

**IN THE HIGH COURT OF NEW ZEALAND
WELLINGTON REGISTRY**

CIV-2010-485-2

UNDER Patents Act 1953

IN THE MATTER OF New Zealand Patents Application No.
533304
AND IN THE MATTER OF An appeal of the decision of the
Assistant Commissioner of Patents dated 7
December 2009

BETWEEN ASSA ABLOY NEW ZEALAND
LIMITED
Appellant

AND ALUMINIUM SYSTEMS NZ LIMITED
Respondent

Hearing: 28 February 2011

Counsel: C L Elliott and O J Dickie for Appellant
M C Warburton and C A Warburton for Respondent

Judgment: 7 March 2011

I direct the Registrar to endorse this judgment with a delivery time of 2.30pm on the 7th day of March 2011.

RESERVED JUDGMENT OF MACKENZIE J

A. Background

[1] This is an appeal against a decision of the Commissioner of Patents dismissing the appellant's opposition under s 21 of the Patents Act 1953 to the grant of the respondent's patent application. The application relates to improvements in fastening systems for aluminium windows and frames.

[2] A brief summary of the background and the disclosure of the invention in the specification is desirable. Conventional fastening systems used for opening and closing aluminium windows usually include a rotatable handle, with a latch, attached to the opening side of a window. The latch is designed to engage with a retaining piece positioned on the window frame. The retaining piece is generally a tapered strip of metal or plastic. When closing the window, the handle is rotated so that the latch slides along the tapered strip, applying increasing pressure so that the window is securely closed. Because the tapered strip is affixed, generally by gluing, to the window frame, it is desirable, for aesthetic reasons, for a manufacturer to be able to supply tapered strips in the same range of colours as the aluminium joinery is supplied. That requires a manufacturer to manufacture, and hold an inventory of, a range of different coloured strips, and to ensure that the correct coloured strips are supplied when joinery is supplied. The essence of the claimed invention is that the tapered strip, and the adhesive used to fix it to the window frame, are both substantially clear or transparent. The effect of that is that, when affixed to the window frame, the underlying frame colour will be apparent through the clear retaining strip. The need to maintain a range of colours of retaining strips is accordingly removed.

[3] The opponent opposed the grant of this patent, essentially on two grounds: that the claimed invention is obvious, and that the claimed invention does not meet the statutory definition of invention. Assistant Commissioner Popplewell, in a decision delivered on 7 December 2009, dismissed the opposition. In this judgment, I refer to Assistant Commissioner Popplewell as “the Commissioner”.

B. The legal principles

[4] The opposition was based on the following two grounds in s 21:

Opposition to grant of patent

- (1) At any time within the period prescribed by subsection (2) of this section any person interested may give notice to the Commissioner of opposition to the grant of the patent on any of the following grounds:

...

- (e) That the invention, so far as claimed in any claim of the complete specification, is obvious and clearly does not involve any inventive step having regard to matter published as mentioned in paragraph (b) of this subsection, or having regard to what was used in New Zealand before the priority date of the applicant's claim:
- (f) That the subject of any claim of the complete specification is not an invention within the meaning of this Act:

[5] The appeal is brought under s 21(5) and s 97 of the Act. The approach which this Court is to take on appeal is that directed by the Supreme Court in *Austin, Nichols & Co Inc v Stichting Lodestar*.¹ Under High Court Rule 22.34, an appeal under the Act is by way of rehearing. The evidence used on appeal must be the same as that before the Commissioner and no further evidence may be given except with leave of the Court. In this case, leave was granted by Miller J on 13 April 2010 to the appellant to file further evidence, and for the respondent to file further evidence in reply. Clearly, that additional evidence must affect the weight to be given to the Commissioner's decision.

[6] There are in essence two methods by which a challenge may be mounted to the grant of a patent, on the grounds of obviousness. The first is an opposition to the grant of the patent under s 21. If that opposition fails, and the patent is granted, the opponent brings a revocation action under s 41. The opposition procedure is not designed for disposal of truly contentious cases. In such cases, the application should be allowed to proceed, and, if granted, the contentious issues should be considered in the context of an action for revocation.

[7] In *Beecham Group Ltd v Bristol-Myers (No 2)*,² Barker J described the approach to be adopted in an appeal in opposition proceedings by posing three questions, all of which, as he said, although differently stated, really amount to the same thing. The questions are:³

- (a) Is the claim to the patent "manifestly untenable"?

¹ *Austin, Nichols & Co Inc v Stichting Lodestar* [2008] 2 NZLR 141.

² *Beecham Group Ltd v Bristol-Myers Co (No 2)* [1980] 1 NZLR 192.

³ At 213.

- (b) Is there a *prima facie* case for the grant of the patent?

- (c) Does the justice of the case require the applicant to be permitted to resist the claim for invalidity in properly constituted revocation proceedings?

[8] Those questions have provided a useful basis for consideration by this Court in other cases.⁴ I propose to adopt that approach here. To address them, I must first consider the substance of the objection.

C. Obviousness

1. *The test, and its application*

[9] The question, under s 21(1)(e), is whether the invention is obvious and clearly does not involve any inventive step having regard to materials published, or to what was used, in New Zealand before the priority date.

[10] As the English Court of Appeal said in *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd*,⁵ the question to be decided when an objection is made on the ground of obviousness is “a kind of jury question”, which is to be answered not with the benefit of hindsight but by hypothesising what would have been obvious at the priority date.⁶ Oliver J, delivering the judgment of the Court said:⁷

... There are, we think, four steps which require to be taken in answering the jury question. The first is to identify the inventive concept embodied in the patent in suit. Thereafter, the court has to assume the mantle of the normally skilled but unimaginative addressee in the art at the priority date and to impute to him what was, at that date, common general knowledge in the art in question. The third step is to identify what, if any, differences exist between the matter cited as being “known or used” and the alleged invention. Finally, the court has to ask itself whether, viewed without any knowledge of the alleged invention, those differences constitute steps which

⁴ *Sealed Air New Zealand Ltd v Machinery Developments Ltd* HC Wellington CIV-2003-485-2274, 25 August 2004; *Carter Holt Harvey v Weyerhaeuser Co* HC Auckland CIV-2009-485-000244, 31 March 2010.

⁵ *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59.

⁶ At 71.

⁷ At 73.

would have been obvious to the skilled man or whether they require any degree of invention. ...

[11] That case involved an application for revocation, under the equivalent of s 41. The tests for obviousness under s 21(1)(e) is a two limbed test. Obviousness is to be considered having regard to either what has been published, or what was used. The test under s 41(1)(f) is a single test. Obviousness is to be considered having regard to what was known or used. Under s 41, the common general knowledge which is to be imputed to the addressee at step two will include both what was known and what was used. *General Tire & Rubber Company v The Firestone Tyre and Rubber Company Ltd*,⁸ in which the common general knowledge criterion was formulated, was also a s 41 case. Under s 21, the common general knowledge to be imputed should logically be restricted to either published materials or what was used, but not both.

[12] The Commissioner applied the *Windsurfing* test, and considered the common general knowledge as formulated in *General Tire*. He did so by considering separately prior publication and prior use. I am able to deal with the prior publication limb quite briefly. My consideration of the *Windsurfing* test is confined to the prior use limb.

[13] For prior publication, the Commissioner considered four documents: two patent specifications; a product catalogue; and a workshop manual and price list (which the Commissioner discussed as one document). It is unnecessary for me to consider the two patent specifications. They fall clearly under the prior publication limb. The other documents describe products which were on the market. To that extent, they are evidence of the existence of the products to which they refer, and so are evidence which goes to the common general knowledge of what was used in New Zealand. They are therefore able to be considered under the prior use limb when determining the common general knowledge.

⁸ *General Tire & Rubber Company v The Firestone Tyre and Rubber Company Ltd (No 1)* [1972] RPC 457.

(a) *The inventive concept*

[14] In identifying the inventive concept claimed, the Commissioner described the crux of the invention as “the use of a transparent tapered wedge plate in the fastening system of an aluminium frame window in order to allow the colour of the window frame to show through, thus avoiding the need for the manufacturer to produce wedges in a range of colours”. Based on that understanding of the crux of the invention, he accepted Mr Warburton’s submission that the inventive concept should be framed as:

An aluminium window fastening system involving adhered clear and/or transparent tapered window wedges which allow the colour of the underlying window frame to shine through such that the finish of the frame remains undisturbed and without the need for colour-matching of components.

[15] Mr Elliott takes issue with that formulation of the inventive concept and submits that that statement places undue reliance on the structure (by which I understand him to mean the fastening system as a whole), whereas he submits that the inventive concept lies purely in the material chosen, not in any structural feature. He submits that a more appropriate statement of the inventive concept is “the use of a substantially clear and/or transparent material for the tapered strip (or wedge) component of an otherwise well known window latch in order to address the colour matching problem in respect of that component”.

[16] It is common ground that the window fastening system itself is a well established one, and that no claim is made in respect of the fastening system itself. The inventive concept claimed is limited to the enhancement of the well established existing fastening system by the use of clear or transparent materials. Of the three formulations, I consider that the Commissioner’s description of the crux of the invention most accurately described the inventive concept. I would however modify that slightly to emphasise what is an important element of the respondent’s claim, namely that both the tapered wedge plate and the adhesive by which it is affixed to the window frame are clear or transparent. I would define the inventive concept as “the use of a transparent tapered wedge plate, affixed by means of a transparent adhesive, in the fastening system of an aluminium framed window in order to allow

the colour of the window frame to show through, thus avoiding the need for the manufacturer to produce wedges in a range of colours.”

(b) The hypothetical person, and the common general knowledge

[17] The next task is to determine the qualities, in this case, of “the normally skilled but unimaginative addressee” whose mantle the Court must assume. The Commissioner decided that the notional addressee in this case should be a person who is familiar with aluminium windows and the fastening systems traditionally used with them, who is experienced in fabrication techniques involved in building these systems and whose object it is to solve the problems inherent in the prior art. Counsel generally agree with the formulation, while making some additional points about it. I consider that the Commissioner’s formulation provides a sufficient and appropriate definition of the qualities which must be assumed of that hypothetical person.

[18] There must be imputed to that hypothetical person everything that was, at the priority date, common general knowledge in the art in question. The Commissioner found that the following features of the invention claimed were part of the common general knowledge at that time:

- (a) The structure of the window fastening system with a rotatable handle engaging with a tapered wedge;
- (b) The use of adhesives and/or adhesive strips to fasten the wedges to the window frames;
- (c) The methods of attaching such fastening systems to windows; and
- (d) The problems associated with having to colour the matching wedges to match the colour of the window frame.

[19] I consider that the evidence does establish that all of those matters are matters of common general knowledge. There is and was before the Commissioner a factual

issue as to whether the common general knowledge extended to the use of clear plastic materials for a wedge in order to avoid the need for a colour match. The appellant adduced evidence of a number of items which it said supported the contention that this did comprise part of the common general knowledge. The items were:

- (a) A clear wedge plate or tapered strip allegedly produced by the appellant in 1993/94;
- (b) A clear plastic wedge flap for a wedgeless window fastener;
- (c) A clear plastic plug for the strike of the Albany door lock;
- (d) A clear component in a drainage hood for a window frame and various components for attachments to window frames.

[20] The Commissioner considered that the last three items disclosed the use of clear material for the manufacture of some window attachments, and drainage hoods. He held in effect that the opponent had not established that it would be clearly obvious to extrapolate from the use of clear material for these devices to its use for manufacture of window fastening wedges. I do not consider it necessary to discuss these items in detail. It is sufficient to say that I agree with that finding by the Commissioner.

[21] On appeal, the focus of the argument was on the first item. The principal evidence as to the appellant's involvement with clear plastic components for window fasteners before the Commissioner was that of Mr Hancox, a long time employee of the appellant, which was previously called Interlock Group Ltd (IGL). He described the position in these terms:

- 14. My investigations of the records of IGL have revealed that well prior to June 2004 IGL considered supplying on the New Zealand market clear plastic components for its window fasteners. Attached, as Exhibit CNH4, is a photograph of a clear plastic flap for IGL's so-called wedgeless window fastener.
- 15. The wedge flap and wedge shown in CNH4 were produced by IGL prior to my joining the company. My investigations within the

company reveal that these products were produced in 1993/94 and that the individuals employed by IGL at the time who worked on the clear plastic wedge and flap were Steve Thomas and Steve Standford. The work was completed before Steve Standford left IGL in about August 1995.

16. Attached as Exhibit CNH5 is a photocopy of a Compliments Slip of IGL which I have located in the records of IGL. Attached to this are two sample clear wedges. The "Ashley" mentioned on the slip is Ashley Jones who was a market rep for IGL at the time. The initials on the slip are those of Steve Thomas. I believe that the samples would have been supplied to Ashley Jones for him to take to customers and, in particular, prime die holders such as ASL. There would have been no other reason to supply these to Ashley as his focus for IGL at the time was marketing of products and servicing the requirements of the prime die holders. Steve Thomas was working in the design office in the Auckland factory of IGL. He was involved in special projects and in particular customer technical support. Steve had a background in plastics.

[22] The two samples of the clear plastic wedge are in evidence. It is a tapered wedge suitable for use in a window fastening system. The wedge has holes enabling it to be fixed by rivets to a window frame.

[23] In response, the respondent adduced evidence from Messrs O'Brien and Evans. Mr O'Brien, a self employed engineer of 40 years experience, mainly in the plastics processing industry, said:

10. In the 1980s, opaque wedges were traditionally extruded when they were first produced, but were then moulded and attached to the window frames by a white or black adhesive strip.
11. There was never any need to use clear adhesive as the mouldings were opaque and matching the extrusions they were mounted on. The clear wedge with the clear adhesive is not a concept that was known by me before the present invention.

[24] Mr Evans has been involved with manufacturing companies allied to the construction industry, or window fabricators, for some 40 years. He said:

24. I am familiar with self-adhesive tapered wedges, as described in the Background Art section of the specification of NZ Patent Application No. 533304 (ASL) (page 1a, lines 26-31). These are adhered by removal of a release tape covering an adhesive. The colour of the adhesive is not important, as the wedges are coloured.
25. I have not previously heard of a clear wedge with a clear adhesive bond, until reading the specification of NZ Patent Application No. 533304. The combination clear plastic resin with clear adhesive

bond, creating transparency to allow the colour of the powdercoated window frame to show is important.

[25] In his decision the Commissioner noted that evidence and said that in view of the contradictory nature of the evidence, he did not accept that the use of clear materials in window fastenings in order to avoid the need to colour match was part of the common general knowledge.

[26] It is clear that the Commissioner was right to decline to enter into any analysis of the contradictory evidence with a view to resolving the conflict. His approach to this question was consistent with the approach to be adopted in opposition proceedings, as outlined above. An opposition proceeding is not the appropriate forum for the resolution of disputed factual issues.

[27] However, the matter does not rest with the evidence before the Commissioner. The appellant was, as I have noted, granted leave to adduce further evidence relating to the prior use of clear wedges. The respondent was given leave to file evidence in reply. The appellant has adduced an affidavit from Mr Jones. He worked as a marketing representative for IGL from 1994 to 1999. His evidence is that he can recall clear plastic wedges for window fasteners which were presented by IGL to about five companies involved in the design and distribution of extrusions used in aluminium windows, who were customers of IGL. He identifies himself as the person named "Ashley" mentioned in para 16 of Mr Hancox's evidence set out above. He said that the two sample clear wedges referred to in para 16 were of the type which he showed to customers. The purpose of visiting the customers was to discuss the product, how it worked and what it could hopefully achieve commercially. That was part of the company's usual marketing strategy and public marketing of the product without any obligation of confidence. Mr Holden, who was at the time working at Aluminium Systems NZ Ltd (ASL) recalls that during his time with ASL he was visited by a representative of IGL with samples of a clear plastic wedge for a window latch. To the best of his recollection that was during the early to mid 1990s and certainly before he left ASL in 1997.

[28] In the light of that evidence, I consider that the existence of a clear plastic wedge for use in a window fastening system must be taken to constitute part of the

common general knowledge. In that respect, I differ from the Commissioner. I do so on the basis of the additional evidence which was not before him.

[29] Another aspect of the common general knowledge which is not specifically addressed in the Commissioner's formulation of the common general knowledge is the existence of a clear adhesive. Mr Warburton points out that the onus of proof in opposition proceedings is on the opponent. He submits that the appellant has adduced no evidence to show that there had been any prior use in New Zealand of the one form of adhesive which is specifically referred to in the specification, a particular brand of double sided adhesive tape which is clear or wholly transparent. Mr Elliott submits that proof of this aspect is unnecessary. He refers to the specification, in the disclosure of the invention, where, in describing the adhesion of the tapered strip to the window frame the specification notes:

Any suitable adhesive and adhesive backing strip may be utilised, as required or as desired. Moreover, such adhesives, and adhesive backing strips are well known to those skilled in the art and it is therefore not intended to recite examples herein.

[30] I consider that Mr Elliott is correct in submitting that that constitutes an acknowledgement by the respondent that the existence of clear adhesives, suitable for the application required in carrying out the claimed invention, forms part of the common general knowledge.

(c) *Differences between the prior art and the invention*

[31] Having determined the attributes of the normally skilled but unimaginative addressee in the art and having imputed to him the common general knowledge in that art at the priority date, the next step is to identify what if any differences exist between the matter cited as being known or used (the prior art) and the alleged invention.

[32] The hypothetical normally skilled but unimaginative addressee would know of the general nature of the relevant type of window fastening system, and that a component of it is a tapered strip, which may be made of plastic, affixed to the window frame. He would know that one of the possible forms of tapered strip was a

clear plastic tapered strip capable of being affixed by rivets to the window frame. He would also know that the tapered strip is sometimes affixed by rivets and sometimes by some form of adhesive. He would also know that clear adhesives and adhesive backing strips are available.

[33] I consider that with that knowledge, only a small modification would be necessary to items available to the person skilled in the art, to achieve the object to which the invention is directed, namely to allow the colour of the window frame to show through the tapered strip. That modification would be to replace the rivets used to attach the known clear plastic tapered strip with a known clear adhesive, or adhesive strip.

(d) *A degree of invention?*

[34] The final step is to consider whether, viewed without any knowledge of the respondent's alleged invention, those differences constitute steps which would have been obvious to the skilled man or whether they require any degree of invention.

[35] The contribution of the respondent to the solution of the problem is not having the idea of using clear materials so that the underlying colour would show through. Rather, it is the investigation of the available materials, plastics and adhesives, to find materials that would achieve the desired effect. Such an inquiry is not an inventive one. It is precisely the type of inquiry which the unimaginative but skilled practitioner in the art would undertake. As I have noted, the crux of the invention claimed is the use of a transparent tapered wedge and a transparent adhesive. The inventive step claimed is not the development of suitable materials to enable that use to be carried out in practice. The specification is framed in terms which apply generally to any material which is substantially clear and/or transparent, and the examples given, of possible plastic materials and of a double sided adhesive strip, are all previously available products.

[36] Subject to the other concepts yet to be considered, I consider that the necessary step would be clearly obvious and does not involve any element of invention.

2. *Other concepts relevant to obviousness*

[37] Counsel for the respondent raises, in support of the concept that the claimed invention is not clearly obvious, the concepts of synergy, technical prejudice, and commercial success.

(a) *Synergy*

[38] Synergy may require consideration where the claimed invention consists of a combination of two known elements. Ordinarily, where two known elements, each performing its own function and having no effect on the other, are combined, there will be no invention in combining them.⁹ However, if the two elements interact with each other, so there is synergy between them, they may constitute a single invention having a combined effect.¹⁰

[39] This case is of the first type. The two elements, the known clear plastic tapered wedge and the known clear adhesive or adhesive strip, are combined. Neither has any effect on the other. Each performs its own function. Together, they achieve the desired object of transparency. That object is achieved simply because each element performs its own function, not because of any synergy resulting from their combination. This is not a case where a degree of invention arises from the creation of a synergy.

(b) *Technical prejudice*

[40] The concept of technical prejudice may be relevant when a claimed invention consists of demonstrating that an idea which was thought not to work does in fact work. The concept is discussed in *Pozzoli Spa v BDMO SA*.¹¹ As the Court noted, there is an intellectual oddity about an anti-obviousness argument based on technical prejudice. That is, that before technical prejudice can come into play, an idea must have been rejected as technically unfeasible or impractical. In that case, the idea

⁹ *Lucas v Peterson Portable Sawing Systems Ltd* [2006] 3 NZLR 721 at [57].

¹⁰ *Sabaf SpA v MFI Furniture Centres Ltd* [2005] RPC 10 at [26].

¹¹ *Pozzoli Spa v BDMO SA* [2007] FSR 37.

itself cannot be other than old or obvious. However, proving that the idea will work may be an inventive step if the patentee is able to explain how or why, contrary to the prejudice, the old idea not thought to work, does work or is practical. It will not be an inventive step if the patentee merely patents an old idea not thought to work and does not explain how or why it does work.

[41] In support of its submissions on this aspect of the case, the respondent relies upon reply evidence of Mr Thomas, filed pursuant to the leave granted. Mr Thomas is a director of an aluminium joinery company in Auckland and was previously employed by IGL as technical support engineer. He is the Steve Thomas referred to in paras 15 and 16 of Mr Hancox's declaration in the opposition proceedings, set out above. His evidence is that the production of wedges in a range of colours by IGL became expensive and he was asked to help solve that problem. He became aware of a nylon material suitable for wedge production that had become available in clear but it had an amber or straw tinge. He arranged a trial run of rivet wedges using that material and presented the wedges to sales and marketing people at IGL such as Mr Jones. He says that the marketing people showed a few end users the wedges to see what they thought and that was openly done. His evidence is that the feedback from clients was largely negative, and that the nylon material had an amber tinge which made it look aged and unsightly. He also says that the material could not be produced in an adhesive wedge because the only suitable adhesive available was a double sided adhesive strip in opaque, black, or white.

[42] Counsel for the appellant objects to parts of Mr Thomas' evidence on the grounds that it goes beyond evidence in reply for which leave was given. I do not agree. I consider that Mr Thomas' evidence is properly to be taken into account in considering the issue of whether there was an inventive step.

[43] In essence, Mr Thomas' evidence describes two reasons why he said that the production of a clear or transparent adhesive strip was unworkable. The first is that on his evidence the material was not clear, but amber. Samples of the wedge were available both before the Commissioner and on this appeal. Having inspected the relevant wedges, I do not regard Mr Thomas' recollection of them as having an amber tinge as accurately reflecting the colouring of the wedges. I consider that

those wedges meet the terms of the patent specification, namely that the retaining means, the wedge, is “substantially clear and/or transparent”. Mr Warburton did not argue with any force that the wedges as they are before the Court did not meet that description. He suggested, somewhat faintly, that they may have become clearer in the period between when they were seen by Mr Thomas and now. I do not find that a convincing explanation. Mr Thomas is now giving evidence of an item with which he was involved some 15 years ago. I prefer my own assessment from observation of the object to Mr Thomas’ recollection of an object he saw some 15 years ago. The second obstacle which Mr Thomas identified was the absence of a clear adhesive tape. It is not necessary for me to consider in detail what adhesive materials may have been available in 1994. The relevant date is the priority date, 1 June 2004. As the specification acknowledges, clear adhesives and adhesive tapes were known at that date.

[44] Even if Mr Thomas’ evidence were accepted in its entirety, it does not establish a technical prejudice of the sort described in the cases. His evidence shows that the idea of using a clear material for the tapered strip or wedge had come to mind by about 1994. It does not show a prejudice against the idea that clear plastic wedges and clear adhesives could be combined so as to produce a transparent attachment to a window frame through which the base colour would show. Rather, his evidence indicates that the concept of a transparent attachment was then unworkable because the necessary materials were not available. When they became available, the idea worked.

[45] Further, the respondent has not, in its claims, explained how or why the idea against which it claims a technical prejudice exists does work, contrary to that prejudice. All that the specification states, in this regard, is that a substantially clear or transparent wedge and adhesive are to be used. Beyond stating examples of available materials, no indication is given of how the alleged technical prejudice has been overcome by an inventive step by the respondent. The steps taken by the respondent do not include the development of materials which would achieve the objective. There was no inventive step discovering suitable materials previously unknown. As I have held, by the priority date the existence of clear plastic and clear adhesives was part of the common general knowledge. Accordingly, I do not regard

the evidence as establishing that there was a technical prejudice against the use of a clear plastic wedge and a clear adhesive to achieve the colour matching objective, or that the respondent has contributed an inventive step in overcoming a technical prejudice.

(c) *Commercial success*

[46] A further matter relied upon by the respondent in support of the proposition that its innovation is not obvious is commercial success. I addressed a similar question in *Sealed Air New Zealand Ltd v Machinery Developments Ltd*.¹² I said:¹³

In considering whether the development is obvious or not, the court is entitled to draw an inference from secondary evidence of the commercial success of the invention. That is not a substitute for a consideration of the primary evidence as to obviousness. The relevance of commercial success was considered at some length by Laddie J in *Haberman and Another v Jackel International Limited* [1999] Fleet Street Reports at 683. He outlined (at p 699) a number of factors which are relevant. These include:

- a) What was the problem which the patent development addressed?
- b) How long had that problem existed?
- c) How significant was the problem seen to be?
- d) How widely known was the problem and how many were likely to be seeking a solution?
- e) What prior art would have been likely to be known to all or most of those who would have been expected to be involved in finding a solution?
- f) What other solutions were put forward in the period leading up to the publication of the patentee's development?
- g) To what extent were there factors which would have held back the exploitation of the solution even if it was technically obvious?
- h) How well has the patentee's development been received?
- i) To what extent can it be shown that the whole or much of the commercial success is due to the technical merits of the development, ie because it solves the problem?

¹² *Sealed Air New Zealand Ltd v Machinery Developments Ltd* HC Wellington CIV-2003-485-2274, 25 August 2004.

¹³ At [32].

[47] In this case, the problem which the patent development addressed was the problem of having to manufacture, and hold inventory of, a range of colours of wedges. Mr Thomas' evidence suggests that this had been a problem for which a solution was sought as long ago as 1994. There is little evidence to assess how significant the problem was seen to be and I accept that a solution to it would have been seen as desirable. The fact that a solution was not found in the intervening period did not arise from a lack of inventiveness on the part of those in possession of the prior art in realising that the use of clear materials would allow the underlying frame colour to show through. Rather it seems to have arisen, on Mr Thomas' evidence, from a perceived unsuitability of the materials then available, as I have discussed. Commercial success might well flow from conducting the investigation necessary to find clear and transparent materials to manufacture wedges. That commercial success gives no indication that that process has contributed an invention.

D. Not an invention

[48] My decision on the issue of obviousness means that I can deal shortly with the ground of opposition under s 21(1)(f). There is a considerable body of case law on what may fall within the statutory definition of invention. It is sufficient in this case to note that my finding that no inventive step is involved must necessarily mean that the subject matter of the claim is not an invention. There is at most the new use of an existing product or products. The idea of using these products for the new use is not novel. Accordingly, I also uphold this ground of opposition.

E. Result

[49] Reverting to the questions posed at [7], I consider that the claim to the patent is 'manifestly untenable'. There is no *prima facie* case for the grant of the patent, and the justice of the case does not require that the matter should be permitted to proceed to a stage where revocation proceedings would be necessary. Accordingly, the appeal is allowed. I make orders:

- (a) Setting aside the decision of the Commissioner dated 7 December 2009;
- (b) Holding all claims of the complete specification of NZ Patent Application No. 533304 to be invalid;
- (c) Directing that grant of a patent be refused on NZ Patent Application No. 533304;

[50] Costs are reserved. The parties may submit memoranda.

“A D MacKenzie J”

Solicitors: Terry IP, Wellington for Appellant
(Counsel Acting: Clive Elliott, Shortland Chambers, Auckland)
Acacia Law, Tawa, for Respondent