



Patents

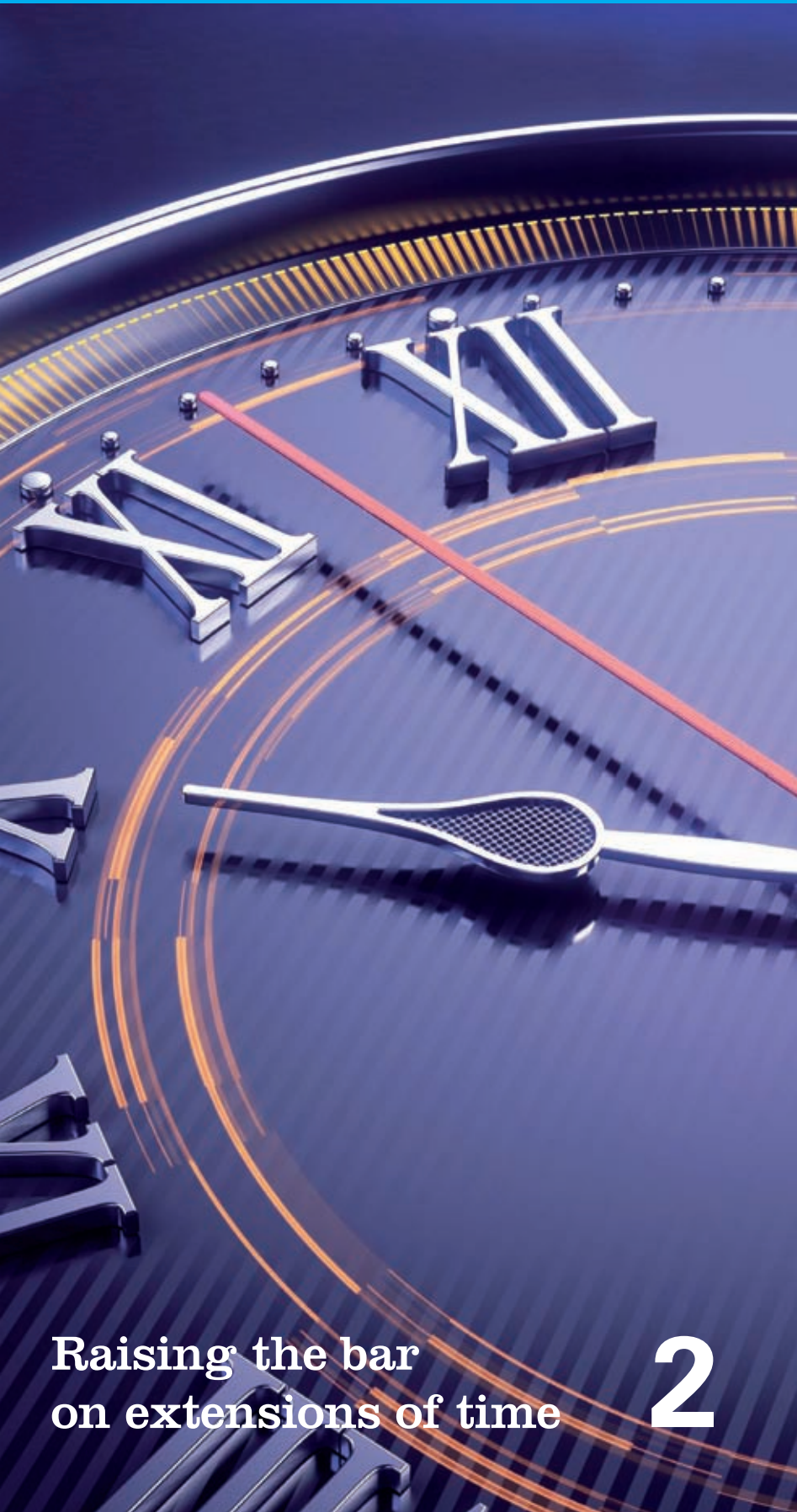
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## Editorial

Chris Schlicht,  
Partner



Welcome to the June edition of *Inspire!*, in which we cover intellectual property law updates, interesting client news, information about technological advancements, new PO services and IP case studies.

It has been just over a year since the introduction of the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* came into effect. One significant area of change is in relation to requesting an extension of time for patent oppositions. Partner, Adrian Crooks, takes a look at some recent cases which illustrate how requesting an extension of time has become more difficult since the introduction of Raising the Bar (page 2).

Partner, Annette Rubinstein, provides a summary of an interesting copyright infringement case of the Australian Federal Court involving fabric designs. In this case, the copyright owner Seafolly, alleged that Fewstone (City Beach) was infringing its fabric designs, despite differences in the patterns when viewed side-by-side. However, it was of significance that City Beach had provided samples and photographs of Seafolly's garments to its designers to indicate the look and style of designs they wanted. The case is a clear warning that parties must take great care not to use competitors' graphic designs in any way (page 4).

We also take a look at one of our local clients, Carbon Revolution. This company has developed the world's first commercially available carbon fibre wheel, for which there are a number of patents and designs in place or pending around the world. The Australian car manufacturing industry has been facing a steady demise, with Toyota, Ford and Holden all planning to stop manufacturing in Australia in the next few years. This case study shows that by being at the forefront of advances in technology, Australia can still have a presence in the automotive sector, with these Australian made carbon fibre wheels now appearing on Porsche and Lamborghini vehicles (page 6).

We hope you enjoy this edition of *Inspire!*, and we welcome any questions or comments on any of the issues covered.

## Patents



## Raising the bar on extensions of time

Adrian Crooks, Partner

The *IP Laws Amendment (Raising the Bar) Act 2012* made substantial changes to the *Patents Regulations 1991* (Cth) relating to the conduct of patent oppositions, including the regulations relevant to seeking an extension of time ('EoT') in which to file evidence. Under the previous regime, multiple extensions of time were routinely obtained. A number of recent decisions provide guidance as to how the new EoT provisions will be applied, and suggest extensions will now be more difficult to obtain.

### Extension applications must be supported by detailed information

The first Patent Office decision to give substantive consideration to the new EoT provisions was *Julie-Anne McCarthy and Bradley McCarthy v TRED Design Pty Ltd* [2013] APO 57 ('TRED').

TRED confirmed that under the new regulations, an EoT may only be granted in two situations:

- where the party has made all reasonable efforts to comply with the time period for filing the evidence, **and** despite acting promptly and diligently has been unable to meet that time period; **or**
- there are exceptional circumstances that warrant the extension.

If neither of these considerations are satisfied, an EoT may not be granted regardless of any consideration of the public interest. Further, TRED recognised that the intention behind the amendment of the regulations in relation to EoTs was to make obtaining such extensions more difficult.

In this particular case, the opponent was refused an extension because despite assertions that 'the opponent has acted promptly and diligently at all times', the information it provided in support of the application included insufficient detail about what steps were actually taken. The Delegate concluded:

*'Ultimately, this matter turns on whether I am satisfied that Mr Anderson made all reasonable efforts to comply with all relevant filing requirements, and acted promptly and diligently at all times to ensure the evidence was filed in time, based solely on his assertion that he did and without sufficient evidence to enable me to form an independent opinion that that is correct. I am not satisfied on the basis of the information before me.'*

TRED provided an early indication that a party seeking an extension will need to provide detailed information about their attempts to comply with the evidence deadline including information as to 'when' certain actions were

done, 'how long' those actions took, and 'when and for how long' absences/lack of availability occurred.

### All conduct is potentially relevant

TRED was then applied in *Merial Limited v Novartis AG* [2013] APO 65 ('Merial'). Merial concerned a request for an EoT following an earlier granted request. In deciding that Novartis' EoT application should be refused, the Delegate noted that the new regulations import a consideration of the reasonableness of the relevant party's conduct over the totality of the opposition proceedings. Further, when assessing whether a party has 'acted promptly and diligently at all times to ensure the appropriate evidence is filed', consideration should be given to the party's conduct throughout the entire evidentiary period, not just during the previous period of extension.

It was also noted in Merial that for oppositions commenced prior to 15 April 2013 there remains the possibility of filing further evidence, and in the subsequent decision in *Merial Limited v Novartis AG* [2014] APO 19, Novartis' application to file further evidence was allowed.

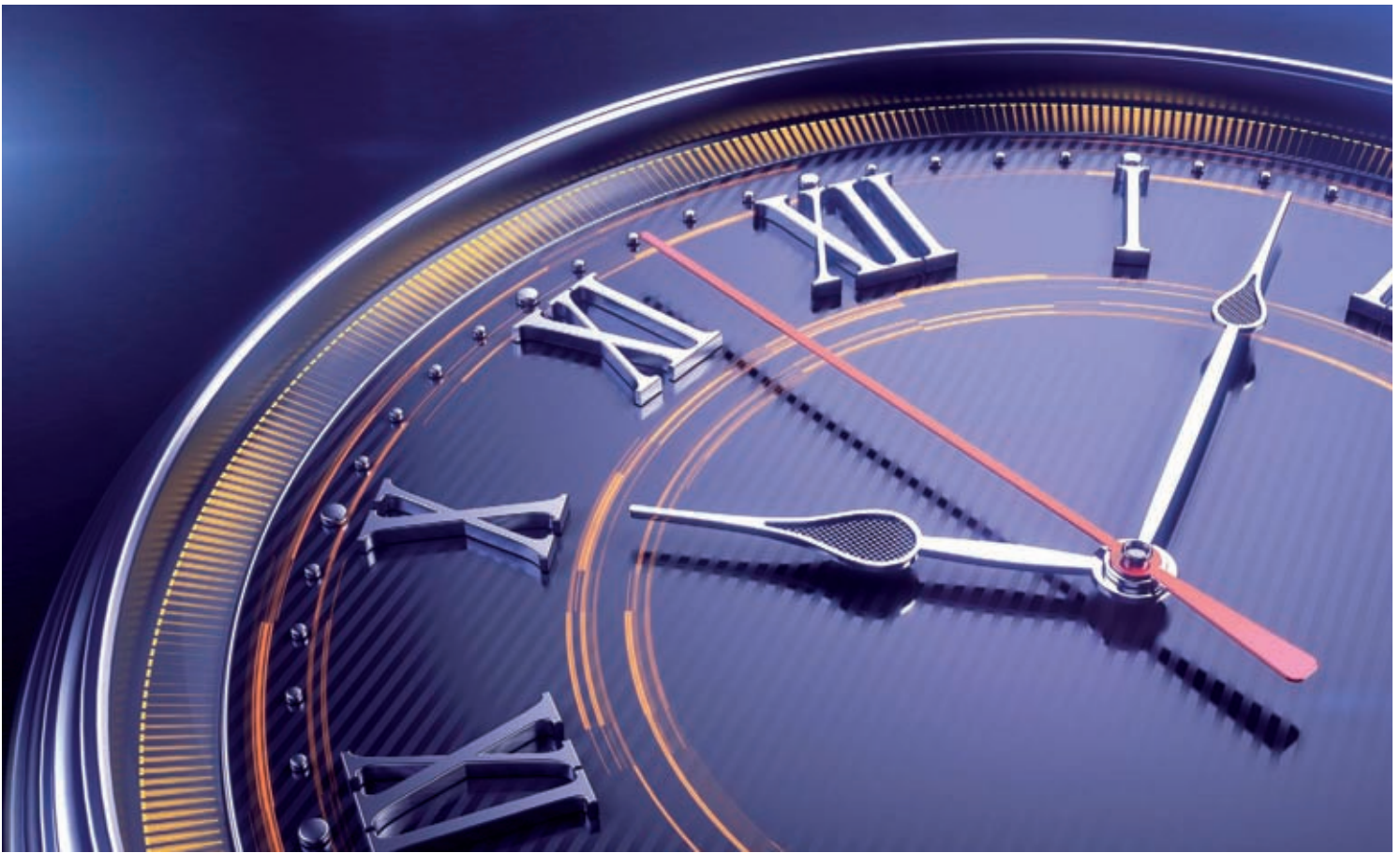
### Reasonably foreseeable difficulties should be mitigated

Further guidance as to application of the new EoT provisions was provided in *Shelford Services Pty Limited v Baylor Research Institute* [2014] APO 20 ('Shelford').

In Shelford, the patent applicant sought an extension of the deadline for filing its evidence in answer on the basis that it had encountered difficulties in retaining suitable expert witnesses followed by limited availability of those witnesses to progress the evidence.

In considering the application, the Delegate noted that:

*'It may be reasonable for an applicant not to start work on defending an application until the evidence in support is filed. This could include the applicant waiting until*



*the evidence in support is filed to then determine appropriate experts to seek in defending the application. The deferral of costs of this type of firm action by the applicant until the evidence in support is filed would be quite reasonable. A reasonable expectation also is that an applicant, seeking an extension of time to file evidence in answer, should nonetheless demonstrate that it had started considering or thinking about how it would defend its case at an early stage.'*

The applicant submitted that having regard to the field of the invention, suitable experts were difficult to locate and typically had substantial professional obligations which took priority over work relating to the opposition. Whilst accepting this, the Delegate noted that in such circumstances, 'it seems the search for an expert in this area, who could be retained on notice once the evidence in support was filed, should be considered reasonably early in the process.'

Ultimately the extension was granted, however the decision highlighted that where potential difficulties with evidence preparation are foreseeable, a party may need to take steps to mitigate those difficulties in order to be seen to be making reasonable efforts.

## Potential waiver of privilege does not excuse inadequate information

In *Sportingbet Australia v Tabcorp International Pty Ltd* [2014] APO 21, it was held that the

potential for waiver of attorney-client privilege will not excuse any inadequacy in information provided to the Commissioner in support of an EoT application.

Tabcorp, the patent applicant, sought an extension to file its evidence in answer and while the Commissioner was initially satisfied that an extension was justified, Sportingbet opposed the application.

Sportingbet criticised the extent to which Tabcorp had provided details of the work performed in order to show that it had acted promptly and diligently in the preparation of its evidence. In response, Tabcorp submitted that it would be contrary to the intent and purpose of section 200(2A) of the *Patents Act 1990* (which relates to attorney-client privilege) to construe Regulation 5.9 as requiring disclosure of details of the work performed.

On this point, the Delegate stated that:

*'Details of the work carried out by a party may need to be disclosed to the Commissioner where it is relevant to establishing that the party seeking an extension of an evidentiary period has been prompt, diligent and reasonable for the purposes of subreg 5.9(2). As indicated above, a party may provide the necessary information in the manner of their choice. Where a party considers that some information is confidential, they may redact sensitive details, or summarise the information. However, they cannot claim that because the relevant information is confidential they do not need to satisfy subreg 5.9(2).'*

The Delegate also rejected the submission that the Spring Racing Carnival, which coincided with part of the evidentiary period, was an exceptional circumstance despite submissions as to its impact on the resources of Tabcorp.

## Extensions are not impossible to obtain

The new EoT provisions clearly represent a significant change in opposition practice. However, as the decision in *Fugro Airborne Surveys Corp v Geotech Airborne Limited* [2014] APO 23 demonstrates, EoT's remain available, even where they are opposed, provided a party has made reasonable efforts to prepare its evidence and equally importantly provided adequate information to the Commissioner to demonstrate that it has done so.

Ultimately the new provisions should mean that both patent applicants and opponents can look forward to more efficient and cost effective patent oppositions.

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## Copying or inspiration: what's the difference?

Annette Rubinstein, Partner

For designers in a fast moving field such as fashion, there is a fine line between following market trends and infringing a market leader's copyright. A recent case in the Australian Federal Court demonstrates how easy it is to fall onto the wrong side of the line. The case was *Seafolly Pty Ltd v Fewstone Pty Ltd (trading as City Beach)* [2014] FCA 321. The textile designs (pictured right) are reproduced from the reported case.

While there are similarities between the Seafolly English Rose design (Figure 1) and the City Beach Rosette print (Figure 2), the differences are also striking, particularly the irregular arrangement of the large roses in the Seafolly design compared to the straight lines of the City Beach design, the different technique used to depict the rose petals, the amount of detail in the leaves, and the different colours of the leaves.

The differences between Seafolly's Covent Garden artwork (Figure 3) and City Beach's Sienna artwork (Figure 4) are even more striking.

However, the Federal Court held that in both cases, City Beach had infringed copyright in the Seafolly artwork. It is doubtful whether the similarities between the two sets of artwork are so great that a Court would have found that copying was the most likely explanation if there had been no additional evidence. However, there was clear evidence that City Beach had provided samples and photographs of the relevant Seafolly garments to its designers, together with samples and photographs of City Beach's own products, to indicate 'the look or style of the prints that City Beach wanted developed'. The City Beach designer gave evidence that she had consciously tried to make her designs different from the Seafolly ones, but in the case of the Rosette print, City Beach's instructions pushed the design closer towards the Seafolly English Rose design.

Neither of the two arguments raised by City Beach's defence succeeded. The first relied on the established doctrine that copyright protects expression, not ideas. City Beach argued that at most it had taken only ideas or concepts from the Seafolly textiles (a mixture of large and small dark pink stylised roses with leaves on a black and white background (Rosette)); a mixture of spiky stylised flowers in different colours with frond like leaves (Sienna) and not the expression of those ideas, where it would be possible to identify individual elements in each textile that were visually similar to each other. The second related argument was that City Beach had not reproduced a substantial part of the Seafolly textiles, in the sense that the objective similarity between each pair of



Figure 1 Seafolly English Rose design



Figure 2 City Beach Rosette design



Figure 3 Seafolly Covent Garden design



Figure 4 City Beach Sienna design

textiles was not so strong that it was possible to still see the Seafolly artwork in the City Beach artwork.

In rejecting these arguments, the Court relied on a decision of the Full Federal Court in *Elwood Clothing Pty Ltd v Cotton On Clothing Pty Ltd* [2008] FCAFC 197 (23 December 2008) that the graphics on a Cotton On t-shirt reproduced a substantial part of the graphics on an Elwood t-shirt by copying the size, nature and placement of the individual graphic elements of the t-shirt, even though the individual elements on the Cotton On t-shirt did not visually resemble those on the Elwood t-shirt.

This is the most recent of a series of cases where the Federal Court has made it clear that it does not look kindly on companies that use their competitor's graphic designs in any way, and that once it has been proved that a designer

was given a copy of a competitor's artwork, it will be very difficult to escape liability on the grounds argued by City Beach. Employers should give clear instructions to their employees that other firms' products must not be provided or described to design staff, and that files of competitors' designs must not be kept. After all, there are any number of out of copyright old-fashioned flower designs that City Beach could have used as inspiration for its new products.

**Annette Rubinstein** BA(Hons) LLB(Hons) is head of the commercial practice group. She has specialist expertise in competition and consumer law, confidentiality and trade secrets, and contract law. She negotiates and drafts agreements, and advises international clients on the adaptation of standard agreements to comply with Australian law. Annette is the author of the copyright chapter of the Law Handbook. [annette.rubinstein@pof.com.au](mailto:annette.rubinstein@pof.com.au)



## Google Glass available in 2014?

**George Biernacki, Partner**

**Wearable technology is one of the most exciting new technology trends of 2014, with many people eager to trial the new devices before they are commercially available. One such device is Google Glass, a wearable Android-powered computer built into the frames on glasses. Google filed a patent application for this device, which was published on 21 February 2013 (US2013/00440042).**

Google Glass has a small display screen in the wearer's field of vision, which can be used to record videos, take pictures, browse the internet, as well as run specially-designed apps. Google Glass can also be used to get directions, however as there is no GPS in the Google Glass, you would need to tether the device to your smartphone via wireless internet.

Google Glass is not yet commercially available, but a small test-segment of people have been using the device since April 2013. Google is using this semi-public testing period to help fine-tune the device and get people used to the idea of wearable technology.

As with any new technology, there is the potential for misuse, and Google Glass is no exception. The device may cause problems relating to privacy, largely due to its ability to subtly record and take pictures. However, Google could argue that it is merely taking the functionality that we already have in our portable mobile devices and making it more readily accessible.

In order to help relieve people's fears over privacy, Google has released details on how

to tell if someone is recording. Google has also removed an app that allowed photos to be taken silently via blinking, which had the potential to be abused. Facial recognition apps will also be banned from the Glass equivalent of Google Play following privacy concerns

It is important to note that there will be legal and social restrictions on how consumers use this technology. For example, one early adopter was arrested for driving while 'distracted' by her Google Glass, while another member of the Google Glass test-segment became the first user to film an arrest using his headset. A strip club has even pre-emptively banned their patrons from wearing Google Glass, presumably in a bid to generate publicity.

In an interesting case, one man went to the cinema in Ohio wearing Google Glass, and was interrogated by FBI agents for over an hour because cinema employees thought that he was illegally recording the movie, despite his Google Glass being off. The incident was further complicated by the fact that the man's headset had prescription lenses. Had they been clear, he could have just taken them off to prove that he wasn't interested in recording the movie, but obviously he needed them to see. Unfortunately the employees didn't believe him, and it took the authorities over an hour to figure out that they could easily resolve the issue by checking what was on the man's Google Glass.

There was speculation that Google Glass would launch before the end of 2013, however Google has announced that another round of invites will be issued to those who wish to buy a Google Glass Explorer edition, with existing users able to invite up to three friends. This



means that it will be more likely be launched later this year.

It will be interesting to see the implications of this new technology once it is more widely available, and if Google will have enough systems in place to protect people's privacy.

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## POF sponsors the Melbourne South East Business Awards

The Melbourne South East Business Awards is the premier business awards recognition programme in the south east region of Melbourne.

The MSE awards are held annually as part of an initiative to recognise and celebrate businesses that have made a valuable contribution to the MSE economy. This year, Phillips Ormonde Fitzpatrick proudly sponsored the MSE Award for Business Growth and Innovation, which was presented by POF Partner, Ross McFarlane.

Ross emphasised the need for small-to-medium enterprises to protect their intellectual property. Ross said "only when IP is well managed and protected can it be leveraged into a sustainable, competitive advantage for a company. There are certainly some key things

that a company needs to do to ensure their IP is properly protected, such as incorporating IP tollgates into a product development process, establishing an IP awareness program and maintaining an IP register. Most importantly though, companies should not treat IP as something separate or removed from their business but rather should consider IP as just another business issue to be managed."

POF would like to congratulate all of the winners of the MSE Business Awards.



Ross McFarlane with Mayor Cr Darren Pearce from Knox City Council and Cr Geoff Gledhill from the City of Kingston who accepted the certificate on behalf of breadsolutions, the winner of the Business Growth & Innovation Award.



## Carbon Revolution develops world leading carbon fibre wheel technology

**Dr Edwin Patterson, Senior Associate**

Australian company Carbon Revolution has developed, and is now commercially producing, the world's first one piece carbon fibre automobile wheel. The commercially available CR-9 wheel (pictured), represents more than seven years of development, including the wheel design and manufacturing process that is the subject of intellectual property protection in a number of countries.

### The technology

Carbon Revolution's carbon fibre wheel is the first in the world to include an integrally molded rim and face portion. The integral connection provides significant strength and endurance properties. This unique wheel configuration also required development of a new manufacturing process.

Brett Gass, Engineering Director and a founding member of Carbon Revolution, notes that "Creating a composite wheel that is made entirely in one piece from continuous fibres is particularly challenging given the significant geometric complexities. We have successfully developed an architecture that optimises the outstanding properties of continuous carbon fibres through the complex range of operational loads that are seen on a vehicle."

Carbon Revolution's wheels have been tested in Europe and the US since 2010. The wheel called the 'CR-9' has been shown to save 40% to 50% in unsprung mass, delivering noticeable performance gains in acceleration, cornering and fuel economy compared with original equipment manufacturer equivalents made from aluminium. The wheels also reduce noise and vibration, due in part to the reduction in mass and the natural damping properties of the carbon fibre material. The direct application of Carbon Revolution's wheels to current vehicles can yield an efficiency benefit of approximately 2% to 4%, providing a significant cost saving over the life of the vehicle and leading to reduced emissions. The wheels are also durable, impact resistant and have a life expectancy comparable to aluminium wheels.

Carbon Revolution's technology is industry leading, and has been recognised by the Australian Government through significant commercialisation grant funding programs.

### Intellectual property protection

Phillips Ormonde Fitzpatrick has been assisting Carbon Revolution with the protection of its intellectual property since the initial development of their new manufacturing process in 2008.

Intellectual property is viewed as an essential part of the company's growth and commercialisation strategy. "Our IP Portfolio

is arguably the company's most valuable asset," states Carbon Revolution's Director of Technology Development, Matthew Dingle.

Carbon Revolution now has an extensive portfolio of IP including:

- > patent protection in Europe, the US, Australia and China for their overall manufacturing process
- > patent protection for methods of attaching the wheel to a vehicle granted in Australia, and pending in Europe, the US, China, South Korea and Japan
- > patent protection for internal design features granted in Australia and pending in other jurisdictions
- > design protection in the US and Australia for the commercial design of their wheels, and pending patent protection for a number of critical components and features of the wheel.

"Our collaborative relationship with POF is extremely important to the company and has enabled us to aggressively develop and effectively manage our IP portfolio over the past five years."

### Manufacturing facilities

Carbon Revolution's R&D and production facility at the Geelong Technology Precinct, within Deakin University, includes equipment and processes developed by the company specifically for the carbon fibre wheel. Producing the one-piece carbon fibre composite wheel merges the rigor of aerospace manufacturing processes with the efficiency and control of high volume automotive production.

Originally a small R&D start-up, Carbon Revolution's organisation has evolved into a highly focused and effective group of leading engineers, scientists and industrialists within a tightly managed innovation cell. Rapid recent growth has resulted in a full pilot commercial production line currently capable of producing approximately 2,500 wheels per year.

Although elements of the current process remain relatively labour intensive, the ongoing development of bespoke process automation solutions is resulting in a steady increase in production capacity and providing opportunities for additions to the IP portfolio.



The CR-9 wheel

Construction has recently commenced on a full scale facility capable of producing 50,000 wheels per year with the capacity to expand to 250,000 wheels in the future as demand increases.

Carbon Revolution won a production contract with an overseas manufacturer in 2013, and negotiations are well progressed on further programs with original equipment manufacturers based in Europe. This facility is anticipated to service major vehicle manufacturer contracts as well as aftermarket sales to numerous offshore markets.

The CR-9 wheel is currently available for the Porsche 911, the Lamborghini Gallardo and the Audi R8. More fitments (starting with the BMW M3) are planned for the near future. R&D is already in place developing the next generation of industry leading wheel technology for both the world's next generation super cars and high efficiency vehicles.

POF would like to thank Matthew Dingle from Carbon Revolution for his contribution to this article.

**Dr Edwin Patterson** *BEng(Hons) PhD MIPLaw FIPTA* is a Patent Attorney and Chemical Engineer with specialist 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. [edwin.patterson@pof.com.au](mailto:edwin.patterson@pof.com.au)



## King's CANDY trade mark not so sweet

Anita Brown, Associate

**The publisher of the popular game Candy Crush Saga recently attracted savage criticism for its attempts to trade mark the word CANDY in the United States.**

King.com Limited (King) filed a trade mark application in the United States in February 2013 for the trade mark 'CANDY' in classes 9, 25 and 41 for goods and services including computer games, downloadable software, clothing, and various sporting and entertainment type services. King already owns a trade mark registration in the US for 'Candy Crush' and 'Candy Crusher', and a trade mark registration for CANDY in Europe.

Candy Crush Saga is a video game for Facebook and smartphones. It has more than six million daily active users and is estimated to generate more than \$800,000 in revenue per day, making it one of the most popular video games in the world.

Recently, controversy arose after King reportedly sent out cease and desist letters to smaller game developers based on their use of the word 'candy'. Through various social media sites, game developers criticised King and claimed that it should not be able to trade mark a common word such as CANDY.

After taking issue with one particular app, King hit back at its critics and issued a press release that said:

"We have trademarked the word 'candy' in the EU, as our IP is constantly being infringed and we have to enforce our rights and to protect our players from confusion. We don't enforce against all uses of 'candy' – some are legitimate and of course, we would not ask App developers who use the term legitimately to stop doing so."

The particular App in this instance was called 'Candy Casino Slots – Jewels Craze Connect: Big Blast Mania Land', but its icon in the App store just says 'Candy Slots', focussing heavily on the trade mark. King continues "As well as infringing our and other developers' IP, use of keywords like this as an App name is also a clear breach of Apple's terms of use. We believe this App name was a calculated attempt to use other companies' IP to enhance its own games, through means such as search rankings."

To those familiar with trade mark law, the backlash King faced seems a little unfair in the circumstances. The fact that CANDY is a common word will not of itself prevent a registration of the mark. Rather, a trade mark will be refused registration where it describes



a characteristic of the goods or services specified in the application. In the parlance of trade mark lawyers, it is a mark that is not inherently adapted to distinguish the goods or services for which registration is sought. Even where a mark is not inherently adapted to distinguish, it may still be registered if the trade mark applicant can establish through use that the mark has acquired distinctiveness and is acting as a badge of origin for the trade mark applicant's goods or services.

Given its success, it is not surprising that King took steps to protect and enforce its trade marks. However, King abandoned its US application for CANDY after the US Patent and Trade Marks Office accepted it for registration. Perhaps it backed down because it did not want to face further negative publicity or a possible trade mark opposition.

In Australia, an application for CANDY was pending at the time of writing for goods in classes 9, 25 and 41. An adverse report was issued on the basis of a prior registration. In the European Community, King's registration for CANDY is currently subject to a cancellation action so it may be some time before King's trade mark battles are over.

This controversy illustrates the issues that can arise in the context of branding tablet and smart phone apps. It also highlights two key questions for those launching an app and choosing a new app name or icon:

- > Is the new app name or app icon infringing someone else's trade mark rights?
- > Does the new app name or icon qualify for trade mark protection?

Before a new app is launched, trade mark searches should be undertaken to ensure that the app name and logo are available for use in relation to the goods and services of interest. Even if no registered trade mark is located, new entrants may find themselves facing the common law action of passing off or fall foul of the Australian Consumer Law if use of their mark constitutes a misrepresentation. This might arise in the situation where an icon such as the 'Candy Slots' icon referred to above, arguably attempts to trade on the goodwill or reputation in Candy Crush Saga.

If the app name describes the services or products an app relates to, such as 'The Pet App' 'HotelApp' or 'PT APP', then it is unlikely to be capable of trade mark protection unless it can be shown that the trade mark has through use come to distinguish the goods and services of the trade mark owner. In such cases, seeking protection for an app icon rather than its name may be appropriate.

**Anita Brown** BA LLB MIPLaw has a Master of Intellectual Property Law and specialises in trade mark searching, prosecution, registration and enforcement. She also advises on trade mark assignments and licensing. Before joining POF, Anita worked as a journalist and then as a lawyer at a firm specialising in advertising and marketing law. [anita.brown@pof.com.au](mailto:anita.brown@pof.com.au)



## Shine taken off glossy trade mark

Mark Williams, Associate

Recently, Bauer Media (publisher of Australian magazines such as *Cosmopolitan* and *The Australian Women's Weekly*) have received negative press for lodging a trade mark application for the word GLOSSY in respect of printed publications including magazines – ostensibly because many in the print media world associate the word GLOSSY with a print publication which is printed on high quality paper stock – such as a magazine.

Although interest from the media in this trade mark is recent, Bauer Media (and its predecessor) have in fact been attempting to obtain trade mark rights for the word GLOSSY without success since 2007, and have filed a number of divisional applications.

Although we do not have access to the file histories, it is likely that the trade mark is being objected to on the basis that it is not inherently adapted to distinguish the goods/services (since GLOSSY is used to indicate the kind of goods/services), and that other traders may wish to legitimately use the word GLOSSY in relation to print publications.

Since its first filing in 2007 (application number 1158304), Bauer Media may be able to provide evidence of up to seven years' use of the word

GLOSSY as a trade mark (1620362 GLOSSY) in order to convince the Trade Marks Office to accept the application. Whether this will be enough evidence of use remains to be seen. Even if the application is accepted, the cutthroat world of print media suggests that the deadline for opposition will be closely watched by their competitors!

**Mark Williams** *BCSE(Hons) MIP FIPTA* is a Patent and Trade Marks Attorney with over ten years' experience in drafting and prosecuting patent applications. He specialises in the fields of electronic devices, electronic gaming machines, online transactions and payment systems, anti-virus software, business methods and mobile 3GPP/LTE standards. Before joining POF, Mark worked for a leading automotive manufacturer.  
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## Patents



## Accelerating patent prosecution in Southeast Asia

Michelle Blythe, Trainee Patent Attorney

In 2009, the ASEAN Patent Examination Co-operation (ASPEC) programme was launched, allowing patent work-sharing among the nine participating ASEAN Intellectual Property Offices of Singapore, Malaysia, the Philippines, Cambodia, Indonesia, Thailand, Vietnam, Lao PDR and Brunei Darussalam. Applicants are able to take advantage of accelerated processes at participating offices by filing an ASPEC request any time until grant or refusal of a patent.

The objectives of ASPEC are to reduce complexity, achieve time savings and improve the quality of search and examination. The programme allows the sharing of search and examination results between participating offices, accelerating patent prosecution and allowing patents to be granted more quickly and cost efficiently.

An applicant will qualify for the ASPEC programme if they have (i) filed a corresponding patent application at any other participating office and the applications are linked by a Paris Convention priority claim and, (ii) they have search and examination documents issued by a participating office with at least one claim deemed patentable. The request is filed by completing an ASPEC Request Form with accompanying documentation and is free-of-charge to the applicant.

ASPEC operates in the English language in all participating offices, and revisions made in 2013 allow applications to be advanced out of turn until grant when an ASPEC request is filed. Therefore, applicants desiring to file regionally in ASEAN countries will benefit from ASPEC due to substantial time and cost savings.

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## POF sponsors the Graeme Clark Oration and ICT for Life Sciences Forum

The Graeme Clark Oration is Australia's most prestigious public science event and has been held annually since 2008 to inform the community about advances in biology, computing and engineering. Phillips Ormonde Fitzpatrick is a proud sponsor of the Oration which is an initiative of the ICT for Life Sciences Forum, of which POF is also a foundation sponsor.

This year's Oration was held on 5 June at the Melbourne Convention and Exhibition Centre, and was attended by an audience of over 1,400 people. The Orator was Dr Donald Ingber, Founding Director of the Wyss Institute for Biologically Inspired Engineering at Harvard University.

The subject was 'The Next Technology Wave: Biologically Inspired Engineering', in which Dr Ingber summarised engineering developments at the Wyss Institute, where innovative technology is used to emulate the way nature builds solutions to biological needs.

The Wyss Institute is recognised for its pioneering use of trans-disciplinary collaboration and technology translation to develop bioinspired technologies. The Wyss Institute's work includes therapeutic cancer vaccines, nanotherapeutics, self-assembling DNA-based nanorobots that can be programmed to kill tumour cells, and a microfluidic device that cleanses blood of pathogens.

The Oration gave a spectacular insight to the ground breaking work being done at the Wyss Institute under Dr Ingber's leadership. We would like to thank everyone who attended the Oration and we look forward to continuing the discussion about how these technologies and others will shape our future.

## Customs seizure services: our licensed PIs go incognito

The production, distribution and sale of counterfeit goods in Australia is a serious issue, with a network of counterfeiters operating throughout Australia. Counterfeit products are found in a broad range of sectors including electronics, cigarettes, alcoholic beverages, luxury goods and sportswear.

We work directly with Customs and Border Protection in Australia and New Zealand on behalf of clients in order to raise awareness of infringing goods. We also hold regular training sessions for Customs officers to educate them on how to identify counterfeit goods.

The POF Group has a team of licensed in-house Private Investigators. Our investigators are highly skilled and experienced in trade mark and infringement cases, and regularly conduct investigations in markets, shopping centres and online. To all counterfeiters out there, beware!





## Q&A: User-generated content and copyright

Annette Rubinstein, Partner

**If you believe everything you read in the press, there's money to be made from creating content for the masses to view online. Top YouTube content producers reportedly earn \$100,000 a year from advertising revenue and some people have quit their day jobs to blog about everything from pets to parenting to pineapples.**

If you are generating content for use on the internet (UGC), whether for commercial or private purposes, this short Q&A will help you identify the copyright issues to consider.

### What is UGC?

UGC stands for user generated content and is also known as consumer generated media. It is a term used to cover any form of content such as videos, posts, comments, images, audio files and other forms of media created by consumers for use on an online system or service. The content is also publicly available to other consumers or end-users.

Examples include:

- > comments and posts on social networking sites such as Twitter and Facebook
- > images, photos and videos uploaded to sharing sites such as YouTube, Instagram and Flickr
- > blog sites that invite comments
- > articles on crowd-sourced information sources such as Wikipedia.

### Is UGC protected by copyright in Australia?

Yes. The *Copyright Act 1968* (Cth) gives the owner of certain material, categorised as 'works' and 'subject matter other than works', the exclusive right to control certain uses of their material.

Under the *Copyright Act 1968* (Cth) 'works' are literary works, dramatic works, artistic works and musical works. 'Subject matter other than works' are sound recordings, films, broadcasts and published editions.

### Who owns copyright in UGC?

If you take a photo, record some footage, record some music, or write an article and post it to a website, the author or creator will generally own and retain copyright in the work created and posted. However, there are exceptions to this rule. For example, if an employee is creating the works in the course of employment, the employer will generally own copyright.

### What if I use someone else's copyright work in my UGC?

If you intend to use someone else's works or subject matter other than works in a post on a blog or in a YouTube video, you will generally need to obtain permission for its use from the copyright owner if you take a substantial part of the copyright owner's work. For example, if you shoot a video and add a soundtrack of a popular song, then you will most likely need to obtain permission to use the song. In fact, as copyright will exist separately in the sound recording for the song, the music and the lyrics (which may have different copyright owners), you will need to obtain permission from each owner. This may involve paying a fee or royalties to the copyright owner(s) in return for a licence to use the song.

It can be difficult to establish whether you are taking a substantial part of a copyright work, and legal advice should be sought before you post any content that is not your own without permission. The '10% rule' (either 'if you change 10% it's not copying' or 'you're allowed to copy 10%') is a myth; taking quite a small part can infringe copyright if it is a very important part.

### When is permission not required to use copyright work in UGC?

As a general rule, permission to use a copyright work is not required:

- > if copyright has expired
- > you are using an insubstantial part of the material
- > material is being used for a 'fair dealing' under the *Copyright Act 1968* (Cth). This applies to a use of copyright material that is fair and is for the purpose of research or study, criticism or review, parody and satire, reporting the news or for providing professional legal advice, or
- > there is a specific exception under the *Copyright Act 1968* (Cth).

Assessing whether an exception applies can be tricky so seek legal advice before relying on an exception.

### What can social networking and file sharing sites do with the UGC I post?

The terms of use for a particular site will generally spell out the rights the site owner has in relation to the copyright works you post.

These terms of use generally grant the sites very broad rights in relation to the content. For example, Facebook's terms of use provide that if you post photos and videos to Facebook, you grant Facebook a non-exclusive, non-transferable, sub-licensable, royalty-free worldwide license to use those photos or videos.

### How can I protect the copyright in my UGC?

Read the terms of use of the social media platform you intend to post to so you understand what rights and responsibilities you have. Also, consider whether a copyright notice could be put on a photo or added to the end of a video signalling clearly to others that you are the copyright owner. You may also want to monitor popular sites if you are concerned about third party infringement.

### If another user uses my UGC, what rights do I have?

Many sites will remove content if notified by the copyright owner of an alleged infringement; however whether it is appropriate to rely on this mechanism will depend on the circumstances. If you believe your copyright is being infringed, seek legal advice so an appropriate strategy for addressing the infringement can be adopted. This may include asking the site to remove the content, approaching the infringer directly, sending a letter of demand or commencing legal proceedings.

### Finally

Remember, copyright law is only one of the areas of law that user generated content can touch on. Defamation, privacy, confidential information and trade mark laws should also be considered when posting content. Please contact us to find out more.

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## Old section 40(2) learns a new trick

Adrian Crooks, Partner

Whilst the *IP Laws Amendment (Raising the Bar) Act 2012* made substantial changes to the law of sufficiency, for many patents the previous law continues to apply. Following the High Court decision in *Kimberly-Clark Australia v Arico Trading* it was generally understood that the test for sufficiency would be satisfied if the disclosure of the specification enabled the addressee to produce a single embodiment within each claim without new invention. However the Full Court decision in *Tramanco Pty Ltd v BPW Transpec Pty Ltd [2014] FCAFC 23* ('Tramanco') has cast doubt on the general applicability of that test.

In *Tramanco*, Nicholas J noted that in *Kimberly-Clark* (and also in *Lockwood v Doric* where the *Kimberly-Clark* test was reaffirmed by the High Court), the Court was concerned with product claims. His Honour then stated that certain claims, including in particular method claims, might require a different approach.

*'For example, a claim for a method of producing one or more of outcomes A, B or C might be infringed if the alleged infringer uses the method to produce outcome A, but not outcome B or C. Whether there is infringement in such a case will depend upon (inter alia) the proper construction of the claim and, in particular, whether it requires the use of the method to produce only one or more of outcomes A, B or C, as opposed to all three of them. Assuming the former construction ... it would seem*

*to me to be wrong in principle to hold that the description of the invention is sufficient if the specification enables the use of the method to achieve outcome A, but not outcomes B or C. It would be inconsistent with the purposes of the Act to confer a monopoly on a patentee for a method of producing any of outcomes A, B or C, if the patentee's disclosure only enabled the use of the method to produce some of those outcomes.'*

The approach in *Tramanco* seems to be a significant departure from the test in *Kimberly-Clark*. Time will tell whether this approach is confined to the narrow circumstances exemplified by Nicholas J or is applied more broadly but either way it may breathe new life in the old law of sufficiency.



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## Growth of patent prosecution highway programs accelerate

Daniel McKinley, Associate

From 6 January 2014, the Australian Patent Office implemented an agreement with 16 other patent offices to commence operation of the Global Patent Prosecution Highway (GPPH). The GPPH program is intended to reduce the effort of national patent offices based on the principle that an invention that is found by one patent office to be patentable should form the basis for accelerating examination of a patent application for the same invention in a second patent office.

Under the GPPH program, Australian patent applicants who have received a favourable opinion from the Australian Patent Office regarding the novelty and inventiveness of their invention, have the ability to expedite examination of their patent applications in a number of countries. These countries include Canada, Israel, Japan, South Korea, Russia, the United States and a number of European countries including the United Kingdom. This program also applies to patent applications based on an Australian originating International (PCT) Patent Application. Notably absent from

the list of countries with which Australia has such an agreement are the European and Chinese patent offices.

On 6 January 2014 a similar pilot program, known as the IP5 Patent Prosecution Highway (IP5 PPH), came into effect between the five largest patent offices in the world, namely the Chinese, European, Japanese, Korean and United States Patent Offices (the 'IP5'). It is possible for Australian patent applicants to benefit from this program to obtain expedited examination of their European or Chinese patent applications. Applicants can do

this by relying upon the results of examination of a patent application in a country which is a party to both the GPPH and the IP5 PPH programs, notably the United States, Japan or South Korea.

Please contact us if you would like to know more about accelerated patent examination using the GPPH and/or the IP5 PPH.

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## Counterfeiting: an increasing global phenomenon

Marine Guillou, Associate

**When goods are counterfeited, rights holders lose revenue, market share, and can face significant damage to the brand's reputation.**

Counterfeit products are often poor quality and can even be dangerous, so consumers may be putting themselves at risk without even realising it.

### The difficulties in evaluating damage

The scale of counterfeiting – like any other type of illicit trafficking – is difficult to quantify. One of the possible ways to assess the scale of the problem is to look at seizures of counterfeit goods by authorities.

During financial year of 2012/2013, Australian Customs and Border Protection Authorities made 1,694 seizures of counterfeit goods, involving 296,186 items with an estimated retail value of more than AU\$17 million. Some of the items seized included washing powder and beer bottles. Due to the fact that not all counterfeit goods are intercepted by Customs, these figures only show part of this global traffic.

### A global counterfeit network

Counterfeiters no longer work in isolation – they have become 'international entrepreneurs' with global connections to highly sophisticated networks. For example, counterfeiters will often work together to take advantage of major concerts or sporting events to distribute imitation products in advance, largely at the expense of the official sponsors. In recent international sporting events, clothing copying the official event logo was sold online before their official release by sponsors, whereas previously this process would have taken several months.

The internet, particularly online auctions, has enabled counterfeiters to find an almost unlimited source of customers. Selling products online is much more difficult to detect by the authorities than in a physical market place.

Experts have suggested that many of the techniques used by drug traffickers such as false bottoms on luggage are also being used by counterfeiters attempting to illegally import fake goods into Australia. The high profit margins of counterfeit goods also encourage criminals to use this activity as a way of laundering money.

### Breadth of counterfeiting

Counterfeiting, once primarily focused on luxury goods and designer brands, has invaded many other sectors, including pharmaceuticals.

Between 13 and 20 May 2014, the Australian Customs and Border Protection Services (ACBPS) and the Therapeutic Goods Administration (TGA) contributed to an international week of action to stop the trade of counterfeit and illegal medicines purchased online.

During Operation Pangea VII, coordinated by INTERPOL, law enforcement, Customs, and regulatory authorities from 111 countries collaborated to identify the makers and distributors of illegal drug products and medical devices. According to Interpol<sup>1</sup>, the operation led to 237 arrests worldwide and the seizure of nearly USD\$36 million worth of potentially dangerous medicines.

In Australia, Customs officers seized 51 packages containing over 21,000 units of the counterfeit or illegal medicines at the Sydney and Melbourne International Mail Centres after they had been posted from a range of overseas countries<sup>2</sup>.

### Anti-counterfeiting strategies

Working with Customs is essential if a company suspects that infringing goods are being imported into Australia. It is a highly effective means of enforcing intellectual property rights and preventing the release into the Australian market.

We have extensive experience in assisting rights holders to obtain a Customs Notice of Objection and following up seizure made by Customs once a Notice is in place. We can also assist in conducting investigations of markets or on the internet, or more generally in setting up effective anti-counterfeiting strategies.

Should any of these issues relate to your products, please get in contact to find out how we can help you.

### References

- <http://www.interpol.int/News-and-media/News/2014/N2014-089>
- <http://newsroom.customs.gov.au/releases/acbps-and-tga-contribute-to-worldwide-crackdown-on-counterfeit-and-illegal-medicines>

**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)

## POF welcomes Michelle Blythe, our new Trainee Patent Attorney



Michelle recently joined our Melbourne office as a trainee patent attorney in the Electronics, Physics and ICT (EPIT) team. Michelle is a Biomedical Engineer with a degree in Biomedicine and a Master of Engineering (Biomedical), both from the University of Melbourne.

During her undergraduate study, she completed an internship at the Ludwig Institute for Cancer Research with the Biochemistry group. Her project investigated colorectal cancer protein mutations in the Wnt signalling pathway.

In her Master's degree, Michelle studied specialist subject areas including biosignals, electronics, medical imaging, tissue engineering, metabolic engineering and bionanoengineering. She completed her industry project with the Bionics Institute at St Vincent's Hospital, focusing on image processing to improve methods of automated neuron counting. In her final year, she developed a keen interest in biomedical equipment design and practice, completing an internship with the Biomedical Engineering Department at the Western Hospital.

After completing her studies, Michelle held a position as a Biomedical Engineer at St Vincent's Hospital Melbourne. She coordinated the roll-out of new infusion devices across the hospital and developed her skills in medical device repair.

Michelle says, "My passion for innovative technologies to improve health care has inspired me to work in the intellectual property field, and I'm excited to use my skills at POF to help protect these inventions."

In her spare time, Michelle enjoys bushwalking, road trips and spending time with her husband and family, as well as competitive sports including tennis and athletics.



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# IP round-up: a lighter look at the world of IP

Rodney Chiang-Cruise, Partner

## Bitstrips

Most of us are on Facebook, but how entertaining are we to our followers? The answer is probably not as much as we would like to think. Never fear! Google to the rescue. Google has recently been granted a US Patent (US8621366) that takes your perpetually tedious Facebook updates and converts them into an (entertaining?) comic strip. It doesn't appear to be restricted to Facebook, but you get the general idea from the patent abstract:



*'Communications to be shared on social networks and other electronic modes of communication are presented in comic strip form. The comic strips are created with a simplified user interface and are formatted to be well-suited for display on a selected social network or other electronic facility. The comic strips are displayed in an embedded form directly in the social network or other facility, without the need for a user to go to a separate site to view the comic strip.'*

Seen it all before? Perhaps you have with the 'Bitstrips' App on Facebook.

## Duff Beer

The fictional beer from the TV show The Simpsons, known as DUFF BEER, is finally coming to Australia in an apparent genuine form. *Food Magazine* have reported that the formerly two-dimension beverage will be making a three-dimensional appearance at Dan Murphy's and BWS stores in late May 2014.



So far we note that Twentieth Century Fox have an Australian trade mark registration for DUFF BEER in Class 32 covering Beers and ales, not to mention registrations in other classes (16, 20, 21 and 25). It seems unlikely that Fox is entering the alcoholic beverage market but it is not yet clear whether they have licenced use of the mark. If not, we can expect that Springfield's favourite amber ale may find some legal hurdles prior to its launch.

We note that The Simpsons' creator, Matt Groening is famously quoted as saying that he would never licence the use of the 'Duff' trade mark for fear it may encourage children to drink. Duff Man will be disappointed!

## Fake OMO powder

Who would have thought that there was a big trade in fake OMO washing powder in Australia? We became aware of 'Operation OMO' back in 2012, in which the NSW Police seized over 33 tonnes of counterfeit OMO laundry powder. The NSW police cleaned up two individuals in Sydney allegedly responsible for the importation and sale of the counterfeit OMO. There was no information as to whether they had laundered the proceeds.



Unfortunately, the stain of counterfeit commercial goods like laundry powders is a difficult problem to wash away. Earlier this year, the two men responsible for the OMO counterfeit goods were cleaned up in the courts with a fine of \$25,000. See what I did there?

## Apple technology

Apple is notorious for being super secretive when it comes to disclosing or discussing its future plans with regard to technology. They have made an art form out of the process of 'keeping mum' until a formal announcement, with many suggesting that many of the rumours actually originate at Apple simply as a means to generate a buzz.

Fortunately for us, Apple can't hide from the patent process. Like everyone else their patent applications are published at 18 months and reveal a window into the technology developments and potential products that may emanate from Apple in the future. Very recently a massive 82 patent applications were published simultaneously by the USPTO.

The technology covered a vast array of technology – enough to whet the appetite for

any Apple fans out there. You can view this over at Patently Apple – [www.patentlyapple.com](http://www.patentlyapple.com)

## New top level domains (TLDs)

You may have heard a little bit about the new top level domains (TLDs) that are starting to slowly appear. Previous top level domains are .com, .org, .co.uk, etc. The jury is out on whether these will be useful or profitable domain names for companies around the world, but one thing is for sure, there are certainly a few bizarre ones coming online soon. We wonder how many people will be rushing to register in the following TLDs:

- > .blockbuster (didn't that mega chain store file for bankruptcy in 2010?)
- > .beer (perhaps duff.beer?)
- > .george (surely, this is limited to only a few people of that name – maybe [www.prince.george?](http://www.prince.george?))
- > .sucks (suggestion [www.thisnewTLDreally.sucks?](http://www.thisnewTLDreally.sucks?))
- > .ninja (my 7-year-old maybe interested in one of these)
- > .genting (I don't even know what that would be used for!)

**Rodney Chiang-Cruise** BAppSc(AppChem) FIPTA is the Manager of IP Organisers and has more than 25 years' experience in intellectual property information research and investigation. He is experienced in all types of searches, including freedom to operate, novelty and non-patent literature searches, as well as IP management and audit.  
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