


# Off the starting block

## The case

 *Peterson Portable Sawing Systems Ltd (In LIQ) & Anor v Lucas & Anor*  
New Zealand Supreme Court  
30 August 2006

Michael Hawkins of Auckland based Baldwins re-visits the earlier case comment on New Zealand's Supreme Court first patent case, as it reaches its conclusion

The eagerly awaited decision of the New Zealand Supreme Court has now issued<sup>1</sup>. The judgment was given by Justice Gault as one of his last actions before his retirement from the Supreme Court and continuing his new role as Captain of the Royal and Ancient Golf Club of St Andrews, Scotland.

As referred to in the earlier Case Comment, (October 2005) both the lower courts, the High Court<sup>2</sup> and the Court of Appeal<sup>3</sup>, had held that the patent of the respondent in the Supreme Court (Lucas) was valid and infringed.

In particular, claim 7 of the patent, relating to a sawmill, was novel and non-obvious when compared with the closest prior art which was an earlier model of the Appellant's, Peterson's, sawmill and an American sawmill.

The meaning of the term "moving means" had been an important issue in the High Court in view of Peterson's counsel's argument that it would include a manual lifting of the rails of the earlier Peterson sawmill.

In agreeing with the High Court on that issue, the Supreme Court said:

"But, having regard to the express disclosure in the specification that manual adjustment was known, it was open to the Judge to conclude that a skilled addressee would not read claim 7 as extending to two men working together".

The High Court had held one of two reasons that the earlier American sawmill did not anticipate claim 7 was that the rails were not "separate" because the rails "must be so unconnected that they would need to be raised and lowered independently but for the moving means that allows them to be moved in unison."

In disagreeing, the Supreme Court said:

"With respect to the Judge, we consider he has read into the claim more than is there and has limited the claim by reference to the description, including that of the prior art, in the body of the specification. The scope of the claim must stand on its own wording. We do not accept that the word "separate" would be redundant if it had been intended to convey merely that the rails are separate entities."

The High Court had also held that the American sawmill did not have the "mounting

means" of claim 7. In particular the High Court judge had stated:

"In my view, the combination of cross-frame, beam carrier, horizontal projecting bars, and vertical pins involves too many distinct members, and too many moving parts, to be collectively described as "mounting".

In disagreeing the Supreme Court said:

"Treating "mounting means" as equivalent to "a mounting" is to exclude the plural of the former expression, which is within the claim. Specifying two elements as coupled by a mounting means is to employ language much wider than specifying that one element is mounted on the other."

Accordingly, the Supreme Court held that the earlier American sawmill, both by virtue of its prior use in New Zealand and by virtue of the availability of its United States patent specification, anticipated claim 7 which was therefore invalid for lack of novelty.

### The issue of obviousness

The Court therefore did not need to even consider the issue of obviousness but stated that it "may be helpful if we do so".

In particular, the Court confirmed that novelty and obviousness should preferably be approached separately and "the clear conceptual distinction between them" maintained. Also, the law in New Zealand on obviousness is as reviewed by the New Zealand Court of Appeal in the *Ancare*<sup>4</sup> case and that where there is an alleged invention consisting of a combination of known elements, the recent House of Lords decision in *Sabaf*<sup>5</sup> is "helpful". As the respondent had not claimed that there was

synergy in the interaction between the concept of "separate rails" and the concept of providing "moving means by which the rails can be raised or lowered in unison." With each known feature performing its known function, "combining them cannot amount to an inventive step". It said the High Court had been wrongly influenced by evidence that no one had previously combined the separate features but "that is a point that tends to elide novelty and obviousness".

The High Court was also wrong to be impressed that the American sawmill required the rails to be raised in unison for a different purpose and said: "But purpose is irrelevant. If it is an obvious step for one purpose it is not inventive to do the same for another".

And also that "the notional person skilled in the art is expected to consider is known or used in the field and to consider how that might be employed. It cannot be that the step is obvious only if it is first among available options."

Accordingly the Supreme Court held that claim 7 also failed on the ground of obviousness.

In commenting on the decision, one of the appellant's counsel, Tim Jackson, a Baldwins' partner, said: "It has provided a welcome review of patent interpretation in New Zealand, especially on invention in combination cases and the approach to prior publication and obviousness".

### Notes

- Peterson Portable Sawing Systems Ltd (In LIQ) & Anor v Lucas & Anor* (NZ SC, 30/8/2006; Elias CJ, Gault, Keith, Blanchard and Tipping JJ, SC 14/2005; [2006] NZ SC 20)
- [2003] NZLR 361
- CA 64/03, CA 97/03 4 March 2005, Anderson P, McGrath J and Glazebrook J.
- Ancare New Zealand Ltd v Cyanamid of NZ Ltd* [2000] 3 NZLR 299
- Sabaf Spa v MFI Furniture Centres Ltd* [2005] RPC 209

### About the author

Michael Hawkins is a partner in the Auckland office of Baldwins, specialising in the area of patents and designs.



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