia.

An enlarged bench of the Full Court of the Federal Court of Australia recently handed down its decision in *Mylan Health Pty Ltd v Sun Pharma*[1], unanimously rejecting an appeal by Mylan and providing important direction in relation to the infringement of Swiss-style claims in Australia. The decision is also of interest for the Full Court's approach to the question of inventive step.

Mylan initially sought to enforce three patents covering formulations of fenofibrate products, or methods of treating diabetic retinopathy using fenofibrate products against Sun Pharma (formerly Ranbaxy Australia) in respect of its proposal to market a number of fenofibrate products in Australia (the Ranbaxy Products). Sun Pharma denied infringement and cross-claimed for revocation of the patents.

Justice Nicholas held at first instance that relevant claims for each of the three patents were invalid on various grounds including novelty and inventive step and largely that Mylan had not established threatened infringement.

An important aspect of the decision was the question of infringement of the Swiss-style claims in the Mylan patents, relevantly directed to the use of fenofibrate for the manufacture of a medicament for the prevention of diabetic retinopathy in specified dosages.

Mylan alleged that by listing its fenofibrate products on the ARTG as bioequivalents to the Mylan product Lipidil® which was indicated for the treatment of diabetic retinopathy, Sun Pharma infringed the relevant claims of the Mylan patent.

In considering whether the Ranbaxy Products infringed the Swiss-style claims, Justice Nicholas held that the question to be asked is whether the manufacturer has the intention that the medicament be used to treat the relevant condition. The intention was to be considered objectively - based on the available information such as the Product Information, labelling and the nature of the market for the medicines.

The relevant method of treatment claims were found to be indirectly infringed on the basis that it was reasonably foreseeable that the

[1] *Mylan Health Pty Ltd v Sun Pharma ANZ Pty Ltd* [2020] FCAFC 116,

Ranbaxy Products would be used by medical practitioners for treating the same conditions as indicated for Lipidil®. But despite finding this, Justice Nicholas also found that there was insufficient evidence that the Ranbaxy Products were manufactured with the intention of being used for the treatment of diabetic retinopathy. Mere knowledge that the medicament is suitable for such use was not sufficient.

On appeal, the Full Court unanimously rejected this 'mental element' approach to infringement, holding that the relevant question when assessing infringement of Swiss-style claims is whether the medicament is for the specified therapeutic purpose. Intention, while relevant, is only one of the factors to be considered.

Relevantly, although Lipidil® was indicated for the treatment of diabetic retinopathy, the Product Information for the Ranbaxy Products (which was amended during the proceedings) did not include any such indication.

The Full Court held that the objective intention of the manufacturer is not an essential feature in the construction of Swiss-style claims. Infringement is concerned with whether the medicament is for the relevant therapeutic treatment. Their Honours held that a number of factors are to be considered, none of which are determinative in and of themselves, including the manufacturer's intention, the physical characteristics of the medicament, its packaging, labelling (including the Product Information) – and the reasonably foreseeable uses for the medicament.

> **"The Full Court held that the objective intention of the manufacturer is not an essential feature in the construction of Swiss-style claims.**

The Full Court considered that despite claiming bioequivalence to Lipidil®, there was a substantial therapeutic use for the Ranbaxy Products in the treatment of the disorders listed in the Product Information. While not disclaimed, diabetic retinopathy was not one of the indications. Ultimately, had the Swiss-style claims been valid the Full Court was not persuaded the evidence established that, as manufactured, the Ranbaxy Products were medicaments for the treatment of diabetic retinopathy.

In relation to the cross claim seeking revocation, the Full Court upheld Justice Nicholas' inventive step analysis in finding certain of the claims in suit invalid for lack of inventive step. Their Honours confirmed that the assessment of inventive step, and in particular the application of the reformulated Cripps question, does not require certainty of outcome. Rather, it requires that the skilled addressee be directly led as a matter of course to try the claimed invention in the expectation that a particular research path "might well produce" a useful result - it does not require the skilled addressee to know that the steps will produce a useful result (see paragraph 502).

Their Honours stated that:

"…reasoning to such a conclusion is not assisted by a percentage-based analysis. The reformulated Cripps question is but an aid to answering the statutory question posed by s 7(2)…It, too, involves the exercise of an evaluative judgment…we are not persuaded that, when answering the question he had posed, the primary judge erred in concluding that a percentage-based analysis was not useful, especially when expressed in terms of 'no better than fifty-fifty'…" (see paragraph 148).

The evidence in this case was said to support the proposition that the skilled addressee would have had a reasonable expectation but not a certainty that the approach would work. However, in eschewing any quantitative threshold in the assessment of whether an approach "might well produce" a useful result, it would appear that Full Court has left open the possibility that a claimed invention may well be obvious if the skilled addressee considered a particular option to have any chance of success (even a very low one) provided that it was obvious to try.

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Flawed mental function saves the day in patent opposition

In a recent Australian Patent Office decision[1], an extension of time to file a complete Australian patent application was allowed despite a third party opposition. The delegate of the Commissioner of Patents accepted that flawed mental function by the applicant in misunderstanding advice provided by their patent attorney was the cause of missing the deadline.

Extensions of time to do certain acts under the Patents Act 1990 are generally available under s 223. The extension of time typically requires payment of fees, including any fees that were not paid as a result of the error, and evidence around the facts in the form of a statutory declaration. In most situations, where the error lies with the applicant, the Commissioner has discretion in relation to allowance of the extension of time. The extension of time application, if allowed, may then be opposed by a third party – as happened in this case.

Background

The applicant, via their patent attorney, filed two provisional patent applications, relating to a system which provides digital receipts. An international-type search was carried out on the provisional applications. The results of the international-type search indicated there may be an objection to the claims for lack of inventive step, if a complete application were ultimately filed and the application examined. The applicant did not instruct their patent attorney to file a complete application – until obtaining different advice from another patent attorney – because of their belief that it would not be possible to obtain a commercially useful patent in light of the results of the international-type search.

> **“ Their misunderstanding was the kind of flawed mental function or faulty reflection that is recognised in the cases as an error.**

The Evidence

The applicants submitted that, following a meeting with their patent attorney at the relevant time, they were of the view they would not be able to obtain the grant of a commercially useful patent. This was due to an erroneous belief that there was no ability to engage with a patent examiner regarding the relevance of prior art cited against their application nor the ability to make potential amendments to the claims or submissions so as to overcome the inventive step objection.

The opponent to the extension of time argued that there was no evidence that the patent attorney did not inform the applicants that there was an ability to amend the specification, or any evidence from the patent attorney at all. The opponent also queried why, if the patent attorney believed that the application was futile, a reminder regarding the complete application was sent as the applicant asserted.

[1] *Mark Johnson v Paul Weingarth, Spiro Rokos and Paul Scully-Power* [2020] APO 32 (7 July 2020)

As the delegate noted, the opponent attempted to advance the possibility that the applicants made a commercial decision not to file an application and subsequently changed their minds. If so, the extension of time would likely not have been allowed. However, the delegate was of the view that this was not supported by the applicant's evidence, or any evidence from the opponent.

The delegate was satisfied that the applicants had an intention to file a complete patent application as a means to obtain patent protection in Australia and that they had misunderstood the advice provided by their patent attorney. Their misunderstanding was the kind of flawed mental function or faulty reflection that is recognised in the cases as an error. Further, as soon as the error was realised the applicant took steps quickly to cause an application to be filed.

Best practice for Extensions of Time

This decision is a timely reminder that when an action is missed, applicants seeking an extension of time under s 223 should:

- Act quickly in carrying out the action and filing the extension of time request (a declaration setting out the fact scenario may be supplied later).
- Set out the fact scenario in the declaration such that it clearly addresses: that it was always the applicant's intention to carry out the action, how the error occurred, and what steps were taken once the error was discovered.

Extensions of time are generally not allowable if a commercial or financial decision was made not to take the action. It is also worth bearing in mind that the extension of time may be opposed.

If you have any questions around extensions of time please do not hesitate to contact us.

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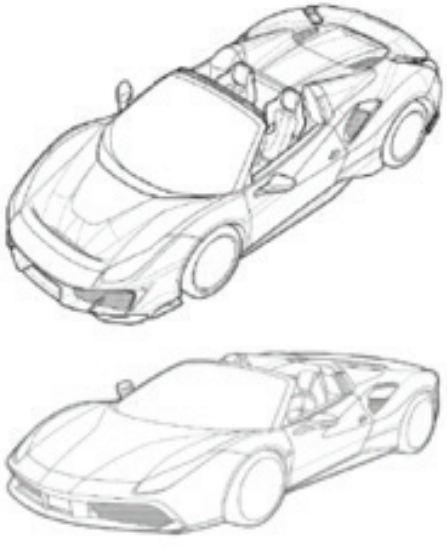
Ferrari takes its 488 Pista Spider design to a hearing and prevails

The Australian Designs Office has recently issued its decision[1] concerning an adverse examination report for a Car and Toy Car design registration owned by Ferrari. The Design relates to the 488 Pista Spider, Ferrari's best ever open-top performance vehicle. Pleasingly for Ferrari the Australian Designs Office granted a certificate of examination on 14 July 2020.

[1] *Ferrari S.p.A.* [2020] ADO 3 (14 July 2020)

Background

On 18 January 2018, Phillips Ormonde Fitzpatrick filed an application on behalf of Ferrari to register its 488 Pista vehicle design. The 488 Pista is an updated model of the '488' family of designs. Upon examination of the application, the Examiner asserted the 488 Pista was not distinctive because it was substantially similar in overall impression to several publications depicting the older Ferrari 488 Spider vehicle. Written submissions were filed in response to the examination report in which key and prominent features were argued to be distinguishing. In a subsequent examination report the Examiner maintained that the similarities between the respective designs were 'very clear'. The 488 Pista Design was considered a 'refinement of the existing designs' and not substantially different in overall impression to the 488 Spider.



Top: Ferrari 488 Pista Spider,
Above: 488 Spider

A request for a hearing was subsequently filed and the matter was heard on 19 March 2020. Chris Schlicht, Alexis Keating and Peter Wassouf were involved in the preparation of hearing submissions and represented Ferrari in the hearing.

> **"With a highly developed prior art field, the Hearing Officer agreed with Ferrari's submission that an informed user of performance vehicles appreciates differences that may otherwise be considered subtle.**

Hearing Decision

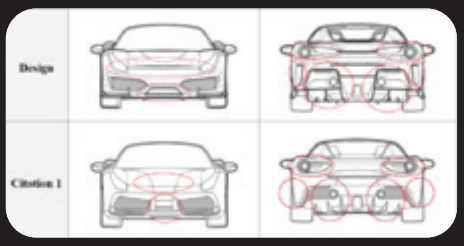
The Ferrari hearing submissions included a declaration from Anthony Moss, a founder and director of Ultimate Driving Tours (UDT). Anthony has extensive experience in the automotive and prestige car industry, and in his role with UDT coordinates luxury car tours around the world.

In the submissions it was argued that the 488 Pista design relates to a sub-category of performance vehicles, and that a skilled and informed user possesses a detailed understanding of the features relevant to a car's performance.

With a highly developed prior art field, the Hearing Officer agreed with Ferrari's submission that an informed user of performance vehicles appreciates differences that may otherwise be considered subtle.

In considering the similarities and differences between the designs, the Hearing Officer considered the designer's freedom to innovate. It was acknowledged that cars do contain inherent features, such as wheels, doors, bonnets and mirrors, and these features restrict a designer's freedom to innovate. The Hearing Officer acknowledged that in the field of performance cars the informed user would appreciate there were specific performance parameters which dictate the design of certain aspects of a vehicle, thus providing further functional design constraints. It was found that the informed user would apportion more weight to areas where the designer has freedom to innovate, which in this specific case was the front and rear section of the vehicles.

In considering the comprehensive list of differences submitted by Ferrari, it was found that substantial visual differences existed in the front and rear of the 488 Pista vehicle design compared to the 488 Spider prior art vehicle. For example, an air damn and air scoop running through the front bumper and up through the bonnet of the 488 pista, which did not appear in the prior art citations was considered to be a prominent difference. The air damns and the wrap around diffusers in the rear of the 488 Pista were also considered prominent and distinct features. The substantial visual differences in combination with other minor differences identified by Ferrari were in combination held to significantly alter the overall impression of the 488 Pista.



With the benefit of a declaration made by a skilled and informed user, Ferrari was able to support its submissions and overturn the Examiner's original objections. Such declarations are not restricted to hearings, and we encourage Registration owners to consider filing declarations during the examination process if an Examiner maintains certain distinctiveness objections.

Our Designs Team at Phillips Ormonde Fitzpatrick are here to assist you with the prosecution and management of Australian and international design applications. Please do not hesitate to contact us should you have any questions relating to Design protection in Australia or overseas.

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Commissioner of Patents v Rokt Pte Ltd

The law relating to the patentability of computer-implemented inventions is beginning to look settled in Australia following *Commissioner of Patents v Rokt Pte Ltd (Rokt)*[1].

The Full Federal Court in *Rokt* has reversed a curious decision of the primary judge in favour of a digital advertising method being patentable subject matter. In upholding the Commissioner's appeal, the Full Federal Court affirms the law on the patentability of computer-implemented inventions as being largely settled by the decisions in *Encompass Corporation, RPL Central* and *Research Affiliates*.

Schemes, like the digital advertising scheme in *Rokt*, even if new and ingenious, will not be made patentable by being implemented using computer technology. Instead, for computer-implemented inventions to be patentable, the invention must lie in the implementation of computer technology. The primary judge in *Rokt* found that the claimed invention solved both a technical problem and a business problem, and that the claimed invention involved steps that were foreign to the normal use of computers at the priority date. The claimed invention was therefore considered to be a manner of manufacture and thus patentable subject matter.

To arrive at this finding, the primary judge was swayed by expert evidence provided by *Rokt* on the state of the art of computers at the priority date. However, the Full Federal Court strongly disagreed with this approach of assessing patentable subject matter and with the finding. The use of expert evidence in assessing patentable subject matter is a practice that we are still seeing at the Patent Office, but it is not routine practice before the Courts. Thankfully, it is unlikely that we will continue to see this practice before the Courts. The Full Federal Court confirmed that the role of expert evidence in construing the patent specification and the claims should be limited. Moreover, the assessment of the characterisation of the invention was said to be a matter of law.

This decision will not change the current overarching practice of the Patent Office in assessing the patentability of computer-implemented inventions. The claimed invention in substance will still need to lie in the implementation of computer technology and not in the business-related idea to be patentable. However, this decision may change the current practice of the Patent Office in assessing the substance of the claimed invention in the context of the specification as a whole *and the relevant common general knowledge and the prior art*. We hope that the Patent Office will now give less weight to considerations of the common general knowledge and prior art when assessing patentable subject matter.

As a result, we consider that providing detailed information, when drafting the description and claims of the patent specification about how the invention is implemented by the computer technology, is likely to be even more important now to support an argument for patentable subject matter. We will keep you updated on developments regarding any changes of practice at the Patent Office.

In the meantime, if you have any questions about the patentability of computer-implemented inventions in Australia, please contact Raffaele Calabrese at raffaele.calabrese@pof.com.au

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[1] *Commissioner of Patents v Rokt Pte Ltd* [2020] FCAFC 86

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