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## Editorial

Chris Schlicht,  
Partner



Welcome to our new look edition of *Inspire!* In this edition you will find legal updates, IP case studies, POF news, interesting client updates and information about new services.

In 2014 there have already been significant changes to Australian IP legislation, including amendments to the *Privacy Act* which came into effect on 12 March 2014. These changes have generated a considerable amount of interest in Australia, largely due to their broad reaching implications. In this edition, we examine these changes and how they will affect the way businesses handle, collect, disclose and use personal information (page 2).

In September this year, New Zealand will also introduce substantial changes to its IP laws, with the commencement of the *New Zealand Patents Act 2013*. The new act will replace the *Patents Act 1953*, and will bring NZ patent law into alignment with overseas jurisdictions (page 8).

Also in this edition, we take a look at the particularly complex area of patenting methods of medical treatment. For many years in Australia, it has been the practice of the Australian Patent Office to grant patents for methods of medical treatment. This practice was out of step with a number of other countries and there has been debate in Australia as to whether the practice should continue. The High Court of Australia recently reviewed this area of law, and by a four to one majority, the Court held that such methods are patentable (page 11).

In this edition, we also discuss the proposed fair use defence in copyright (page 4), our recent appointment as a preferred IP provider for CSIRO (page 5), and an innovative new product from POF's client SecureCorp (page 5).

We hope you enjoy this edition of *Inspire!* and we look forward to continuing to work with you in 2014.

## Legal Services



## Changes to Australia's Privacy Act now in effect

Leonie Heaton, Associate

On 12 March 2014, amendments to the *Privacy Act 1988 (Cth) (Act)* came into effect.

The *Privacy Amendment (Enhancing Privacy Protection) Bill 2012* amended sections of the *Privacy Act 1988 (Act)* to include a set of new, harmonised, Australian Privacy Principles (APPs). These principles regulate the collection, use, storage and disclosure of personal information by Australian government agencies, as well as many businesses. They also introduce major reform to the credit reporting system. The reforms came into force on 12 March 2014.

### The importance of these changes

Any individual or organisation to which the Act applies that seriously or repeatedly interfere with a person's privacy may be liable for fines of up to \$1.7 million for a corporation, and \$340,000 for individuals. These penalties are a major change in the Act and signal the government's new business accountability approach to privacy.

### Is your business covered by the APPs?

If your business or Commonwealth government agency was covered by the Act before 12 March 2014, it will continue to be covered, however you will need to review your policies in light of the changes.

The Act covers any private sector organisation (including a sole proprietor) that:

- > has an annual turnover of more than \$3million
- > collects or discloses personal information for a benefit, service or advantage (irrespective of turnover)
- > is a health service provider (irrespective of turnover) (s6D).

The Act also covers:

- > all credit providers and credit reporting agencies (see further)
- > most Commonwealth, ACT and Norfolk Island government departments and agencies
- > service providers under Commonwealth government contracts where the contract obliges compliance with the Act
- > foreign businesses with an 'Australian Link' under some circumstances.

### What has changed?

The APPs replace the Information Privacy Principles (IPPs), which previously applied to Commonwealth departments and agencies, and

the National Privacy Principles (NPPs), which applied to certain private sector organisations.

Many of the amendments are routine and simply allow for consistent terminology (necessary due to the removal of the IPPs/NPPs and the inclusion of the new APPs).

It is not practical to set out all the changes here, and businesses (to which the APPs apply) should seek legal advice where necessary.

In summary, an organisation must:

- > have a clearly expressed and up-to-date Privacy Policy which must contain prescribed matters
- > review its Privacy Policy regularly and update it if necessary to meet the changes in practice
- > allow an individual to interact with the organisation anonymously or under a pseudonym (unless it is impractical for the organisation's purposes)
- > make its Privacy Policy available free of charge, on request, in the format requested (the internet is an acceptable format)
- > collect information only for a permitted purpose unless an exception applies
- > notify individuals of prescribed matters before collecting their personal information, and only collect sensitive information with the permission of the individual (unless an exception applies)
- > follow strict procedures for dealing with information not requested from the individual or another entity (unsolicited information)
- > not use personal information for direct marketing purposes unless the organisation satisfies an exception
- > assess the ramifications of cross border disclosure of personal information and notify individuals how their personal information will be handled. The organisation will be liable for an act or practice of the overseas recipient that breaches the APP, unless it falls within one of the limited exceptions
- > take 'reasonable steps' to protect the information the organisation holds from misuse, interference and loss, unauthorised access, modification and disclosure
- > adhere to any codes (APP codes) established for the organisation's particular industry or market.

Further explanations of the changes to the Act can be found on our website at [pof.com.au](http://pof.com.au)





## Does the Privacy Act apply to foreign companies doing business in Australia?

The Act has always applied extraterritorially to practices engaged in outside Australia by businesses with 'organisational links' to Australia (to who the Act applies). This principle has not changed, although the government has amended the extraterritorial provisions of the Act (ss5 and 6) by introducing the new term: 'Australian Link'.

The reforms clarify that any foreign business with an online presence in Australia, which collects personal information from individuals located in Australia, is seen to carry on a business in Australia (has an Australian Link) and is covered by the Act extraterritorially.

## Credit reporting

Part IIIA of the Privacy Act (Credit Reporting) has been completely revised. Some of the changes include:

- > new types of credit-related personal information that can be collected and held in the credit reporting system, including repayment history
- > greater protection for consumers to access and correct credit-related personal information held by credit reporting bodies and credit providers
- > new requirements relating to charging, notification and timeframes for providing individual's with access to, or correcting information

- > positive obligation on credit reporting agencies and credit providers to substantiate the correctness of the personal information held
- > the provisions in Part II make it clear whether the obligations in Part IIIA replace relevant APPs or apply in addition to APPs.

Small business owners might be surprised to know that a business which provides deferred payment terms of more than seven days is considered to be a 'credit provider' under the Act. While the small business may not be subject to the APPs (because it turns over less than \$3m, or is not a health service provider or does not trade in personal information), the way it collects and discloses personal information that is 'credit information' in the credit reporting system will be subject to the requirements of Division 3 of Part IIIA of the Act.

## What should businesses do next?

We recommend you:

- > Familiarise yourself with the APPs by reading the OAIC fact sheet available at <http://www.oaic.gov.au/privacy/privacy-resources>
- > Update your Privacy Policy to comply with the APPs
- > Review your direct marketing procedures for compliance with APP7
- > Identify if you disclose personal information to recipients offshore (including through the use of cookies or the cloud). If so, determine how you will handle the

information and the steps you will need to put in place to protect the business from the risk of liability for the conduct of the foreign recipient (see APP 8)

- > Review your security measures. Are they reasonable in the circumstances?
- > Consider whether your staff are adequately trained in the collection, security and disclosure of personal information.

Note, if you are a software developer, you should also consider the APPs and how to build in strong privacy protections or transparent disclosures into the application you develop, particularly if the application can be used for direct marketing.

## Watch this space

We will report on the 'reasonable steps' a business should take to secure personal information, and the credit provider provisions, in future editions of *Inspire!*.

**This article is intended as a general overview only and is not intended to be, and is not a substitute for, legal advice. The application of the Privacy Act to a business is fact specific. We recommend that you contact us with specific queries.**

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## Copyright and the digital economy – fair use defence

Margaret Ryan, Special Counsel

The Australian Government recently released the Australian Law Reform Commission (ALRC) report on *Copyright and the Digital Economy*. The centrepiece of the report was a recommendation that Australia abandon its current raft of fair dealing defences in favour of a defence of fair use. What is the difference?

The *Copyright Act* currently contains many defences to an allegation of infringement of copyright. Some are classified as fair dealing defences, and operate only in circumstances where the use of the copyright material is considered 'fair' by the courts. There are a limited number of these defences and they are for the following specified purposes:

- > research or study
- > criticism or review
- > parody or satire
- > reporting the news
- > professional advice.

These are closed categories and if the matter does not fit into one of these categories (and no other defence applies), there will be no defence to a copyright infringement.

For example, there has been talk about 'transformative' uses – use of a copyright work within another copyright work, or changed in some other way. These would not be covered by the existing defences, unless the new use was perhaps a parody or satire.

The fair use defence proposed by the ALRC is intended to be an open-ended defence. It will cope with new situations in a way that the very specific fair dealing defences cannot. The ALRC proposes there be a list of 11 purposes which may qualify as fair use. In addition to the purposes above, the ALRC has included:

- > quotation
- > non-commercial private use
- > incidental or technical use
- > library or archive use
- > education
- > access for people with disability.

There are already some exceptions for private use in the *Copyright Act* such as time shifting of sound and television broadcasts. The proposed fair use defence would provide a potential defence for any private, non-commercial use provided that it was considered fair.

Many Australians do not consider that copyright law reflects community attitudes or practices. Some submissions to the ALRC suggested that expanding private use exceptions would simply legalise what consumers are doing already.



Whether a use of copyright material is fair will be judged in accordance with four 'fairness factors'. These are:

- > the purpose and character of the use
- > the nature of the copyright material
- > the amount and substantiality of the part used
- > the effect of the use upon the potential market for, or value of, the copyright material.

There have been calls among the creative community for this type of reform. However, there may be some down sides. Firstly, it will take a number of years to produce court decisions that will give guidance as to how this new defence will be interpreted. Before then there may be considerable uncertainty as to what is a fair use and what is not.

Secondly, there will be those who think the recommended reforms go too far. Rights holders generally oppose the proposed fair use defence. There may be difficult questions with transformative uses. Why shouldn't a rights holder receive a royalty if their artwork is used in a larger piece?

A famous case of a transformative use was *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* (2011) 90 IPR 50 where

two bars of the four bar Australian classic round *Kookaburra Sits in an Old Gum Tree* was reproduced in the equally well-known Men at Work song *Down Under*. The similarity between the two songs went unnoticed for many years. However, when it came to light (through the music quiz show *Spicks and Specks*) the copyright owner, Larrikin, sued for copyright infringement. The Court found in favour of Larrikin and ordered payment of 5% of royalties paid by the collecting societies on *Down Under*. Would this have been permitted under the proposed fair use defence?

At this stage the recommendations are just that – recommendations. They will be debated in the public arena, but it will be necessary for the parliament to pass legislation if they are to become law.

**Margaret Ryan** BA LLB(Hons) is a Lawyer and Trade Marks Attorney with over 20 years' experience in all areas of IP law practice. She represents clients in both litigious and commercial matters. Margaret was awarded the University Medal in Law and has been a co-author of the copyright section of *The Laws of Australia* encyclopedia. [margaret.ryan@pof.com.au](mailto:margaret.ryan@pof.com.au)



# POF appointed to IP panel for the Commonwealth Scientific and Industrial Research Organisation (CSIRO)

We are delighted to announce our appointment as a preferred intellectual property provider for CSIRO, Australia's leading national science and technology organisation.

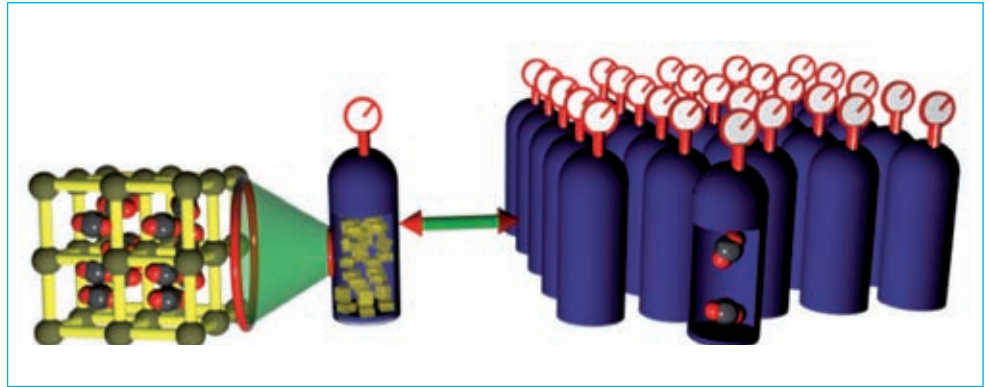
CSIRO is one of the largest and most diverse agencies in the world funding research into a broad spectrum of industries from food, health and energy, to environment, ICT, materials and minerals. In addition to funding research, CSIRO also plays an active role in the commercialisation of its investments to ensure that today's cutting-edge discoveries become tomorrow's transformational technologies. To date, CSIRO has developed over 150 spin out companies, has interest in 34 companies, and holds more than 150 active IP licenses that generate revenue to help supplement the research funding. Over 90% of CSIRO's scientific research is publicly available, however they are also Australia's largest patent holder, with just over 3,500 patents (granted or pending) and related intellectual property in over 85 different countries.

## Developing cutting-edge technology

One transformational technology in which CSIRO is investing is the use of new highly porous materials called metal organic frameworks (MOFs) or porous aromatic frameworks (PAFs). These porous materials have an exceptionally high surface area, for example, just 1gm of metal organic frameworks can absorb the equivalent of a football field volume of gas.

Metal organic frameworks are a versatile material with a variety of practical applications. Acting like a sponge, membrane, catalyst or sensor, the material is an ideal candidate for gas storage, gas membrane separation and is carbon capture absorbent. The material is so versatile and useful, that CSIRO is managing this as a 'platform' technology, and is exploring multiple application areas to further develop the science and attract commercial opportunities.

To underpin this research, CSIRO is building a comprehensive IP portfolio with patents



Container including metal organic frameworks (MOFs) providing improved hydrogen storage.

protecting novel (functionalised) metal organic frameworks, novel manufacturing processes and novel applications. This research is supported by collaborations with more than a dozen research institutes and at least five multinational industry partners or small to medium enterprises.

CSIRO has recently developed a novel MOF material which could have significant benefits for the automotive industry of the future. The new technology is a combination of metal organic frameworks and a functionalised fullerene, often referred to as a 'Russian Doll'. This technology dramatically improves hydrogen storage by holding twice as much gas as the separate materials.

At present, the efficient use of hydrogen as fuels is limited by the current requirement to store them in large, heavy and dangerous high-pressure or cryogenic tanks. Storage of hydrogen and methane is further complicated by the fact that these gases are flammable, and in some situations, explosive. This new technology allows for a more compact and stable storage container to be produced (see illustration above). As hydrogen cars are the future, this compact method of storing hydrogen could help make this dream a reality.

In another exciting development, CSIRO has discovered a new application for the MOFs – a new way to recycle CO<sub>2</sub> emissions using renewable energy. A metal

organic framework has been developed which adsorbs carbon dioxide, and instantaneously releases it when exposed to sunlight. Known as 'dynamic photo-switching', this capture-and-release method is extremely energy efficient and only requires UV light to trigger the release of CO<sub>2</sub> after it has been captured from the mixture of exhaust gases.

## Intellectual Property protection

Phillips Ormonde Fitzpatrick has been working with CSIRO for over 40 years and we are delighted to be continuing our relationship. We look forward to working on more of CSIRO's innovative technologies.

POF would like to thank Anna Johnston from CSIRO for her contribution to this article.

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## POF client success stories:

### SecureCorp Pty Ltd

We congratulate our client SecureCorp Pty Ltd for their recent media success in launching the new DFence Bullet Proof Bookcase.

The DFence bookcase (pictured), is fitted with three anti-ballistic layers that can be wheeled and locked in front of doors and windows if there is a risk of a shooting. The bookcase was inspired by the tragic primary school shooting at Sandy Hook Elementary in December 2012.

DFence generated a considerable amount of media interest in Australia in January 2014, even featuring on the front page of Melbourne broadsheet newspaper *The Age*, as well as a number of other newspapers nationally and internationally.

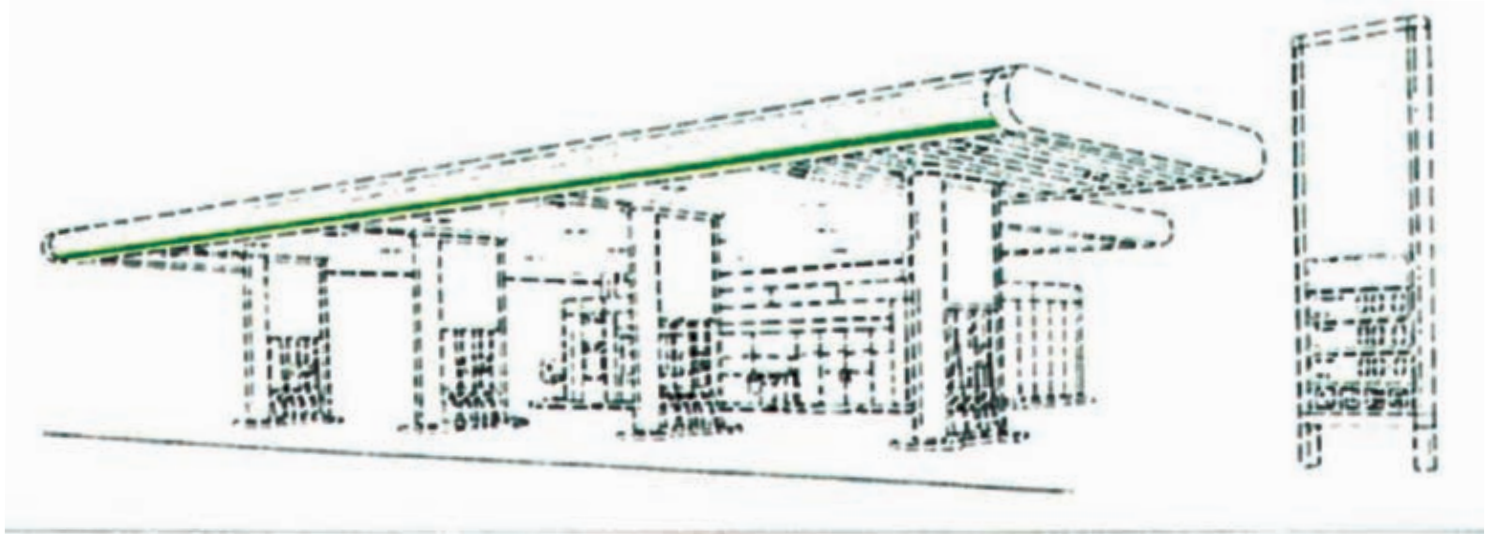
DFence will be released in the United States in April 2014 at the ISC West Show in Las Vegas, the biggest safety and security expo in the world.





## BP and Woolworths battle it out over green strip light trade mark

Margaret Ryan, Special Counsel



Australian Trademark Application 1016694 ('the Green Striplight trade mark')

**In *Woolworths Limited v BP p.l.c.* [2013] ATMO 61, the Australian Trademark Office has rejected BP's trade mark application for the colour green as the predominant colour of a service station.**

### Background

Since 1997, BP and Woolworths have been engaged in long-running court battles over the colour green. Green as a trade mark, that is. BP has been attempting to register the colour green as a trade mark as the predominant colour of its service stations. All attempts have been fought off by Woolworths.

Woolworths has been using the colours red, green and white for its service stations, and was concerned about its own ability to use the colour green on service stations if BP ultimately proved successful. This is because a trade mark registration gives the owner the exclusive rights to use the trade mark as a trade mark in relation to the goods or services for which it is registered. Anyone else who uses the trade mark on similar goods or services could be liable for trade mark infringement.

### The case

In 2004, in a relatively recent attempt to register something green, BP filed trade mark application 1016694 (above) for a green strip light (neon, LED or similar), affixed to the edge of the canopy over the petrol pumps at service stations.

A trade mark application will be rejected if the mark is not 'capable of distinguishing' the applicant's goods or services from those of other traders (s41 *Trade Marks Act 1995* (Cth)). A trade mark must be distinctive; it must not

be too descriptive or the sort of trade mark that other traders will legitimately want to use.

The difficulty with colours is that there are a finite number of them, and it has been argued that if too many colour trade marks are registered, we will run out of colours. However, the *Trade Marks Act* specifically allows colours to be registered as trade marks so this argument, in itself, could not be the answer to the problem.

The hearing officer referred to the earlier case of *Philmac Pty Limited v The Registrar of Trade Marks* [2002] FCA 1551 (13 December 2002). There the judge set out four tests for when a colour mark would be considered 'capable of distinguishing' the goods or services:

- > If the colour does not serve a utilitarian function (e.g. light reflection, heat absorption)
- > If the colour does not serve an ornamental function (e.g. it does not convey a recognised meaning such as heat, danger, environmentalism)
- > If the colour does not serve an economic function (e.g. if it is not naturally occurring so that other traders would not have to go to extra expense in order to avoid infringement)
- > If there is not a proven competitive need to use the colour where other traders might naturally think to use the colour.

### The outcome

The hearing officer felt that BP's mark fell foul of most of the items in this list. He considered that something as ubiquitous, utilitarian and decorative as a coloured light on a shopfront could never be, to any extent, inherently adapted to distinguish one trader's goods or services from any other.

BP then attempted to argue that, because of the substantial use made of the strip light it had become 'capable of distinguishing'. This too was rejected by the hearing officer.

The *Trade Marks Act 1995* allows for the registration of certain new trade marks such as colour and shape. However, it has generally proved difficult to secure registration of these marks. For example, where evidence of the numbers of goods sold under the trade marks is relied upon, a trade mark owner must also prove that it has educated its customers to identify the mark's use as trade mark use – i.e. that the green strip light by itself would tell the consumer that it is a BP service station.

**Margaret Ryan** BA LLB(Hons) is a Lawyer and Trade Marks Attorney with over 20 years' experience in all areas of IP law practice. She represents clients in both litigious and commercial matters. Margaret was awarded the University Medal in Law and has been a co-author of the copyright section of *The Laws of Australia* encyclopedia. [margaret.ryan@pof.com.au](mailto:margaret.ryan@pof.com.au)



# REA Group Ltd v Real Estate 1 Ltd

Marine Guillou, Associate



Using the internet has become a fundamental part of many consumers' search for property. The property search portals [realestate.com.au](http://realestate.com.au) and [realcommercial.com.au](http://realcommercial.com.au) run by REA Group Limited, list residential and commercial properties and are widely used in Australia.

REA Group Ltd ('Rea') brought an action against Real Estate 1 Ltd ('Real 1'), the operator of the websites [realestate1.com.au](http://realestate1.com.au) and [realcommercial1.com.au](http://realcommercial1.com.au), alleging trade mark infringement under section 120 of the *Trade Marks Act 1995* (Cth), passing off as well as misleading and deceptive conduct contrary to section 52 of the *Trade Practices Act* (now the Australian Consumer Law), *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA559.

The court dismissed Rea's *Trade Practices Act* and passing off claims, and held that some of the conduct constituted trade mark infringement.

## Trade mark infringement

A summary of the parties' marks is included below.

There was no dispute that the Real 1's use of its marks was within the scope of services covered by Rea's trade mark registrations. The issue was whether the marks in question were deceptively similar.

The Court held that by using the word marks, detailed below, in web browsers and in the heading of sponsored links in search engines, Real 1 had infringed Rea's trade marks. In particular, Bromberg J noted that 'in a scanning process of the kind which can occur on a search results page, the '1', which is not very distinct in the context of a domain name in ordinary type face, is likely to be missed by some consumers'.

Infringement was also found in relation to the [realcommercial1.com.au](http://realcommercial1.com.au) composite mark, as it was found that the essential feature of both marks under comparison, was the concocted word 'realcommercial'.

However, the Court found that the [realestate1.com.au](http://realestate1.com.au) composite mark did not infringe Rea's registered mark because its presentation differed from the registered mark (in particular the font and colour of the mark, the presence of an additional swish feature, and the placement of the device in the middle of the mark). The Court took into account the highly descriptive nature of the 'realestate'

component, and the fact that the distinguishing feature of Rea's mark was the word element 'realestate.com.au'.

## Misleading or deceptive conduct and passing off

Rea argued that use of 'realestate1.com.au' in a URL as appearing in search engine sponsored links would divert traffic intending to go to Rea's [realestate.com.au](http://realestate.com.au) portal to Real 1's portal, and that it falsely represented that Real 1 was associated with Rea.

The Court dismissed these claims and noted in particular:

- > 'realestate.com.au' being descriptive of a real estate portal, small differences in the names used by competitors will suffice to avoid misconception by consumers.
- > A consumer searching for a portal recalled as 'real estate something' who ends up at Real Estate 1's website has not been misled or deceived. If such persons have been diverted, the fault may lie with the adoption by Rea of a name insufficiently distinctive to have facilitated its recall.
- > It is likely that any confusion would have been immediately dispelled by the consumer accessing Real 1 websites. There was no evidence of the impact or likely impact of such confusion which would have permitted a finding that Real 1's conduct was of any commercial significance.

The Court subsequently made orders including the transfer of Real 1's domain names to Rea.

This decision highlights that the threshold for stabilising trade mark infringement is lower than that required to establish misleading or deceptive conduct, and therefore shows the benefits of trade mark registrations.

### REA Group registered trade marks

 [realestate.com.au](http://realestate.com.au)

 [realcommercial.com.au](http://realcommercial.com.au)

### Word marks used by Real Estate 1 Ltd

[realestate1.com.au](http://realestate1.com.au)  
[realEstate1.com.au](http://realEstate1.com.au)  
[www.realestate1.com.au](http://www.realestate1.com.au)

[realcommercial1.com.au](http://realcommercial1.com.au)  
[realCommercial1.com.au](http://realCommercial1.com.au)  
[www.realcommercial1.com.au](http://www.realcommercial1.com.au)

### Composite marks used by Real Estate 1 Ltd

 [realEstate1.com.au](http://realEstate1.com.au)

 [realCommercial1.com.au](http://realCommercial1.com.au)

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## New Patent Act commencing in New Zealand in 2014

Dr Edwin Patterson, Senior Associate



**On 13 September 2014, the substantive provisions of the new *Patents Act 2013* will commence, heralding significant changes to New Zealand patent law.**

The *Patents Act 2013* replaces the *Patents Act 1953*, a 60 year old piece of legislation based on the UK *Patents Act 1949*. Despite a long acknowledged need for patent reform, legislative change only commenced in 2008. It then took five years from the publication of the draft *Patents Bill 2008* to that Bill receiving Royal assent on 13 September 2013. Along the way certain clauses of the Bill underwent significant debate and revision, most notably those relating to software patentability.

The new Act and supporting regulations will finally bring New Zealand patent law up-to-date with a number of common international patent practices, and into substantial alignment with Australian patent law. In this regard, the new Act and supporting regulations significantly change a number of provisions and practices of current New Zealand patent law.

### Validity tests

Under the new Act, the threshold of validity will be higher at examination, and at post acceptance and post grant challenge stages. Novelty considerations will be expanded from the current local (NZ only) novelty to absolute novelty (worldwide). Whole of contents

considerations will now also be included in the novelty test, replacing the current narrower prior claiming test. For the first time, examination will also include inventive step and utility considerations. Additionally, the current 'fair basis' requirement will be replaced with a support requirement to align with the new disclosure rules in Australia and Europe. In considering these criteria, the Examiner will be able to apply the higher threshold balance of probabilities approach, as opposed to current benefit of the doubt test. This will raise the burden of proof on an Applicant in overcoming any objections raised.

### Patentable subject matter

The new Act maintains current NZ practice of specifically excluding from patentability methods of diagnosis, human beings, biological processes for their generation, therapeutic, surgical and diagnostic methods for their treatment, and plant varieties. However, in a more controversial move, computer programs 'as such' become excluded matter under new Section 11. The intention of the 'as such' wording is to align software exceptions in New Zealand

with current European and UK practice which excludes patent applications where the invention is directed solely in it being a computer program. It is likely that software inventions will still be patentable in New Zealand where the invention as a whole has practical or technical effect. Indeed, clause 10A provides an example of an application implemented through a computer program that provides for a better method of washing clothes when using an existing washing machine that would likely be patentable subject matter under the new Act.

#### **A process that may be an invention**

*A claim in an application provides for a better method of washing clothes when using an existing washing machine. That method is implemented through a computer program on a computer chip that is inserted into the washing machine. The computer program controls the operation of the washing machine. The washing machine is not materially altered in any way to perform the invention.*

*The Commissioner considers that the actual contribution is a new and improved way of operating a washing machine that gets clothes cleaner and uses less electricity.*

*While the only thing that is different about the washing machine is the computer*



program, the actual contribution lies in the way in which the washing machine works (rather than in the computer program per se). The computer program is only the way in which that new method, with its resulting contribution, is implemented.

The actual contribution does not lie solely in it being a computer program. Accordingly, the claim involves an invention that may be patented (namely, the washing machine when using the new method of washing clothes).

## Disputes and challenges

The new Act also expands infringement and third party challenge options before the Intellectual Property Office of New Zealand (IPONZ). Firstly, an experimental use exception provision and a contributory infringement provision have been included in the infringement provisions in the Act. The new Act also introduces a new re-examination procedure before the commissioner to complement the current pre-grant opposition and post-grant revocation procedures. The proposed re-examination procedure has been modelled on the current equivalent Australian system, requiring a party to formally request re-examination, and submit supporting documentation to the Commissioner. In this procedure, it is notable that if a re-examination report issues, the Applicant will be provided only two months to respond to the objections.

## Procedural changes

The new Act ushers in a number of new procedural changes.

Firstly, the Act will introduce a new requirement to request examination and re-examination for patent applications. Under the 1953 Act, no request is required, with the Intellectual Property Office of New Zealand (IPONZ) examining complete patent applications within 15 working days of filing a complete specification and PCT national phase entry within nine months of entry into national phase. Under the new Act, IPONZ is proposing that examination request must be made within the earlier of three years from the date of filing complete specification or PCT international filing date, or two months following issuance of a direction from IPONZ. No extension of either deadline is currently proposed. Requesting examination will also include payment of a new request fee, currently proposed to be NZD500. IPONZ is proposing to maintain current processing efficiencies by issuing directions to request examination within one year of the filing date for a complete specification, or within 6 to 12 months of the national phase entry date of PCT applications.

The pendency of applications during examination will also be affected with the acceptance deadline proposed to be reduced from 18 months to 12 months from date of issuance of first examination report. No formal extension period will be available, and no indication has yet been given whether an

examiner has any discretion to extend that deadline in accordance with current practice under the 1953 Act.

A New Zealand patent application will now be published by IPONZ at 18 months from the earliest priority date of the application, as opposed to current practice of publication of the application upon acceptance.

Annuities will also be affected, with the introduction of yearly annuity fees compared to currently requiring payment on 4th, 7th, 10th and 13th anniversary of the complete filing date.

The proposed regulations will also require all correspondence to be conducted using IPONZ online database system, codifying the current correspondence practice of IPONZ. IPONZ is also expanding the current address for service to include Australian addresses. Australian firms, including Phillips Ormonde Fitzpatrick, will therefore be able to correspond directly with IPONZ without the current requirement of using a New Zealand address for service.

## Enactment

A number of legislative functional powers of the *Patents Act 2013* came into force on 13 September 2013. For practitioners, all of the substantive procedural and practice related provisions of this Act will come into force on 13 September 2014. The provisions of the *Patents Act 2013* will apply to all New Zealand applications (complete, national phase, divisional applications) filed after the commencement date of the new Act. Applications filed prior to that date will be handled under the *Patents Act 1953*.

## Recommended filing actions

Given the significant changes to New Zealand Patent law after 13 September 2014, we recommend that all applicants and practitioners consider early filing of a New Zealand complete application, New Zealand divisional application or entering the national phase of PCT application early in New Zealand. Particular consideration should be given to software related patent applications which may not meet the new requirements of Section 11 of the new Act.

**Dr Edwin Patterson** *BEng(Hons) PhD MIPLaw FIPTA* is a Patent Attorney and Chemical Engineer with experience in numerous technologies from simple mechanical devices through to complex industrial processes. His focus is on new developments in industrial processes, metallic and mineral processing and chemical and material engineering.  
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## David Hvasanov wins the Cornforth Medal



In November 2013, David Hvasanov was awarded the Cornforth Medal. The Medal is awarded annually to a full member of the Royal Australian Chemical Institute (RACI), who is judged to have completed the most outstanding PhD thesis in a branch of chemistry, chemical science or chemical technology under the auspices of an Australian University, and whose degree has been approved.

David's PhD thesis investigated light-harvesting bioconjugates as chloroplast mimics. Specifically, he studied light-harvesting Ru(II)-based metal complexes coupled to redox proteins to study photoinduced electron transfer. David was also one of the first scientists to reconstitute a semi-synthetic electron transport chain based on Ru(II) complex: Cytochrome *c*:Cytochrome *c* Oxidase in a diblock copolymer polymersome membrane capable of generating a proton potential upon photoinduction with visible light. This work has potential applications in the field of nanoreactors and nanobatteries.

In order to be eligible for the award, candidates must be a member of the RACI, be nominated to the judging committee by the Deputy Vice-Chancellor (Research) of an Australian University or equivalent, submit a CV demonstrating research excellence and publication record, submit two referee reports to justify nomination and include copies of PhD Examiner reports to demonstrate quality and significance of the research conducted.

In each award period, no dual awards are issued by the RACI, and if the judging committee considers that none of the theses submitted for nomination reach an appropriate standard, no award will be made.

David says 'It is an honour to be awarded the Cornforth Medal and it is satisfying that all the hard work and perseverance during my PhD studies paid off'.

Congratulations David!



## Update on Customs seizures post-Raising the Bar legislation

Marine Guillou, Associate



**On 15 April 2013, many of the provisions of the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* came into effect.**

This legislation significantly simplified the customs seizure process by putting the responsibility on the importer of the infringing goods, which have been seized by Customs, to take action for the release of those goods. Now, the importer can only reclaim the seized goods by lodging a Claim for Release of the goods to Customs within 10 days of receipt of the seizure notice (Customs can accept late claims in limited circumstances). If the importer fails to lodge a Claim for Release, the goods are automatically forfeited by the importer.

In a recent meeting, Jackie Walton from the Australian Customs and Border Protection Service, reported on the new border enforcement regime of Intellectual property rights.

She advised that:

- > 1302 seizures were made between 15 April 2013 and 31 October 2013 by Australian Customs
- > Of these seizures, only 84 claims for release were lodged by the importers, i.e. less than 6.5% of the shipments (none of which were late claims)

- > To date, 21 shipments for which a claim was lodged were actually released to the importer (approximately 1.6% of the seizures)
- > The forfeiture rate is higher than under the previous scheme
- > Of the goods that were forfeited, two thirds were forfeited voluntarily. The remaining goods were not forfeited because a Claim for Release was not lodged.

These figures illustrate how successful the new provisions have been in their objective of preventing infringing goods seized by Customs from entering the Australian marketplace.

**Marine Guillou** *LLM (Edinburgh University)* is a Trade Marks Attorney who advises on trade mark searching, prosecution and enforcement including anti-counterfeiting programs and customs proceedings. Marine has worked as an in-house lawyer for the French anti-counterfeiting group Union Des Fabricants, and as an anti-counterfeiting Area Manager for Société Bic. [marine.guillou@pof.com.au](mailto:marine.guillou@pof.com.au)

## 2017 AIPPI Congress to be held in Australia



Towards the end of 2013, Andrew Massie, the current President of the Australian Group of AIPPI International (International Association for the Protection of Intellectual Property), travelled to Helsinki, Finland, where he successfully bid on behalf of the Australian Group for the 2017 AIPPI Congress to be held in Sydney. Andrew worked on the bid with other committee members for over 12 months, and presented the bid before over 400 Congress delegates in Helsinki.

Andrew said: 'The Congress will be a significant event for intellectual property practitioners in Australia, as well as our close neighbours in New Zealand and South-East Asia. AIPPI Congresses are traditionally northern hemisphere events, so securing the Congress 'down under' represents a fantastic opportunity for local practitioners to meet with IP professionals from all over the world and to discuss matters of common interest.

AIPPI particularly focusses on harmonising IP laws and practices throughout the world so that benefits flow to the users of IP, our clients, in terms of cost reductions and uniformity of protection'.

Also bidding for the 2017 Congress were Japan, Malaysia and Turkey, with the final result being a very narrow victory for Australia over Turkey. Andrew will now lead the Australian AIPPI Group in organising the 2017 Congress.

Congratulations to Andrew and the Australian AIPPI on winning the bid for Australia. This is a significant achievement and we look forward to hosting the Congress in 2017.





## Methods of medical treatment found patentable

Adrian Crooks, Partner

**The patenting of methods of medical treatment is a particularly complex area of IP law, with some methods being allowed in certain jurisdictions, and specifically excluded in others.**

While initially it was considered that such methods did not constitute patentable subject matter in Australia, the Australian patent office changed its practice in 1972 following the decision in *Joos v Commissioner of Patents*. In this case, the court overturned a decision by the commissioner to refuse grant of a patent for a process of treating of parts of the human body, in particular hair and nails. Nevertheless, while the Australian patent office has proceeded to grant patents to methods of medical treatment for the last 40 years, the patentability of such claims had never been judicially tested in Australia's highest court.

### Decision

On 4 December 2013, a majority of the High Court held that methods of medical treatment may be patentable subject matter.

In three separate judgements forming *Apotex Pty Ltd v Sanofi-Aventis Australia Pty Ltd* [2013] HCA 50, French CJ, Crennan and Kiefel JJ, and Gageler J all concluded that the requirement of section 18(1)(a) of the *Patent Act 1990* (Cth) –

that an invention be 'a manner of manufacture within the meaning of section 6 of the Statute of Monopolies' – did not preclude the granting of patents for such methods.

Central to each of the judgments was the lack of a basis for distinguishing between a claim to a new product for therapeutic use and a claim to a new method for the use of a product having a known therapeutic use. Crennan and Kiefel JJ found that the two types of subject matter 'cannot be distinguished in terms of economics or ethics', while French CJ stated that:

*'Whatever views may have been held in the past, methods of medical treatment, particularly the use of pharmaceutical drugs, cannot today be conceived as "essentially non-economic".'*

Crennan and Kiefel JJ concluded that:

*'Assuming that all other requirements for patentability are met, a method (or process) for medical treatment of the human body which is capable of satisfying the NRDC Case test, namely that it is a contribution to a useful art having economic utility, can*

*be a manner of manufacture and hence a patentable invention within the meaning of s 18(1)(a) of the 1990 Act.'*

In a dissenting judgement, Hanye J held that the manner of manufacture test stipulated by NRDC required that the product of a process (rather than the process itself) must be of commercial significance. His Honour found that while a method of medical treatment might possess such characteristics, the product of that method (the treated individual) did not.

Accordingly, the validity of the patent was upheld. There was however a sting in the tail for the patentee with the court allowing an appeal against the Full Court's finding of infringement.

**Adrian Crooks** *BEng(Civil)(Hons) LLB LLM FIPTA* is a Lawyer and Patent and Trade Marks Attorney representing clients in a range of patent infringement matters, particularly in relation to engineering technologies. Adrian also regularly acts for Australian and overseas clients in opposition proceedings before the Patent Office. [adrian.crooks@pof.com.au](mailto:adrian.crooks@pof.com.au)

## Meet the POF team at INTA 2014



A number of POF's attorneys will be attending INTA 2014 – the 136th Annual Meeting of the International Trademark Association – in Hong Kong. To arrange a meeting, please contact us on [attorney@pof.com.au](mailto:attorney@pof.com.au)

## Queens of the Stone Age: POF turns it up to 11



When you think of rock n' roll, it's not often that you think of intellectual property law. Until now that is!

In late 2013, POF Managing Partner Graham Cowin filed the trade mark 1579602 for American rock band, Queens of the Stone Age. The trade mark covers all of their music, promotional material, clothing and performances.

While Graham may prefer a different rock band with 'Stones' in their title, he can certainly appreciate that it's a pretty exciting case to be involved with. Great work Graham!

## New service offering from the POF Group: supermarket investigations and watching services



POF's IP search and investigation company, Intellectual Property Organisers (IPO), is pleased to announce a new service for clients. IPO has recently started working with Mintel Group Limited (Mintel), to offer some new supermarket search services.

Mintel owns and operates the Global New Product Database (GNPD), which contains information on over 2.4 million consumer packaged goods across 48 of the world's major economies.

In partnership with Mintel, IPO can now offer clients the supermarket searching services outlined below.

### 1. Investigation services on consumer packaged goods. Categories include:

- > Product type (e.g. bakery, savoury spreads, energy drinks, etc.)
- > Brand name/product name
- > Description
- > Company
- > Packaging type (e.g. bottle, aerosol, blister card, jar)

- > Packaging material (e.g. foil, moulded pulp, plastic PET)
- > Country or region.

The records provided contain detailed information about the product and high resolution photographs that can be used to:

- > establish whether a word or shape mark is capable of distinguishing
- > establish whether a mark has become diluted in the marketplace
- > determine the date a product was launched.

### 2. Watching services

We can conduct watches for all of the categories under 'investigation services'. This is an excellent tool to monitor your competition.

If any of these new services are of interest, or if you would like to discuss your specific requirements, please contact Rodney Chiang-Cruise at [rodney.chiang-cruise@pof.com.au](mailto:rodney.chiang-cruise@pof.com.au)

## Margaret Ryan teaching intellectual property at Victoria University

Phillips Ormonde Fitzpatrick Lawyers (POFL) Special Counsel, Margaret Ryan, has recently begun teaching intellectual property to 120 undergraduate law students at Victoria University. Margaret will be teaching for the first semester of 2014, and is lecturing in copyright and trade marks, and tutoring across the whole intellectual property unit, including patents, trade marks, copyright and designs.

Margaret says, 'This is a very exciting project for me, and I am looking forward to sharing my experience with the students. In preparing for the classes, I have had to do an enormous amount of research and preparation, but this research has proved extremely useful in my everyday work at POFL.'

Congratulations Margaret!



## POF lawyers contribute to 'Getting the Deal Through'



In 2013, Annette Rubinstein, Partner, and Anita Brown, Associate, were asked to contribute their expertise about Australian competition law, and its effect on intellectual property agreements to the international publication *Getting The Deal Through; Intellectual Property and Anti-Trust 2014*.

*Getting the Deal Through* publishes online and hard copy publications setting out a guide to the legal and regulatory framework relevant to commercial deals and disputes in over 150 countries. It is a strategic research partner of the American Bar Association Section of International Law.

Annette and Anita's work is available to POF clients as a link on our website and is also available as a free iPad app from the App Store. To open the app on your iPad, you will need to enter the sponsor as POFL and the reference as IPA.

For advice about competition law and other commercial law issues, please contact Annette Rubinstein on [annette.rubinstein@pof.com.au](mailto:annette.rubinstein@pof.com.au), or Anita Brown on [anita.brown@pof.com.au](mailto:anita.brown@pof.com.au)

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