

introduction to

INTELLECTUAL PROPERTY



Prior to the federation of the Commonwealth of Australia in 1901, individual state legislation applied in respect of patents and trade marks. Following federation, the Australian Constitution reserved the field of law concerning intellectual property to the Commonwealth rather than the individual States. The first Commonwealth Patents Act was passed in 1903 and the first Trade Marks Act in 1905.

In 1887 Wilfred Joseph Spruson, a civil and mechanical engineer and the son of the NSW Registrar of Copyrights, entered into partnership with Charles Graham Hepburn. In 1923 Spruson was joined by Robert Given Ferguson, an engineer and former Commissioner of Patents, giving rise to the present name SPRUSON & FERGUSON.

Today, with over 120 years experience in intellectual property protection, SPRUSON & FERGUSON is staffed by a team of highly-qualified patent and trade mark attorneys and lawyers with capabilities in a wide range of technologies, including mechanical engineering, electronics, computer systems, chemistry, microbiology and biotechnology, practising in patent, trade mark and design law.

SPRUSON & FERGUSON works closely with its associated law firm SPRUSON & FERGUSON LAWYERS to ensure clients' rights are not only well-protected, but can be enforced, commercialised and, if necessary, litigated with the best available resources.

In addition, SPRUSON & FERGUSON offers clients direct patent and trade mark attorney services in New Zealand, providing filing, prosecution and maintenance of patent and trade mark applications. Our direct trade mark practice also extends to Papua New Guinea and various South Pacific Island nations.

SPRUSON & FERGUSON is also associated with the firm Ella Cheong Spruson & Ferguson (ECSF), which practises in Singapore and Malaysia and through associates in other countries throughout South East Asia and the Indian Sub-continent.

SPRUSON & FERGUSON offers patent and trade mark attorney services elsewhere throughout the world by way of long standing relationships with the worlds leading intellectual property firms.

This booklet is intended to provide a brief overview of intellectual property and protection procedures and is not intended to be legal advice or a complete statement of the law on any subject, in any country. It is strongly recommended that professional advice be sought before any course of action is pursued.

TABLE OF CONTENTS

WHAT IS INTELLECTUAL PROPERTY?	3
THE CLIENT-ATTORNEY RELATIONSHIP	3
PATENT AND TRADE MARK ATTORNEYS	3
PATENTS	4
WHAT IS A PATENT?	4
WHAT CAN BE PROTECTED BY A PATENT?	4
WHAT ARE THE REQUIRED ELEMENTS FOR A PATENT GRANT?.....	4
TYPES OF PATENT APPLICATIONS	6
THE PATENT APPLICATION PROCESS	6
WHEN WOULD I INFRINGE A PATENT?.....	6
OBTAINING FOREIGN PROTECTION	8
PROTECTION FOR PLANT VARIETIES	9
WHAT ARE PLANT BREEDER'S RIGHTS?.....	9
WHAT CAN BE REGISTERED UNDER THE PLANT BREEDER'S RIGHTS ACT?.....	9
AUSTRALIAN PLANT BREEDER'S RIGHTS REGISTRATION PROCEDURE.....	9
TRADE MARKS.....	11
WHAT IS A TRADE MARK?	11
WHY REGISTER A TRADE MARK?	11
WHAT TRADE MARK CAN BE REGISTERED?.....	11
TRADE MARK SEARCHING	12
AUSTRALIAN TRADE MARK REGISTRATION PROCEDURE.....	12
WHEN WOULD I INFRINGE A TRADE MARK?.....	14
ASSIGNMENT OF A TRADE MARK	14
AUTHORISED USE AND REGISTRATION OF INTERESTS.....	14
CORRECT USE OF A REGISTERED TRADE MARK.....	14
TRADE MARK PROTECTION IN NEW ZEALAND.....	15
TRADE MARK REGISTRATIONS IN OTHER COUNTRIES.....	15
BUSINESS AND DOMAIN NAMES	17
DOMAIN NAMES.....	17
BUSINESS NAMES.....	17
DESIGNS.....	18
WHAT IS A DESIGN?.....	18
DESIGN SEARCHING.....	18
AUSTRALIAN DESIGN APPLICATION PROCEDURE.....	18
DESIGN REGISTRATIONS IN OTHER COUNTRIES.....	19
EUROPEAN COMMUNITY DESIGN REGISTRATION.....	19
COPYRIGHT.....	20
WHAT IS COPYRIGHT?	20
WHEN IS COPYRIGHT INFRINGED?	21
COMMERCIALISATION	22
WHAT IS IP COMMERCIALISATION?.....	22
INTELLECTUAL PROPERTY LICENSING	22
ASSIGNMENTS.....	22
SPIN-OFF COMPANIES.....	23
JOINT VENTURES	23

WHAT IS INTELLECTUAL PROPERTY?

Intellectual Property (IP) refers to the intangible property rights that exist in human knowledge or ideas. IP comprises valuable strategic and financial asset for every organisation. There are various forms of IP, the most common of which include:

- Patents
- Trade marks
- Designs
- Plant Breeders Rights
- Copyright; and
- Confidential Information

IP Australia, which incorporates the Patent Office, Trade Marks Office and Designs Office, located in Canberra, is the government agency which grants or registers patents, trade marks and designs in Australia. Plant breeder's rights are administered by the Plant Breeder's Rights Office within the Federal Department of Agriculture. There is no formal registration process for recording copyright ownership.

THE CLIENT-ATTORNEY RELATIONSHIP

The legal nature of the relationship between a patent or trade mark attorney and client is contractual and fiduciary. An attorney must therefore act ethically but must be properly instructed by the client in order to be well-informed. A client can expect an attorney to maintain confidences and avoid conflicts of interest with respect to other (existing or future) clients.

A right of professional privilege, similar to legal professional privilege, exists between clients and their patent and trade mark attorney.

Patent and trade mark attorneys are bound by a Code of Conduct. This Code is freely available, and details can be obtained from the Professional Standards Board for Patent and Trade Marks Attorneys on (02) 6283 2345, or from www.psb.gov.au

PATENT AND TRADE MARK ATTORNEYS

To be registered as a patent attorney, a person must have a degree in engineering or science (or an equivalent tertiary qualification) and have passed various examinations supervised by the Professional Standards Board for Patent and Trade Marks Attorneys, which exists under the *Patents Act*. Although patent attorneys are not also required to be legal practitioners, many patent attorneys also have law degrees.

Legal practitioners are qualified to act on behalf of clients in respect to matters arising under the *Trade Marks Act*. In 1998, the qualification of Trade Marks Attorney was established by legislation amending the *Trade Marks Act 1995*. This qualification entitles a person to act on behalf of clients (along with registered patent attorneys and legal practitioners) in relation to matters arising under the *Trade Marks Act*. To obtain the qualification, a person must successfully complete a subset of the patent attorney examinations.

PATENTS

WHAT IS A PATENT?

A patent is a right granted by the government of a country to the patent owner, which allows the patent owner to exclude others from commercially exploiting an invention that is the subject of the patent within that country.

Exploitation includes making, using, importing, insuring, selling or otherwise disposing of a product, or keeping the product for the purpose of doing any of the foregoing.

It is incumbent on the patent owner to enforce these rights.

WHAT CAN BE PROTECTED BY A PATENT?

A patent may be granted for any invention (which may be a device, substance, method or process) which satisfies various requirements. The invention does not need to be 'pioneering' – an improvement or variation over what already exists may be patentable. It is sometimes said that only a 'scintilla' of inventiveness is required.

However, some subject matter can not be patented. This includes subject matter such as:

- human beings and biological processes for their creation
- inventions that are contrary to law
- inventions that are generally 'inconvenient to the public', and
- artistic creations.

WHAT ARE THE REQUIRED ELEMENTS FOR A PATENT GRANT?

Patent Registration Requirements				
'Manner of Manufacture'	Novelty	Inventive / Innovative Step	Usefulness	No Prior Secret Use

MANNER OF MANUFACTURE

To be patentable, an invention must be a 'manner of manufacture'. As a general rule, an invention resulting from human activity (i.e. not naturally occurring) and which has commercial potential will be considered to be a manner of manufacture. On the other hand, discovery of a natural phenomenon (e.g. the law of gravity) will not satisfy this requirement of patentability. Similarly, a mathematical formula describing a natural phenomenon is not a manner of manufacture, but a device utilising the mathematical formula, or an algorithm encoding the phenomenon, that produce a useful result is likely to be considered a manner of manufacture.

NOVELTY

To be patentable, an invention must be 'novel' or new, that is, the invention must not have been publicly disclosed in any form, anywhere in the world as at the date of the first filed patent application relating to the invention (referred to as the 'priority date').

Disclosure includes any form of public release of the invention (e.g. uploading a description of the invention on the internet, or selling or using the invention) and any statements made about the invention in a public forum (e.g. presenting the invention at a trade fair or academic conference).

In Australia, the *Patents Act* provides specific 'grace periods' for certain types of disclosures. However, it is recommended that a patent attorney be consulted before publicly disclosing an invention or entering into commercial dealings with respect to the invention. Note that most other countries do not have such grace periods. A patent application should therefore be filed prior to any disclosure or sale of the invention.

INVENTIVE OR INNOVATIVE STEP

To be granted a standard patent, an invention must involve an 'inventive step'. This means that the invention must be more than an 'obvious' extension, variation or combination of prior inventions which could be brought about by an unimaginative person skilled in the technical field of the invention.

An 'obvious' invention is one which could have been arrived at by the inventor as a matter of course (e.g. thought to be worth a try with a prospect of success) in light of the common general knowledge in Australia in the relevant field.

Similarly, an innovation patent must involve an 'innovative step'. This means any variation between the invention and what is currently known about the relevant technology must make a 'substantial contribution' to the working of the invention. This is generally believed to be a lower threshold than that for an inventive step.

UTILITY

A patentable invention must be useful, i.e. the invention should achieve what the applicant/patentee says it will. This 'utility' requirement is analogous to an invention being industrially applicable. Lack of utility arises rarely.

NO PRIOR SECRET USE

To be patentable, an invention must not have been secretly used in Australia before the priority date of the patent application.



TYPES OF PATENT APPLICATIONS

Type of Application	Explanation
Provisional application	A provisional application secures a priority date for the invention, and affords up to 12 months to decide whether to continue with the patenting process in Australia and elsewhere.
Complete application	A complete application can be for either a standard or innovation patent and must be accompanied by a complete specification containing at least one claim defining the invention. A complete application is examined by the Patent Office to determine if it satisfies the requirements for grant, and if so, usually leads to grant of patent rights.
PCT application	<p>A PCT application (also known as an 'international application') enables application for patent protection in a number of different countries through a single international agency, provided that the countries are signatories to the Patent Cooperation Treaty.</p> <p>However, the PCT application will need to be 'nationalised' in the different countries of interest for local examination and grant to occur.</p> <p>Separate national applications are necessary in countries of interest that are not signatories to the Patent Cooperation Treaty.</p>
Patent of addition	A patent of addition may be filed to protect an improvement or modification made to the 'main invention' of an earlier patent or patent application. The improvement or modification must be novel – but not necessarily inventive – over the earlier main invention.
Divisional application	If a patent application describes more than one invention, then one or more divisional applications may be used to separately protect the multiple inventions without loss of priority date.

THE PATENT APPLICATION PROCESS

The flow chart on page seven provides an overview of the patent application process.

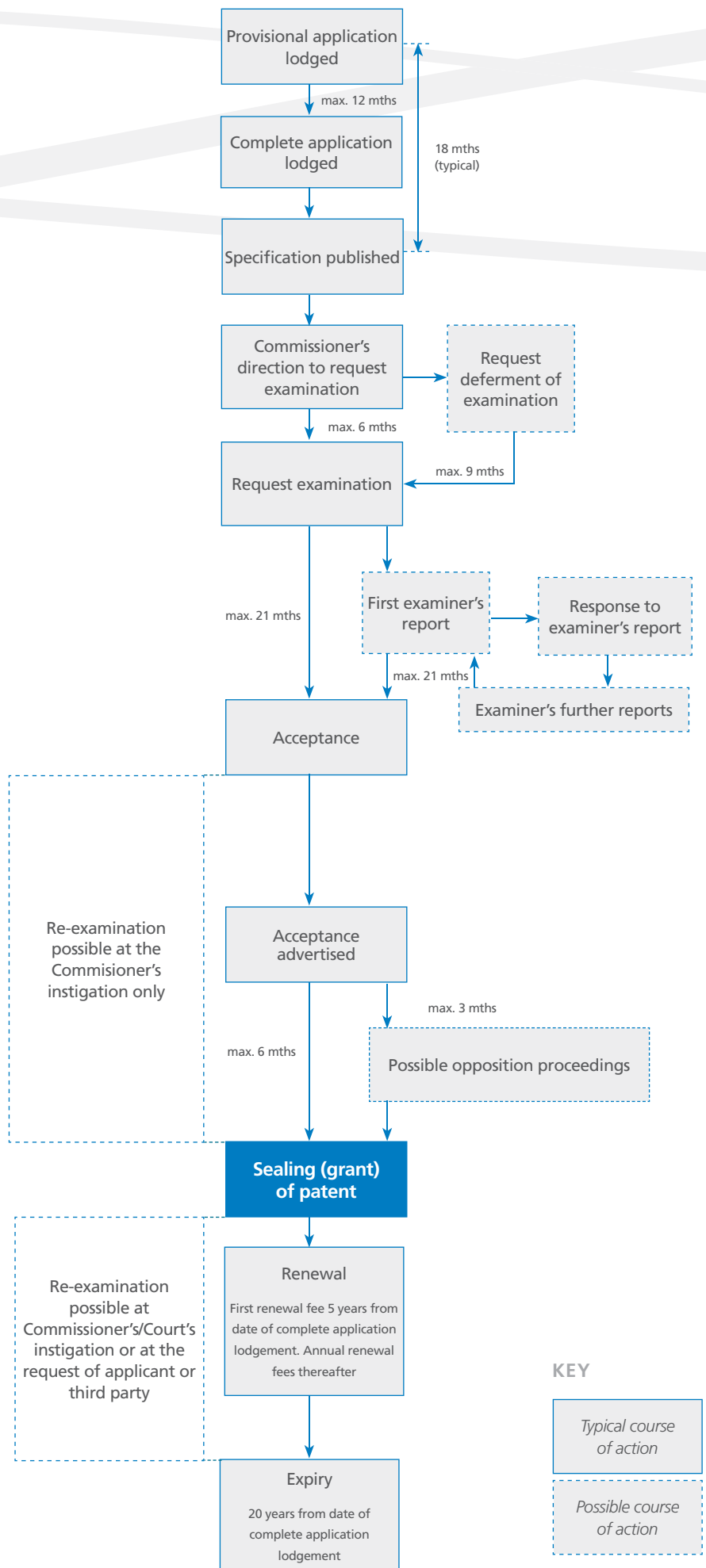
WHEN WOULD I INFRINGE A PATENT?

A patent is infringed when any of the granted exclusive rights are dealt with by an unauthorised user during the term of the patent.

Whether a patent has been infringed is a question of fact. It must be proved that the alleged infringer has done an act which takes each and every feature of at least one claim of the patent. Enforcement proceedings must commence within five years from the date of an infringing act.

A patent may also be indirectly infringed. This may occur where a product has knowingly been supplied to a third party who will use it in a way that will infringe the patent. In this scenario, the supply of the product would constitute indirect or 'contributory' infringement.

INDICATIVE STANDARD PATENT PROCESS



OBTAINING FOREIGN PROTECTION

Patent rights are territorial and active steps will need to be taken to implement foreign patent protection of an invention.

Foreign patent protection may be implemented by:

- filing a patent application (Convention application) in a country which is signatory to the Paris Convention for the Protection of Industrial Property of 1883 (Paris Convention) or the WTO TRIPS agreement within 12 months of the first filing of an Australian patent application
- filing an international patent application (PCT application) under the Patent Cooperation Treaty 1978 (PCT) for protection in countries which are signatories to the PCT within 12 months of first filing of an Australian patent application, or
- filing a foreign patent application in a country at the same time as filing an Australian patent application, or at least before using or publishing your invention.

Australia is signatory to the Paris Convention, TRIPS and the PCT.

Where a country is not signatory to the Paris Convention, TRIPS or the PCT, it will be necessary to file a patent application in that country at the time of filing an Australian provisional patent application, or at least before using or publishing the invention.

PARIS CONVENTION

The Paris Convention allows a patent application in a signatory country to claim the priority date of an earlier patent application in another signatory country.

Most, but not all countries are signatories to the Paris Convention. A list of contracting countries to the Paris Convention may be accessed at: <http://www.wipo.int/treaties/en/ip/paris/>

PATENT COOPERATION TREATY (PCT)

The PCT allows the filing of a centrally filed patent application which can be subsequently 'nationalised' in countries which are contracting parties of the PCT. Not all countries are signatories of the PCT, including most of South America, Taiwan, Thailand and Pakistan. A list of signatory countries to the PCT may be found at: <http://www.wipo.int/treaties/en/registration/pct/>

A PCT patent application does not lead to grant of an 'international patent'. A PCT patent application will need to be 'nationalised' in countries where patent protection is desired. Once nationalised, the application is examined according to the relevant patent laws and regulations of the relevant country. Therefore a PCT application ultimately results in separate national or regional patent applications in the same way as does the Paris Convention route.

The PCT process is complex. It is recommended to seek assistance from a patent attorney if it is wished to apply for patent protection using the PCT.

PROTECTION FOR PLANT VARIETIES

WHAT ARE PLANT BREEDER'S RIGHTS?

The *Plant Breeder's Rights Act 1994* provides the breeder of a plant variety which is registered under the Act with an exclusive right to produce or reproduce propagating material from the plant variety, and to sell, condition for sale, import or export such material. Under certain circumstances, rights may also extend to material which is harvested from the plant. Rights may also extend to "essentially derived varieties".

WHAT CAN BE REGISTERED UNDER THE PLANT BREEDER'S RIGHTS ACT?

Plant Breeder's Rights (PBR) apply to a plant "variety". A plant variety is a plant, fungus or algae from a single taxon. A variety is defined by a combination of characteristics expressed by the plant, such as the shape, size, distribution or colours of the leaves, fruit or branches of the plant. At least one of these characteristics must distinguish the variety from other plant varieties. Thus a variety which is the subject of Plant Breeder's Rights protection must be "distinct" from other commonly known varieties. The variety must also be "uniform" in the characteristics it expresses and "stable" when bred over a number of generations.

The plant variety must be "new", in that it has not been sold in Australia for more than a year, or sold overseas for more than six years (for trees and vines) or four years (for other plant varieties) before making the application for Plant Breeder's Rights protection.

It is possible to obtain both PBR protection and patent protection in Australia for the same plant, provided all of the requirements of each form of protection are met.

AUSTRALIAN PLANT BREEDER'S RIGHTS REGISTRATION PROCEDURE

The registration procedure involves two steps. Both of these steps requires an Australian address for service.

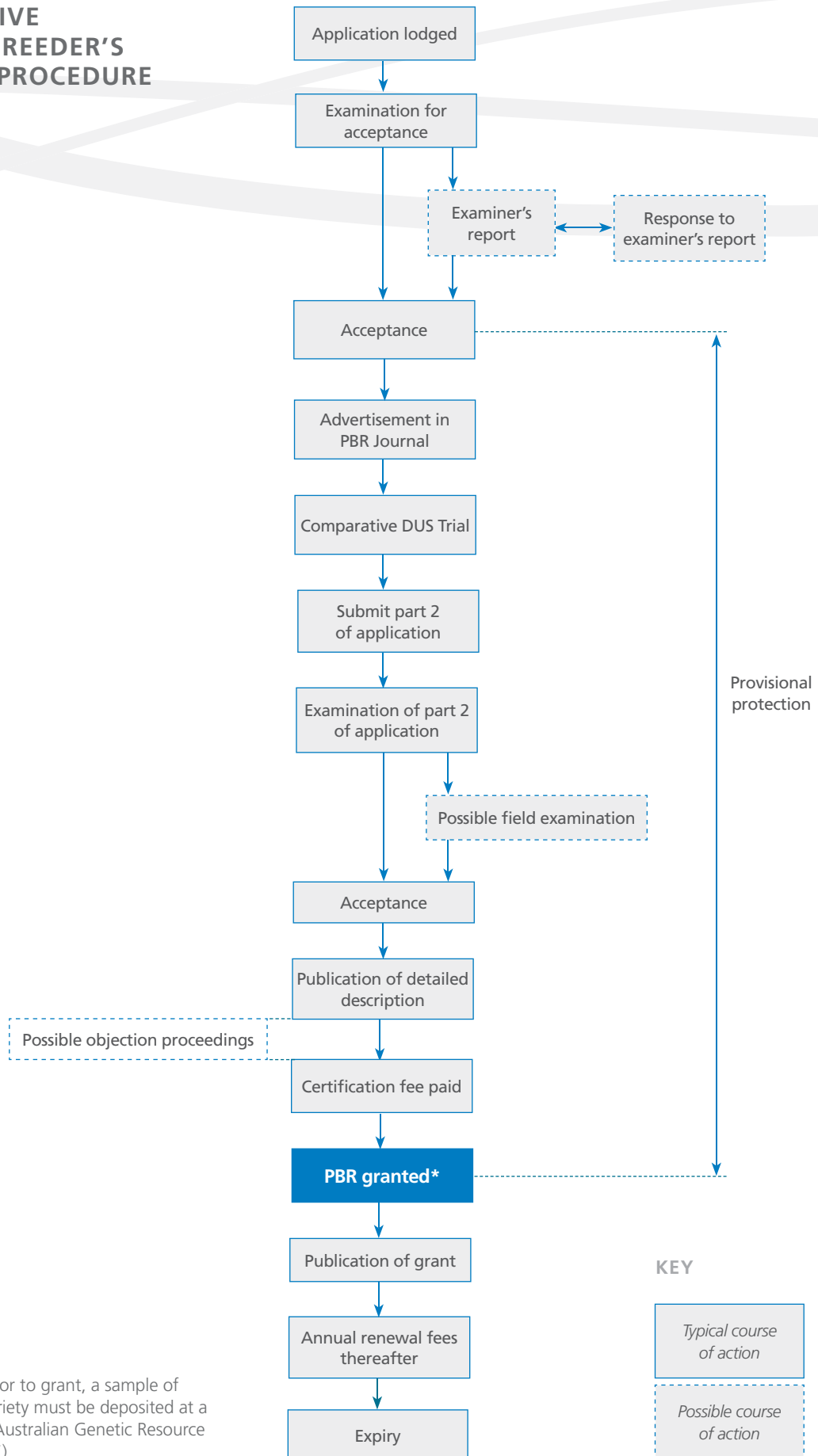
The first step involves filing a Part 1 application which sets out the proposed name of the variety, details of who the breeder is and who is entitled to make the PBR application, the characteristics which are alleged to distinguish the variety from other known varieties, and details of the uniformity and stability of the variety.

On acceptance of the Part 1 application, the applicant is provided with provisional protection for the variety. A provisional (extendable) deadline is also set for completion of the Part 2 application.

The Part 2 application sets out evidence of the distinctiveness, uniformity and stability (DUS) of the plant variety which is provided in the form of a comparative growth trial. Where a comparative growth trial has been carried out in a UPOV member country, the results of that trial may be used to satisfy the Part 2 application requirements in certain circumstances. If a comparative growth trial is required to be carried out in Australia, the applicant must retain the services of an appropriately experienced "Qualified Person" who assists in running the trial. Any time prior to grant, a sample of the plant variety must be deposited at a recognised Australian Genetic Resource Centre (GRC). The Part 2 application also sets out details of where samples of the variety are deposited in a Genetic Resource Centre in Australia. A comparative growth trial may take several years to complete, for example where the characteristic which is used to distinguish the variety is only expressed after several years of growth.

On acceptance of the Part 2 application and payment of a certification fee, the applicant is granted PBR protection for the variety. The maximum term of PBR protection is 25 years from the date of grant for trees and vines, and 20 years for other plant varieties.

INDICATIVE PLANT BREEDER'S RIGHTS PROCEDURE



* Any time prior to grant, a sample of the plant variety must be deposited at a recognised Australian Genetic Resource Centre (GRC).

TRADE MARKS

WHAT IS A TRADE MARK?

The *Trade Marks Act 1995* defines a trade mark as a “sign” used to distinguish the goods or services of one person from those dealt with or provided by another person in the course of trade. A sign can include any letter, word, name, signature, slogan, numeral, device, brand, reading, label, ticket, aspect of packaging, shape, colour, sound or scent, or any combination of these.

WHY REGISTER A TRADE MARK?

Registering a trade mark provides the owner with exclusive rights to use, license or sell the mark within the categories for which it is registered. Others are thereby prevented from using a mark that is substantially identical with or deceptively similar to the registered mark. In this way, trade marks protect brand identity and secure a company's valuable rights to its image. Registration of a trade mark can also greatly reduce legal costs in an infringement action.

WHAT TRADE MARK CAN BE REGISTERED?

In order for a trade mark to qualify for registration, it must be capable of distinguishing the applicant's goods or services from that of other traders and can not mislead the public about the nature of the goods or services. A trade mark cannot be one that other traders need to use to describe their own goods or services such as directly descriptive terms, geographic words or common surnames. Nor may a trade mark be scandalous or represent the arms, flag or seal of the Commonwealth, State or Territory.

Examples of distinctive marks include:

- Invented words such as VEGEMITE
- The stylised T of Telstra
- The “Swoosh” on the side of the sports shoe made by NIKE
- The signature of the original Mr Johnnie Walker on the label of the whisky bottle
- The “houndstooth” pattern used by the retailer, David Jones

Other forms of trade marks include shapes and packaging such as:

- The COCA-COLA bottle
- The Arnott's “teddy bear” biscuits
- Kraft Food's “chicken drumstick” biscuits

Registration of sounds are also possible, provided that the trade mark can meet the distinctiveness criteria and can be graphically represented, for example, McCain's “Ping” sound followed by the words “You've done it again.”

Scents are also capable of registration provided that the trade mark is capable of distinguishing the goods or services of the trader and can be graphically represented.

TRADE MARK SEARCHING

Prior to using a trade mark or filing an application for its registration, a search of the Trade Marks Office records should be conducted to locate any trade mark applications or registrations which may be an infringement risk or registration obstacle. Ensuring that you are not infringing the rights of others before you invest in the trade mark is critical and may be particularly important if an advertising campaign is imminent or substantial packaging costs are expected.

A full registrability trade mark search involves comprehensive investigation and assessment of trade marks that could be considered substantially identical to, or deceptively similar with, the proposed trade mark and takes into account a range of related goods and services in a variety of classes. Such searches should generally be undertaken by experienced trade mark searchers and the results considered to determine whether there are any infringement risks or registration obstacles. Each jurisdiction has its own trade mark registration procedure and therefore separate searches may be required in several countries.

It is possible to also conduct searches to locate specific trade marks or trade marks applied for in the name of one or more competitors.

A trade mark search is conducted from the available records in the Trade Marks Office and does not encompass any other rights, such as an established goodwill in a well-known unregistered trade mark or company names. For this reason, additional investigations of trade marks used in the market place are also recommended.

AUSTRALIAN TRADE MARK REGISTRATION PROCEDURE

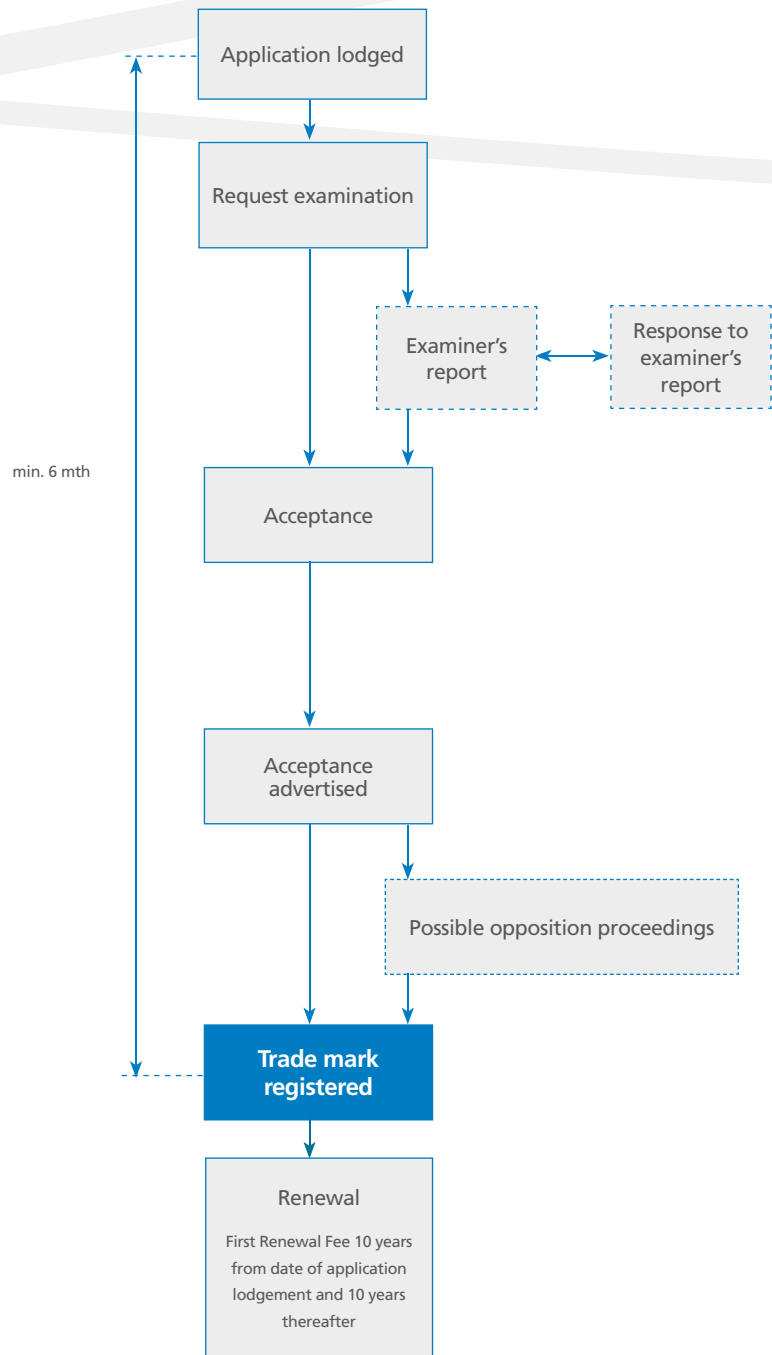
An application is lodged at the Trade Marks Office identifying the trade mark, the name of the applicant, a clear representation of the trade mark and a description of the goods and/or services. Trade marks must be registered in specific classes that relate to the good(s) or service(s) to which the trade mark applies. There are over 45 classes of goods and services in which applications may be made with multi-class applications permitted.

During examination of the application, a search of the Trade Mark Office records is conducted by an Examiner to determine whether there are any prior substantially identical or deceptively similar trade marks covering the same or similar goods or services. The Examiner will also consider whether the trade mark is capable of distinguishing the applicant's goods and/or services and whether the application complies with the other requirements regarding registrability. If objections are raised, it may be possible to overcome those objections by submissions and/or lodging evidence of commercial use which establishes that the application has met the requirements for acceptance.

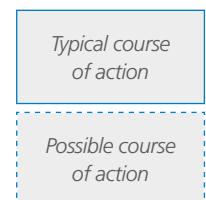
After acceptance, the application is advertised by the Trade Mark Office in the Official Journal of Trade Marks. Within three months of advertisement, another person or company may oppose the proposed registration on a number of grounds including that the opponent has used the same or a similar trade mark prior to the application date. If however there is no opposition, or any opposition is unsuccessful, the application proceeds to registration provided the official registration fees are paid. The registration may be renewed every ten years by payment of an official renewal fee.



INDICATIVE TRADE MARK APPLICATION PROCESS



KEY



WHEN WOULD I INFRINGE A TRADE MARK?

In Australia, a registered trade mark is infringed by the unauthorised use of a mark which is substantially identical with, or is deceptively similar to, the registered trade mark:

- in relation to any goods or services for which the trade mark is registered;
- in relation to goods or services which are similar, that is “of the same description” or “closely related”, to the registered goods or services (unless the alleged infringer establishes that the use is not likely to deceive or cause confusion); and
- where the relevant mark is “well-known in Australia” and the defendant’s use, even on goods or services unrelated to those within the registration, is likely to indicate a connection with the owner and thereby adversely affect its interests.

Infringement actions are normally instituted in the Federal Court and the remedies include an injunction and either an award of damages or an account of profits.

The registration of a trade mark is effective from the date on which the application is filed. Therefore, any unauthorised use a trade mark after the application date will be an infringement of a registered trade mark. However an infringement action can only be commenced after a trade mark has been registered.

ASSIGNMENT OF A TRADE MARK

The owner of a registered trade mark or pending application may assign the trade mark, with or without the goodwill of the business concerned.

AUTHORISED USE AND REGISTRATION OF INTERESTS

Use of a trade mark by a third party which is under the control of the owner is considered “authorised use” under the *Trade Marks Act 1995*. Third party use will be deemed to be under the control of the owner if the owner exercises quality control or financial control over the trading activities of the user. Authorised use is deemed to be use by the trade mark owner and may be relied upon to defeat an application to remove the registration from the Register on the grounds of non-use.

Claims to interests and rights in trade marks, including mortgagee’s interests, may be recorded but this is not obligatory. An authorised user’s interest may also be recorded. However, the fact that an interest has been recorded is not proof or evidence that the right or interest exists. Equally, the fact that an interest or right is not recorded does not mean it is not effective.

CORRECT USE OF A REGISTERED TRADE MARK

If a trade mark becomes generic through misuse, the public and any competitors are free to use the trade mark as a generic term and any exclusive rights will be lost. For example aspirin, escalator and cellophane were once distinctive marks but are now used generically to describe the goods.

General guidelines for the proper use of a registered trade mark include:

- Use it in the form in which it is registered
- Use it as an adjective

Example: MALIBU Rum
 MALIBU

- Give the trade mark prominence by using capital letters, italics or bold type, especially when it is used in text

Example: **MALIBU** Rum

malibu rum

- Never abbreviate, and never hyphenate the trade mark to form a compound word:

Example: MALIBU-rum

- Use a trade mark notice which may appear immediately adjacent to the trade mark, or use an asterisk in proximity to the trade mark which draws the reader's attention to such a notice:

Example: MALIBU – Registered Trade Mark of XYZ Inc.

MALIBU*

 * Registered Trade Mark of XYZ Inc.

- Where the trade mark is being used under license, require the licensee to use a trade mark notice:

Example: MALIBU – Registered Trade Mark of XYZ Inc.

 Used under license by ABC Pty Ltd

- Never use the trade mark in the plural:

Example: We sell MALIBU Rum

We sell Malibus

- The symbol ® or any other indication of registration should be used only in respect of a trade mark that is registered in the country in which the symbol is used. The symbol ™ may be used on any trade mark, even if not registered.

TRADE MARK PROTECTION IN NEW ZEALAND

The New Zealand law is similar to the Australian system and the rights granted are much the same as Australia. For example, multi-class applications are permissible, the test for registerability has been relaxed and new types of signs (such as shapes) can be protected.

TRADE MARK REGISTRATIONS IN OTHER COUNTRIES

Most countries in the world have a system for registration of trade marks, although not all countries permit registration of trade marks for services. If exports from Australia to a foreign country are anticipated, it is recommended that an application for trade mark registration in the foreign country be lodged at an early date. Early lodgement can have the advantage that the overseas Trade Mark Office may have searched the Register for prior conflicting applications or registrations and issued a report or accepted the application for registration before export commences. The Examiner's report could reveal earlier registered trade marks which may be either infringement risks or registration obstacles. Use of a trade mark in an overseas country which is similar to an existing registered trade mark may infringe a third party's trade mark rights and could result in litigation and/or the withdrawal of a product from the overseas market. It is therefore recommended that a trade mark search be conducted prior to exporting, to safeguard against infringement of existing a trade mark rights.

Each foreign application is independently examined and if any objections are raised they must be overcome before the trade mark can be registered in that country. Once registered, the foreign registration can remain in force indefinitely provided the regular renewal fees are paid and use requirements are met.

MADRID PROTOCOL

It is possible to file an application to protect a trade mark as an International Registration under the "Madrid Protocol". Currently there are over 70 member countries, including Australia and many of its major trading partners. If a Madrid Protocol application is filed in Australia, it must be based on an existing Australian trade mark application or registration. The Madrid Protocol application is filed at the Australian Trade Marks Office

and a “certifying” procedure is undertaken before the application is sent to the “International Bureau” in Geneva. The application is examined by each designated country according to its national law. If there is a serious objection or a third party opposition resulting in partial or full refusal of protection in a particular country, this does not affect the application as a whole. If an objection is raised in any designated country, a local agent must be appointed to deal with the objection.

An International Registration under the Madrid Protocol is dependent upon the basic (generally the Australian) application/registration for a period of five years from the date of international registration. Thus, for example, should the basic application/registration cease or be restricted in this five year period, this will result in a corresponding loss or restriction of protection for the International Registration.

The Madrid Protocol has advantages for a business whose trade marks will be owned by a single entity internationally and where a business provides goods and/or services in multiple overseas countries. It provides a streamlined procedure for a single trade mark application designating a number of countries and the filing costs are comparatively cheaper than filing separate national trade mark applications on a country-by-country basis. It also has the advantage that subsequent amendments, changes of ownership and renewals are processed centrally.

EUROPEAN COMMUNITY TRADE MARK APPLICATION

It is possible to apply for a single trade mark registration in the European Community, by the lodgement of a Community Trade Mark (CTM) application. Once issued, a CTM registration will provide protection throughout the countries of the European Union against the use of identical or similar trade marks in relation to identical goods or services. To renew a CTM registration, a single renewal application is required and use of the trade mark in any one member country will satisfy the use requirements of the registration for the entire Community. A successful opposition to the CTM application filed in any one of the member countries will result in the entire CTM application being refused. However, a CTM registration offers a cost effective opportunity to obtain protection in multiple European countries. It is also possible to designate the CTM as a single entity within a Madrid Protocol application.

CONVENTION PRIORITY

When filing foreign trade mark applications, it may be possible to take advantage of the International (Paris) Convention by filing applications in overseas countries within six months of the lodgement of the first application for the same trade mark. If the first application is filed in Australia, each foreign application for the same trade mark is deemed to have the same application date as the Australian application, so long as the foreign application is lodged in the same applicant name within the prescribed period.

BUSINESS AND DOMAIN NAMES

DOMAIN NAMES

A domain name search can be undertaken to determine whether a trade mark has been registered as a domain name. With the internet becoming central to international commerce (and in light of the practice of certain persons to “pirate” well known names and register them as domain names) it is important to consider domain name registration. However a domain registration does not provide any proprietary trade mark rights, unlike the benefit of registration under the *Trade Marks Act 1995*.

BUSINESS NAMES

If a person, partnership or company carries on business under a name other than its own, that name must be registered under the relevant business names legislation of each state and territory in which business is conducted. Unlike trade mark registrations, a business name registration does not, of itself, confer any proprietary rights in the name, nor does the registration confer any rights to sue for “infringement”. The existence of a business name registration may be a useful indicator that the name in question is being used by a third party which may have acquired common law rights in the name.



DESIGNS

WHAT IS A DESIGN?

A design is the overall appearance of a product resulting from one or more features of shape, configuration, pattern or ornamentation of the product. It is possible to register a design under the *Designs Act 2003* and thereby obtain protection for the external appearance of a product. It is not a bar to registration if the design includes features of shape or configuration which serve a functional purpose. The design must be new and distinctive at the date of application for registration.

DESIGN SEARCHING

As is the case with patents, it is recommended that an infringement search of the Designs Register be conducted before any new article is exploited commercially so as to identify any design rights owned by others which might be infringed. A subject matter search to gauge the newness and originality of the design may also be conducted prior to, or shortly after, a new design application is filed.

AUSTRALIAN DESIGN APPLICATION PROCEDURE

The application for registration is lodged at the Australian Designs Office together with drawings or photographs which illustrate the total appearance of the product. After a formalities review, which may include an opportunity to make amendments, the application proceeds to registration without any substantive (ie. novelty) examination. Publication also occurs at this time.

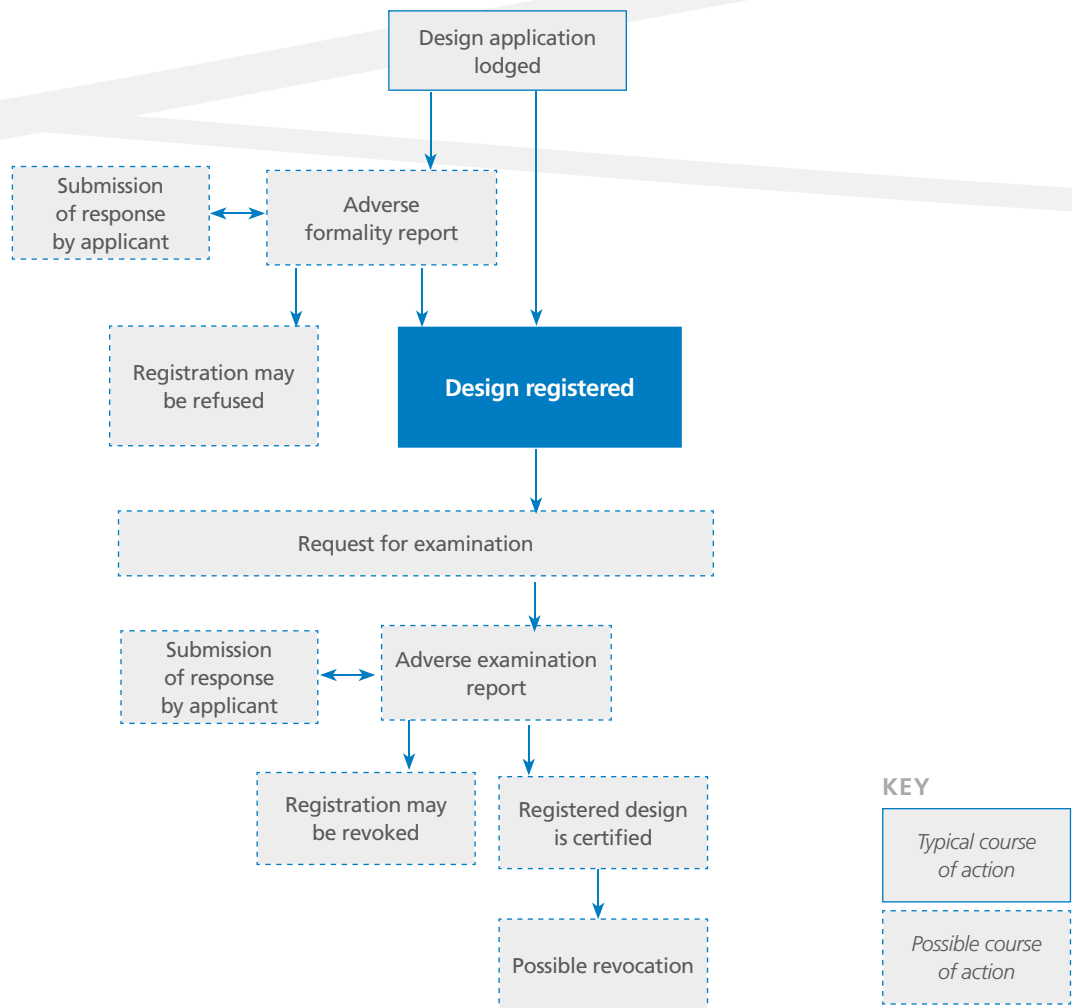
Anytime after registration, the owner, the Registrar of Designs, or any other person (eg. a competitor) may request examination of the registration. If the Registrar is satisfied the registration is valid, the registration is "certified". Only when a registration is certified can the owner commence infringement proceedings.

If the Registrar objects to the registration, an opportunity is provided to respond with argument and, to a limited extent, amendment. A hearing may be held if the matter becomes deadlocked and there is a right of appeal to the Federal Court against a decision of the Registrar. If found to be invalid the registration will be revoked.

Initially, the registration is in force for five years. A single renewal fee is payable to give a maximum term of ten years.



INDICATIVE REGISTERED DESIGN APPLICATION PROCESS



DESIGN REGISTRATIONS IN OTHER COUNTRIES

Most countries have design laws, although in many of these countries the term “industrial model” is used. Most also are members of the Paris Convention, the provisions of which enable a foreign design application to be lodged within 6 months of lodging an application in Australia for the same design. The corresponding foreign application has a priority date which is the date of lodgement of the Australian design application. Most other countries require renewal fees to be paid to maintain design registrations in force, however these fees generally are not payable every year.

The publication by the Australian Designs Office of an Australian registered design will be sufficient to destroy the newness of the design according to the laws of most foreign countries. Therefore, any foreign design application, if not lodged under the provisions of the Paris Convention, should be lodged before the corresponding Australian design application proceeds to registration. In most cases, however, the Australian design will be registered and therefore published, well before the 6 month Paris Convention period expires.

EUROPEAN COMMUNITY DESIGN REGISTRATION

It is possible to obtain a single registration which covers member countries of the European Community. This is a significantly cheaper alternative to seeking separate design protection in individual European countries. Multiple designs can be protected in a single application.

COPYRIGHT

WHAT IS COPYRIGHT?

Copyright protects against unauthorised reproductions and public disseminations of an original work.

Copyright protects the particular expression of an idea – not the idea itself. Consequently, copyright does not prevent the use of the same idea, as long as the ‘expression’ of the idea is original.

‘Original’ does not mean the work needs to be particularly creative or ingenious. A work is ‘original’ where the work is created independently and skill, labour and judgment is applied to it.

Copyright may exist in a range of creative, intellectual or artistic subject matter. There are eight primary categories of protected forms of expression:

- Literary works
- Artistic works
- Dramatic works
- Musical works
- Cinematographic works
- Sound recordings
- Broadcasts
- Published editions

Computer software is included in the definition of “literary work”.

Copyright comes into existence as soon as an original work has been reduced to a material form, e.g. by writing or storage in a computer memory from which it can be retrieved.

DEALING WITH COPYRIGHT

There is no system of copyright registration in Australia. Copyright exists automatically upon creation of the work. Through an international agreement, this protection extends to most countries in the world.

The term of copyright depends on the type of work that is protected, when it was made and whether it was published. Generally, protection lasts for 70 years after the death of the creator.

In order to notify others of copyright ownership, it is desirable to mark works (e.g. engineering drawings, instruction brochures and computer programs) with a copyright notice consisting of the copyright symbol, ©, and/or the word COPYRIGHT, the name of the person or organisation who owns the copyright, and the date of first publication of the work.

WHEN IS COPYRIGHT INFRINGED?

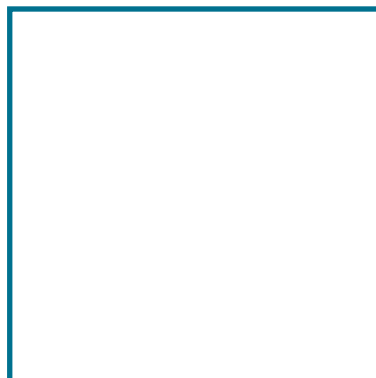
Copyright is infringed when a person deals with a 'substantial part' of a copyright protected work without the copyright owner's authorisation, and such dealing is not covered by an exception.

Dealing with a 'substantial part' of a copyright protected work does not necessarily refer to using a large amount of the work. Often, whether a 'substantial part' of a work has been dealt with is assessed qualitatively (i.e. having regard to the essence of the work). For example, the use of only 127 bytes from a 32 kilobyte program was held by the High Court to be copyright infringement because it was dealing with a substantial part of the work (*Autodesk Inc v Dyason [No 1] (1992) 173 CLR 330*).

Substantial dealing with copyright protected work extends to downloading material from the internet. It should not be assumed that everything accessible from the internet may be downloaded and used without infringing copyright.

Copyright may also be infringed indirectly, i.e. subsequent dealings with unauthorised reproductions of the work. The main forms of indirect copyright infringement involve unauthorised copies of copyright protected work being imported, sold, hired or otherwise supplied for the purpose of trade.

Copyright law is a complex area and specific advice concerning any copyright matter may be sought from our associated law firm, SPRUSON & FERGUSON LAWYERS.



COMMERCIALISATION

WHAT IS IP COMMERCIALISATION?

IP commercialisation is the exploitation of IP in the marketplace for the purpose of generating income. Successful commercialisation of IP is often an organisation's ultimate goal for undertaking research and development.

IP commercialisation is a complicated process and requires consideration of a wide range of factors by your organisation. Choosing and establishing the most appropriate commercial structure is critical to the success of IP commercialisation.

There are number of different ways to bring newly developed IP to the marketplace. The four most common structures for the commercialisation of IP are:

- Licence
- Assignment
- Spin-off Company
- Joint Venture

INTELLECTUAL PROPERTY LICENSING

An IP licence grants another entity the right to access and use the IP for a certain time period, the use of which would otherwise infringe the rights of the IP owner. Licensing provides a flexible and efficient means to leverage an organisation's IP rights. In undertaking any licensing activities, care must be taken in relation to the licensing of IP rights to ensure not only certainty as to contractual rights and obligations between the licensor and the licensee, but also to ensure that the IP is used correctly by the licensee. For example, it is important that a licensee's use of a trade mark be subject to the proper quality control of the licensor to avoid deception and damage to the licensor's rights in the trade mark. It is also often desirable or required that licences of patents, trademarks or designs be recorded on the official Register.

End user licence agreements (EULAs) are a type of licence granting to the licensee (the end-user) a limited right to use the licensed IP solely for its own purposes. The licensee will not have the right to grant sublicences of the IP or to distribute products made according to the IP. This type of licence allows the licensor retain a large degree of control over the use of the IP and therefore presents a relatively low risk. EULAs are commonly used in relation to software and are often in a standard form which an organisation can use to license the same IP asset on a non-exclusive basis to a number of different end users.

ASSIGNMENTS

An IP assignment is the permanent transfer of the ownership of the IP asset to another entity. IP is usually assigned in return for financial consideration in the form of a lump sum payment. However, it is possible to assign an IP asset in return for royalties, or a combination of a lump sum payment and royalties.

Assignments must be in writing and executed by both assignor and assignee. Assignments need to be recorded on the relevant Register or with the relevant governmental IP agency in the case of pending applications. There may be stamp duty, capital gains tax and Goods and Services Tax (GST) implications arising from assignments.

SPIN-OFF COMPANIES

A spin-off company is a separate company established by an organisation for the purpose of undertaking a particular activity, such as the commercialisation of a specific IP asset. A spin-off company usually starts out as a wholly-owned subsidiary of the organisation, although this is likely to change over time as third party investors contribute capital. Once the spin-off company has been established, the organisation will license or assign the relevant IP asset to the spin-off company to enable it to commercialise the IP.

Undertaking commercialisation activities via a spin-off company will transfer the responsibilities and risks associated with the commercialisation out of the organisation and into the spin-off company. The organisation may also attract new sources of funding for further development of the IP asset by offering to issue shares to interested investors in the spin-off company.

A spin-off company is a separate legal entity distinct from the organisation, and as such it will have to separately comply with the various requirements of the *Corporations Act 2001 (Cth)* (if it is an Australian company) and other relevant legislation.

JOINT VENTURES

A joint venture is a collaboration of two or more parties to undertake a common project or to pursue a specific objective, such as commercialising IP. All parties to the joint venture will contribute their efforts, personnel, financial resources and/or existing IP towards the joint venture project.

A joint venture can be set up simply by the parties entering into a contractual arrangement setting out their rights and obligations in relation to the project ("unincorporated joint venture"). Alternatively, the parties may decide to set up a separate, jointly-owned company to carry out the planned activities ("incorporated joint venture").

It is important that for any joint venture, the rights, responsibilities and contributions of the parties as well as the ownership of IP created in the course of the joint venture activities are clearly defined and documented. In the case of an unincorporated joint venture, the new IP will usually be jointly owned by all parties in accordance with their contributions to the project. In case of an incorporated joint venture, the new IP will usually be owned by the joint venture company.







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