HOT TOPICS IN INTERNATIONAL IP & TECHNOLOGY DISPUTES

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TRICKS AND TRAPS FOR TRANSLATING TRADE MARKS

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Choosing Chinese trade marks

- The Chinese-literate market is huge, growing and expanding into numerous jurisdictions
  - PRC, Hong Kong, Taiwan, Singapore, etc
  - Over half a million people in Australia

Choosing Chinese trade marks

- Translating English trade marks into Chinese may add extra nuances
- Several aural equivalents may be available, but with different connotations
- Early attempts by retailers to translate COCA-COLA produced:
  - **蝌蚪啃蜡** which means “bite the wax tadpole”
  - **骒马口蜡** which means “female horse stuffed with wax”

Choosing Chinese trade marks

- Eventually, the company chose a much better mark:

  可口可乐 which loosely means "let your mouth rejoice”

Coca-Cola®
可口可乐

Choosing Chinese trade marks

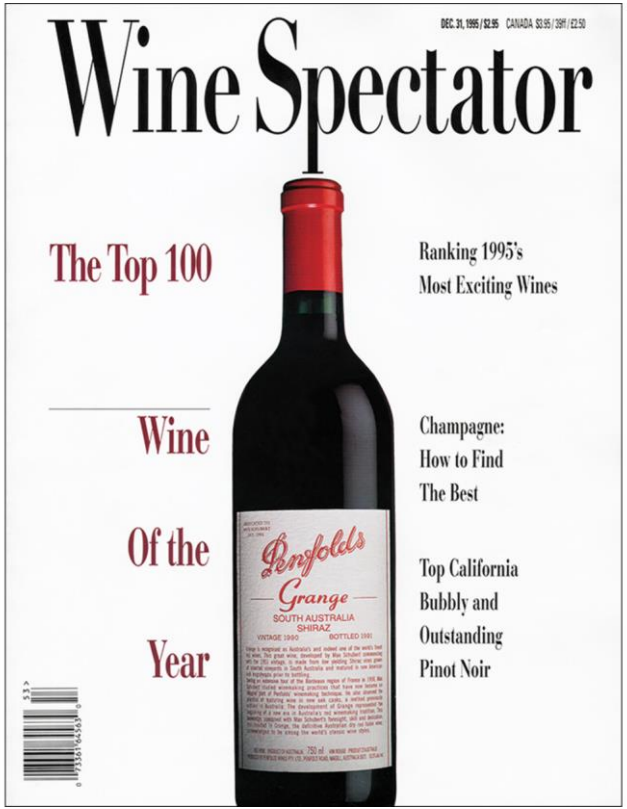
- Positive connotation can be more important than aural equivalence, eg:
  - Reebok 锐步 Rui bu “quick steps”
  - Nike 耐克 Nai ke “enduring and persevering”
  - Colgate 高露洁 Gao lu jie “revealing superior cleanliness”
  - BMW 宝马 Bao ma “precious horse”
  - Marriott 万豪酒店 Wan hao “10,000 wealthy elites”
  - Heineken 喜力 Xi li “happiness power”

Choosing Chinese trade marks

See you in the bar for a bottle of Happiness Power?

A Chinese/Australian trade mark twist

- PENFOLDS is one of Australia's oldest and most successful wine brands, est. 1844
- Owned by Southcorp



A Chinese/Australian trade mark twist

- 1995: Southcorp's Singapore office appointed a distributor in PRC, who suggested the translation of PENFOLDS to 奔富 (pronounced "Bēn Fù") for the Chinese market
- Characters translate literally as 奔 "rush" and 富 "rich"
  - roughly, "race to prosperity"
- July 1995: Southcorp's distributor applied in China for a mark including 奔 富, later assigned to Southcorp

A Chinese/Australian trade mark twist

- Penfolds now has flagship stores in over 30 cities in China branded under both 奔 富 and PENFOLDS

A Chinese/Australian trade mark twist

- 2012, a Chinese company, Eastern Tomorrow Jinjiang Import & Export Co Ltd, applied in China to register the trade mark:

  奔富酒园 ("Penfolds Wine Estate")

- 2014 & 2017: Southcorp launched legal proceedings in China for infringement and invalidation of Eastern Tomorrow's registration
- 15 April 2019: Southcorp ultimately succeeded in Chinese proceedings

A Chinese/Australian trade mark twist

- 7 March 2016, the same Chinese company, Eastern Tomorrow Jinjiang Import & Export Co Ltd, applied in Australia for 2 TMs:

- 14 Mar 2018: Aust Trade Marks Office upheld Penfolds' opposition to registration on the ground that the applications were filed in bad faith

A Chinese/Australian trade mark twist

Australian Trade Marks Office decision:

- The inclusion of the words RUSH RICH in the Chinese character mark may be an attempt to hide the meaning that underlies the pronunciation of the Chinese characters 奔富.
- "*It seems to me that the Applicant is attempting to usurp for itself the 'Penfolds' brand's reputation by leveraging an ambiguity around the same marks it is using in China which include the phrase 'Rush Rich' and/or the Chinese characters which would be understood by the significant proportion of Australians bilingual in both English and Mandarin Chinese to indicate 'Penfolds'*."

A Chinese/Australian trade mark twist

- April 2016: a Chinese-born Australian citizen incorporated a new company “Australia Rush Rich Winery Pty Ltd” in South Australia
- 2016-7: Australia Rush Rich Winery Pty Ltd was exporting wines from Australia to China bearing TMs incorporating RUSH RICH and 奔富
- Feb 2018: Penfolds sued this company and Eastern Tomorrow in Federal Court of Australia for infringement of each of the TMs PENFOLDS, BEN FU and (recently registered) 奔富

A Chinese/Australian trade mark twist

Southcorp Brands PL v Australia Rush Rich Winery PL [2019] FCA 720 (Beach J, 3 May 2019):

- Respondents' use of 奔富 infringes the registrations of each of:
  - PENFOLDS
  - BEN FU
  - 奔富

- NB: summary judgment was granted on the basis of no reasonable prospect of defending infringement.
- Final summary judgment application was undefended, but full trial affidavit evidence had by then been filed by both parties.

A Chinese/Australian trade mark twist

Southcorp Brands PL v Australia Rush Rich Winery PL [2019] FCA 720 (Beach J, 3 May 2019):

- When assessing trade mark infringement concerning Chinese characters, emphasis is to be placed on the meaning and pronunciation of those Chinese characters.
- Infringement can be established even if only Chinese literate consumers would be misled.
- The ordinary signification of 奔富 to many Chinese speakers is the brand “Penfolds”.
- Many Chinese speakers refer to “Penfolds” as “Ben Fu” rather than “Penfolds”.

A Chinese/Australian trade mark twist

Southcorp Brands PL v Australia Rush Rich Winery PL [2019] FCA 720

A significant precedent:

- An English language trade mark (PENFOLDS) can be directly infringed by the use in Australia of a Chinese trade mark (奔富)
- 奔富 is not only deceptively similar to PENFOLDS, but is also **substantially identical** with PENFOLDS
- This potentially means that a prior user of an English language trade becomes the **owner** of a Chinese translation of that trade mark, and vice versa

A Chinese/Australian trade mark twist

Compare:

- *Clinique v Luxury Skin Care* (2003) 61 IPR 130 (Gyles J)
  - LA CLINICA not deceptively similar to CLINIQUE
  - "*Registration of marks including the word 'Clinique' does not amount to registration of every derivation of the English word 'clinic'.*" (at [17])

International context: varied results

European Union:

- Single trade mark jurisdiction with 24 official languages plus many significant non-official languages (eg. Catalan, Basque, Russian, Turkish)
- Visual and aural differences may outweigh conceptual similarity

EU General Court found no risk of confusion between:

- HAI (German for shark) and SHARK (2005)
- BALLON D'OR and GOLDEN BALLS (2014)
- THE ENGLISH CUT and EL CORTE INGLES (2016)

International context: varied results

- US Trademark Trial and Appeal Board, 2015: MARAZUL is likely to be confused with prior mark BLUE SEA (for fish)
- Different appearance and sound but identical meaning
- Ordinary purchasers of fish would stop and translate MAR AZUL into English
- In fact, the marketing of MARAZUL was expressly targeted to the US Hispanic market, with bilingual packaging

International context: varied results

- Similar decisions by US Trademark Trial and Appeal Board, likelihood of confusion found between:
  - LA PEREGRINA and PILGRIM (for jewelry)
  - MARCHE NOIR and BLACK MARKET MINERALS (for jewelry)
  - EL GALLO and ROOSTER (for fruit and vegetables)
  - RED BULL and TORO ROJO (for whiskey and rum)
- However, may not apply for dead or obscure languages

Monopoly for a foreign descriptive word?

- A formalized approach in the US: “the doctrine of foreign equivalents”
- *"[A] word taken from a well-known foreign modern language, which is, itself, descriptive of a product, will be so considered when it is attempted to be registered as a trade-mark in the United States for the same product*." *In re N. Paper Mills*, 64 F.2d 998 (1933)
- eg, monopoly registration denied for:
  - Chinese characters for “oriental daily news”
  - SAPORITO (Italian for “tasty”) for sausage
  - AYUMI (Japanese for “walking”) for shoes

Monopoly for a foreign descriptive word?

- US doctrine applied only when it is likely that “the ordinary American purchaser” would stop and translate the foreign word into its English equivalent.
- “The ordinary American purchaser” is not limited to purchasers who speak only English - *In re Highlights for Children* 118 USPQ2d 1268
- Doctrine may not apply to dead or obscure languages.
  - Eg. COHIBA not descriptive of cigars despite it being the Taino Indian word for tobacco: *Gen. Cigar Co. v. GDM*, 45 USPQ2d 1481 (1997)

Monopoly for a foreign descriptive word?

Australia: *Cantarella Bros v Modena Trading* (2013) 99 IPR 492

- Cantarella owns TMs ORO and CINQUE STELLE for coffee
- Cantarella sued Modena for infringement by VITTORIA ORO and VITTORIA CINQUE STELLA
- Modena cross-claimed to cancel TMs:
  - ORO (gold) and CINQUE STELLE (five stars) are laudatory descriptive Italian terms
  - not inherently adapted to distinguish or in fact distinctive
- Evidence from 2006 Census: 316,685 people in Australia speak Italian - second most used language in Australia

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2013) 99 IPR 492

Emmett J, at trial:

- Distinctiveness of foreign word depends on whether the particular word is sufficiently well understood in Australia
- Meaning of CINQUE STELLE and ORO may be clear to an Italian speaker
- But only a small minority of English-speaking people in Australia would understand the allusions made by those words; would not be generally understood in Australia as having laudatory meanings of FIVE STARS and GOLD

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2013) 215 FCR 16

Mansfield, Jacobson and Gilmour JJ, reversing trial decision:

- It was inappropriate to consider whether the Italian words were "*commonly understood*" or "*generally understood*" in Australia by "*ordinary English speaking persons*" as meaning five stars and gold.
- "*There is no necessity to approach the enquiry from an Anglocentric perspective in the Australian context which has rich cultural and ethnic diversities within its population.*"

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2013) 215 FCR 16

Mansfield, Jacobson and Gilmour JJ, reversing trial decision:

- It is unnecessary that consumers know what the words mean in English.
- However, given that Italian is the second most spoken language in Australia, many people would in fact know what the words meant.
- Coffee in Australia is often associated with Italy, thus it is obvious to use Italian words to describe the quality of a coffee blend.
- ORO and CINQUE STELLE are not inherently adapted to distinguish, TM registrations should be cancelled.

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2014) 254 CLR 337

High Court of Australia, reversing Full Federal Court on appeal:

- GOLD and FIVE STARS are not directly descriptive of coffee
- ORO and CINQUE STELLE are thus inherently adapted to distinguish and thus may be registered as trade marks
- "*it is not the meaning of a foreign word as translated which is critical, although it might be relevant. What is critical is the meaning conveyed by a foreign word* ***to those who will be concerned with the relevant goods***."

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2014) 254 CLR 337

- Net result: the door is open to obtain a monopoly for foreign descriptive words in Australia if it can be argued that they do not convey a direct description of the goods "***to those who will be concerned with the relevant goods".***

Monopoly for a foreign descriptive word?

Cantarella Bros v Modena Trading (2014) 254 CLR 337

- High Court of Australia approved the Supreme Court of Ireland's decision in *Kiku* [1978] FSR 246
- O'Higgins CJ allowed registration of KIKU (Japanese for chrysanthemum) for perfume.
- It was conceded that a flower's name ought not be registered for perfume.
- "*The word in question being not only a foreign word but a word from a language with which ordinary people in Ireland have no familiarity whatsoever, it seems to follow without question that such a word can have no meaning and no significance for them*."

Monopoly for a foreign descriptive word?

Consider:

- Is it remarkable for the High Court of Australia, in 2014, to be endorsing a 1977 decision allowing a monopoly in Ireland for a descriptive Japanese word?
  - Japanese is among the 10 most spoken languages in the world; more native speakers than German, French or Italian
  - Japan is the world's third largest economy, and a major exporter

Did the Full Federal Court strike a better balance, in the modern context of a multicultural society deeply engaged with many foreign languages by way of the internet and unprecedented levels of travel and migration?

BIOTECH PATENTS

Katrina Howard SC

9 Selborne Chambers, Sydney

Gene patenting: US Supreme Court and Australian High Court

- The Australian High Court held that the relevant Myriad claims to isolated naturally-occurring DNA sequences were directed to "genetic information embodied in the arrangement of nucleotides" and that "this information is not made by human action"

- The US Supreme Court considered isolated genes as products of nature and therefore not patentable

Patenting of gene-related subject matter in Australia and the US

Subject matter	Patent eligibility in US	Patent eligibility in Australia
Isolated naturally occurring gene sequences	No	No
Isolated naturally occurring gene sequences having modified nucleotides	Yes	Depends whether the modification contributes to the working of the invention
Codon optimised gene sequences	Yes	Yes
cDNA	Yes	**No**
Interfering RNA molecules	Yes	Yes
Isolated naturally occurring proteins	No	**Yes**
Isolated micro-organisms	No	**Yes**

The 2-step approach of US Courts

- Determine whether the claims are directed to a principle of nature or matter that is naturally occurring
- If so, those features are removed from the claims for consideration of patentable subject matter
- If what remains is routine methodology, the claims are not patent eligible

Patenting of diagnostics that rely on a natural correlation

Ariosa Diagnostics, Inc. v. Sequenom, Inc. (Fed. Cir. 2015)

- Non-invasive prenatal screening test for chromosome abnormalities
- Pregnant women's blood contains large amounts of cell-free fetal DNA (cffDNA).
- cffDNA can be used to detect fetal abnormalities, e.g. Down's syndrome

Judge Linn “concurring opinion”

- “Sequenom’s invention is truly meritorious”, “a ground-breaking invention”
- “I see no reason, in policy or statute, why this breakthrough invention should be deemed patent ineligible”

Ariosa Diagnostics, Inc. v. Sequenom in Australia

- Decision of Beach J on 28 June 2019
- Beach J applied NRDC: subject matter patent eligible if it was “an artificially created state of affairs” having “economic significance”
- Held the claimed method was not a natural phenomenon and was patent eligible

Australia, practical application of gene sequences

- *Meat & Livestock Australia Limited (MLA) v Cargill, Inc*
- Identification and use of gene sequences for breeding livestock with beneficial traits
- Claimed methods involved a correlation of gene sequences to a particular trait in cattle

Antibody cases: Merck v BMS/Ono

- Merck v BMS/Ono
- Keytruda a game-changer in treating Stage IV melanoma
- First antibody case in an Australian court
- Merck challenged Pfizer's patent for anti-PD1 antibodies
- In Australia, an interlocutory decision highlighted problems with construction of the claims
- In the UK, the patent was upheld
- The case settled worldwide soon after

Biosimilars litigation: Roche v Sandoz

- Roche v Sandoz 2018
- the only biosimilar case decided by an Australian Court to date
- the Court granted an injunction restraining Sandoz from marketing a rituximab biosimilar – case settled one year later

Biosimilars litigation: Pfizer v Samsung

- Process Patents for making etanercept
- Pfizer sought preliminary discovery for manufacturing
- The application was rejected by a single judge, and the biosimilar entered the market
- Reversed on appeal to the Full Court; special leave refused

With thanks to Dr Grant Shoebridge, Shelston IP

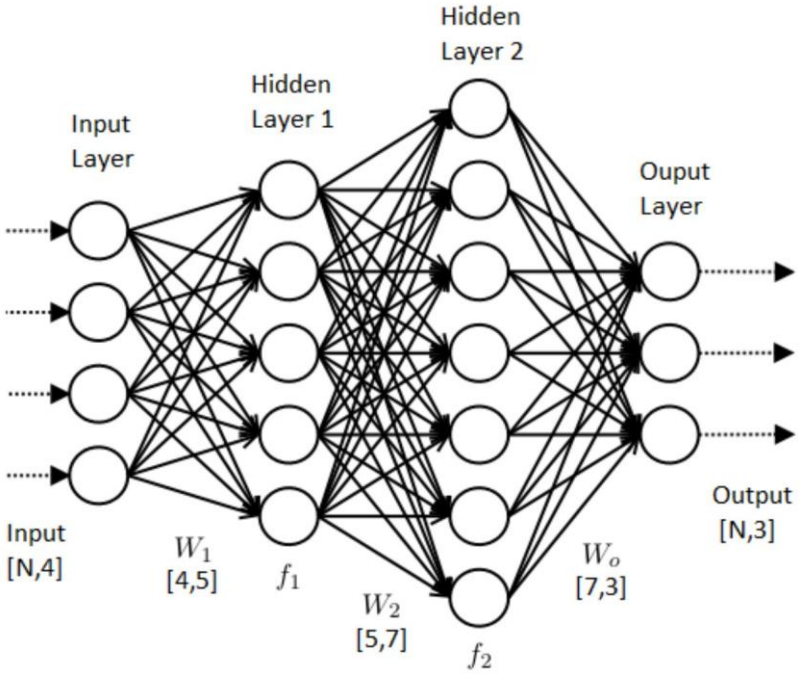
- Questions?

IP FOR IT
The problem with Software

David Webber

Davies Collison Cave

The Unique Qualities of Software



A computer program


```
1.#include <iostream>
2.using namespace std;
3.
4.int main()
5.{
6.int a = 5, b = 10, temp;
7.
8.cout << "Before swapping." << endl;
9.cout << "a = " << a << ", b = " << b << endl;
10.
11.temp = a;
12.a = b;
13.b = temp;
14.
15.cout << "\nAfter swapping." << endl;
16.cout << "a = " << a << ", b = " << b << endl;
17.
18.return 0;
19.}
```

```
OUTPUT

Before swapping.
a = 5, b = 10

After swapping.
a = 10, b = 5
```

The European Patent Convention (EPC) - 1973

- **Article 52**

  (1) European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.

  (2) The following in particular shall not be regarded as inventions within the meaning of paragraph 1:

  (a) discoveries, scientific theories and mathematical methods;

  (b) aesthetic creations;

  (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;

  (d) presentations of information.

  (3) Paragraph 2 shall exclude the patentability of the subject-matter or activities referred to therein only to the extent to which a European patent application or European patent relates to such subject-matter or activities as such.

Brussels vote – September 2003

Strasbourg vote – July 2005

UK

- *Aerotel/Macrossan,* Court of Appeal, 2006
- A telephone system with a “special exchange” & a method for producing documents
- EPO approach – applied inconsistently and “simply not intellectually honest”
- Test:
  - Properly construe the claim
  - Identify the actual contribution
  - Ask whether it falls solely within the excluded subject matter
  - Check whether the actual or alleged contribution is actually technical in nature.

European Patent Office

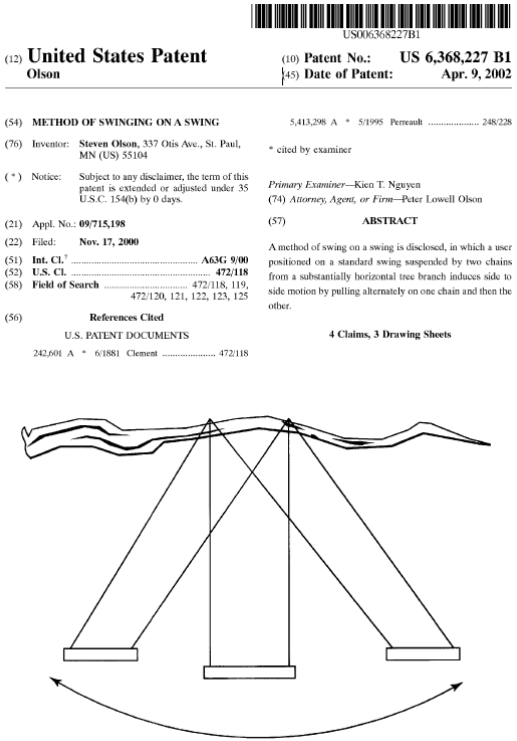
- *Duns Licensing,* EPO Board, 2007
- A method of estimating sales activity
- UK position – “not consistent with a good faith interpretation of the EPC”
- Test:
  - Does the claim involve technical features?
  - Consider only those features that contribute to technical character or effect – non-technical may interact with technical
  - Inventive step: Does invention provide a non-obvious solution to a technical problem?

United States

- "Anything under the sun that is made by man" except laws of nature, physical phenomena and abstract ideas - *Diamond v Diehr,* Supreme Court, 1981

- Produce a useful, concrete and tangible result - *AT&T v Excel Communications,* Fed Ct, 1999

Going a bit too far



US006368227B1

(12) **United States Patent**
Olson

(10) **Patent No.: US 6,368,227 B1**
(45) **Date of Patent: Apr. 9, 2002**

(54) **METHOD OF SWINGING ON A SWING**

(76) Inventor: **Steven Olson**, 337 Otis Ave., St. Paul, MN (US) 55104

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(21) Appl. No.: **09/715,198**

(22) Filed: **Nov. 17, 2000**

(51) **Int. Cl.**[7] **A63G 9/00**
(52) **U.S. Cl.** **472/118**
(58) **Field of Search** 472/118, 119, 472/120, 121, 122, 123, 125

(56) **References Cited**
U.S. PATENT DOCUMENTS

242,601 A * 6/1881 Clement 472/118
5,413,298 A * 5/1995 Perreault 248/228

* cited by examiner

Primary Examiner—Kien T. Nguyen
(74) *Attorney, Agent, or Firm*—Peter Lowell Olson

(57) **ABSTRACT**

A method of swing on a swing is disclosed, in which a user positioned on a standard swing suspended by two chains from a substantially horizontal tree branch induces side to side motion by pulling alternately on one chain and then the other.

4 Claims, 3 Drawing Sheets

US Patent 6022219, Feb 8, 2000

Claim 1. A method of painting on a work surface using the posterior of an infant said method comprising the acts of:

preparing a protective covering on the work surface;

preparing the background media by placing it on said protective covering on the work surface;

placing a reservoir on said protective covering;

filling the reservoir with a paint;

dipping the posterior of the infant in said paint; and

stamping the posterior on said background media to create stamping prints.

US – *Alice* leads to Wonderland

- *Alice Corporation v CLS Bank,* US Supreme Court, June 2014
- Exchanging obligations between parties - supervisory institution computer system uses shadow credit and debit records for trading between parties
  - (1) Determine whether the claims at issue are directed to one of the patent-ineligible concepts, i.e. laws of nature, natural phenomena or an abstract idea.
  - (2) If so, what else is there in the claims before us? Is there an "inventive concept", i.e. an element or combination of elements that is significantly more than the ineligible concept itself.
- Patent eligibility cannot “depend simply on the draftsman's art”
- Need to provide a technological improvement, solve a technical problem or effect some improvement in technology or a technical field.
- Needs to involve more than simply implementing an abstract idea on a generic computer.

US Bill, 22 May 2019

- **Section 100:**
  - (k) *The term "useful" means any invention or discovery that provides specific and practical utility in any field of technology through human intervention*.
- **Section 101:**
  - (a) Whoever invents or discovers any useful process, machine, manufacture, or composition of matter, or any useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.
  - (b) *Eligibility under this section shall be determined only while considering the claimed invention as a whole, without discounting or disregarding any claim limitation*

RPL Central - [2015] FCAFC 177

- Retrieving and processing assessable criteria to generate and present automatically questions relating to the competency of an individual to satisfy criteria associated with a recognised qualification standard. Reframed criteria into questions by inserting words
- No precise guidelines, but consider
  - whether the contribution to the claimed invention is technical in nature.
  - whether the invention solves a “technical” problem within the computer or outside the computer, or whether it results in an improvement in the functioning of the computer, irrespective of the data being processed.
  - Does the claimed method merely require generic computer implementation?
  - Is the computer merely the intermediary, configured to carry out the method using a computer readable medium containing program code for performing the method, but adding nothing to the substance of the idea?
- *"a claimed invention must be examined to ascertain whether it is in substance a scheme or plan or whether it can be broadly described as an improvement in computer technology.“*
- Dismissed as just a scheme or business method

Appealed

- *Encompass Corporation Pty Ltd v InfoTrack Pty Ltd* [2018] FCA 421
  - User interface combining data from disparate databases (e.g., a motor vehicle registry database, a land titles database, and a database of companies) and displaying the data in a network of entities and connections, searching across remote data sources and purchasing records from the data sources.
  - *"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."*

- *Rokt Pte Ltd v Commissioner of Patents* [2018] FCA 1988
  - Injecting engagement offer code into a user interface to link a computer user to an advertising message based on interaction with the intermediate engagement offer code.
  - *"there was a business problem of attracting the attention of the user and having the user choose to interact with the advertiser, but this problem was translated into the technical problem of how to utilise computer technology to address the business problem"*