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## Editorial

Chris Schlicht,  
Partner



### Welcome to the September edition of *Inspire!*

There is currently a lot of excitement in manufacturing and other industries about the possibilities that 3D printing offers. The potential headaches for patent owners are due to the technology's accessibility, which provides opportunities for almost anyone to become a manufacturer at a relatively low cost. Adrian Crooks takes a look at these issues and discusses what patent owners may do to protect their position (page 4).

Ross McFarlane provides a review on the rapidly changing area of patentability of computer implemented inventions in Australia. Of course Australia is not alone in grappling with the difficult question of what is or is not patentable in this area, which is illustrated by the many approaches that have been followed by courts overseas (page 6).

The Australian Government's Advisory Council on Intellectual Property has recently released its much anticipated report on the Innovation Patent System. After deliberating for three years, the Council was unable to make a recommendation on whether to retain or abolish the system. It did however produce a list of recommendations for changes to the system, which Mark Wickham has outlined on page 2.

Annette Rubinstein explores the vexed question of whether a monkey can own copyright in a selfie. The issue arose when photographer David Slater claimed copyright in a selfie that had been taken by a monkey which had "stolen" his camera. Wikimedia, the non-profit organisation behind Wikipedia, refused Slater's request to remove the photo from its website, arguing there was no copyright in the photograph (page 9).

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



## Innovation Patent System Review

Dr Mark Wickham, Senior Associate

### In June 2014, the Australian Government's Advisory Council on Intellectual Property (ACIP) released the final report of its review of the Innovation Patent System.

Over three years in the making, ACIP explored three options for the innovation patent system:

1. No change
2. Abolition of the system, and
3. Change the system.

The report indicates that ACIP has been unable to obtain adequate empirical evidence as to whether the system does or does not stimulate innovation in Australian small to medium enterprises, and ACIP is therefore unable to make a recommendation on whether to retain or abolish the innovation patent system.

The innovation patent system provides applicants with a number of benefits, including:

- > **A lower threshold of patentability**  
An innovation patent can be obtained for innovative features that are not sufficiently 'inventive' to qualify for a standard patent, but which nevertheless contribute to the working of a development and so satisfy the requirements for an innovation patent grant. This means that a valid innovation patent can be obtained where it transpires that the invention may not qualify for a valid standard patent grant.
- > **Early enforceable rights**  
The rapid grant and certification process means that enforceable patent rights can be obtained quickly in Australia. Those rights can be in place whilst a standard application is still being processed through to patent grant.
- > **Low cost**  
The filing fees and ongoing costs of an innovation application and patent are less than for a standard application and patent.

There have been 15,170 innovation patents filed from the inception of the innovation patent system in 2001 until 31 December 2013. On average, 23 percent of these patents were filed by foreign applicants, and 77 percent by Australian individuals, companies or firms.

Since 2005, there has been a noticeable increase in filings by foreign applicants, which could imply awareness has grown about the relative strength of innovation patents within the Australian marketplace.

The report makes a number of recommendations including:

- > Amending the *Patents Act 1990* (Cth) to raise the level of innovation to a level above the current innovative step level, but below the inventive step level that

applies to standard patents. The proposed test is based on the test of inventiveness described by the High Court of Australia in *Minnesota Mining & Manufacturing Co v Beiersdorf (Australia) Ltd* [1980] HCA 9. In order to be innovative, an invention would need to be non-obvious by reference to the common general knowledge either within or outside the patent area, but not by reference to prior art information that is not part of the common general knowledge at the priority date of the relevant claims of the innovation patent.

- > Requiring substantive examination be requested before the third anniversary of the lodgement of an innovation patent. This change is intended to allow sufficient time for a patentee to evaluate the commercial potential of their innovation patent before they are called on to commit a reasonable investment in protecting their intellectual property rights.
- > Amending the *Patents Act 1990* (Cth) so that the term 'patent' is only used for innovation patents that have been examined and certified.
- > Importantly, ACIP recommended amending the *Patents Act 1990* (Cth) to exclude all methods, all processes and all systems from being patentable inventions for the purposes of an innovation patent.
- > ACIP recommends that, subject to the preceding recommendations being accepted, the remedies for infringement of an innovation patent remain unchanged.

The Australian Government is presently considering its response to this report. A copy of the report can be found on [www.acip.gov.au](http://www.acip.gov.au)

**Dr Mark Wickham** BSc(Hons) MCommrclLaw PhD is a Patent and Trade Marks Attorney with extensive experience in biologics, pharmaceuticals and agricultural biotechnology. Mark majored in genetics and biochemistry, and his PhD focussed on the molecular and cell biology of malaria. His postdoctoral work focussed on inflammatory bowel disease and gastrointestinal bacterial infections. [mark.wickham@pof.com.au](mailto:mark.wickham@pof.com.au)





## The Australian design registration system

**Davin Merritt, Partner**

**We would like to remind all of our clients on the potential value provided by the Australian design registration system, which allows the unique appearance of a product to be protected for a period of up to ten years.**

The process for obtaining an Australian design registration is a relatively straight forward and fast process, with registration typically occurring within four to six weeks of the application filing date. The speed of registration compares favourably with that involved in securing an Australian granted patent, which can take several years.

An Australian design registration can also be used as the basis for pursuing design registrations overseas by virtue of the Paris Convention, which allows overseas applications to be filed at any time within six months of the initial filing date of an Australian design application, and to be back dated to the Australian filing date. This provides a useful way of delaying the costs incurred in pursuing design protection overseas (albeit only for a maximum of six months).

Design registration can be used to protect the unique appearance of a wide range of 2D and 3D products. It's available irrespective of whether the product is manufactured or hand made.

### Electronic screen displays are registrable as designs

One topical area regarding suitability for design registration is that of electronic screen displays. In more recent years, screen displays have come to distinguish competing electronic devices (e.g. mobile phones in the marketplace), and are of considerable commercial importance. For this reason, large numbers of design applications are filed around the world in respect of screen displays and the like.

Screen displays are now deemed suitable subject matter for Australian design registrations following a change in practice in the Designs Office in mid-2013. This is no doubt good news for many of our clients, particularly those in the electronics industry.

To qualify as suitable subject matter, Australian design applications must include the words 'Screen Display' in the application title, and ensure that a dotted line is shown around the screen. It is important to note that these requirements differ from those of foreign design registration systems.



### 3D printing

The advent of 3D printing increases the likelihood of a competitor quickly reproducing a product, simply by scanning and reproducing an original product or, where available, downloading an electronic file relating to the product and then reproducing the product from the file.

The design registration system provides a particularly effective mechanism for pursuing unauthorised copies produced by 3D printing. If you are concerned that your products may be susceptible to reproduction by using 3D printing technologies, please contact us to discuss whether design registration may provide you with suitable protection to counter this.

### File a design application before disclosing or commercialising your product

It is important to bear in mind that a valid Australian design application may be filed only where the product in question has remained confidential up until the priority date. Any prior

publication of a product anywhere in the world (including online), or any prior use of the design in Australia is likely to invalidate a subsequently filed Australian design application. This requirement differs from that of many other countries, where a valid design application may be filed even if the product has already been publicly disclosed or commercialised.

If you have any questions or would like further advice in respect of Australian and New Zealand designs law, please contact the head of POF's designs team, Davin Merritt.

**Davin Merritt** BEng(Hons) FIPTA is a Patent and Trade Marks Attorney with extensive experience in patents and designs. He works closely with automotive and manufacturing clients, from individual inventors to large corporations. Davin has a keen interest in protecting developments in clean technology and is the head of POF's sustainability and designs teams. [davin.merritt@pof.com.au](mailto:davin.merritt@pof.com.au)



## 3D printing patent infringement

**Adrian Crooks, Partner**

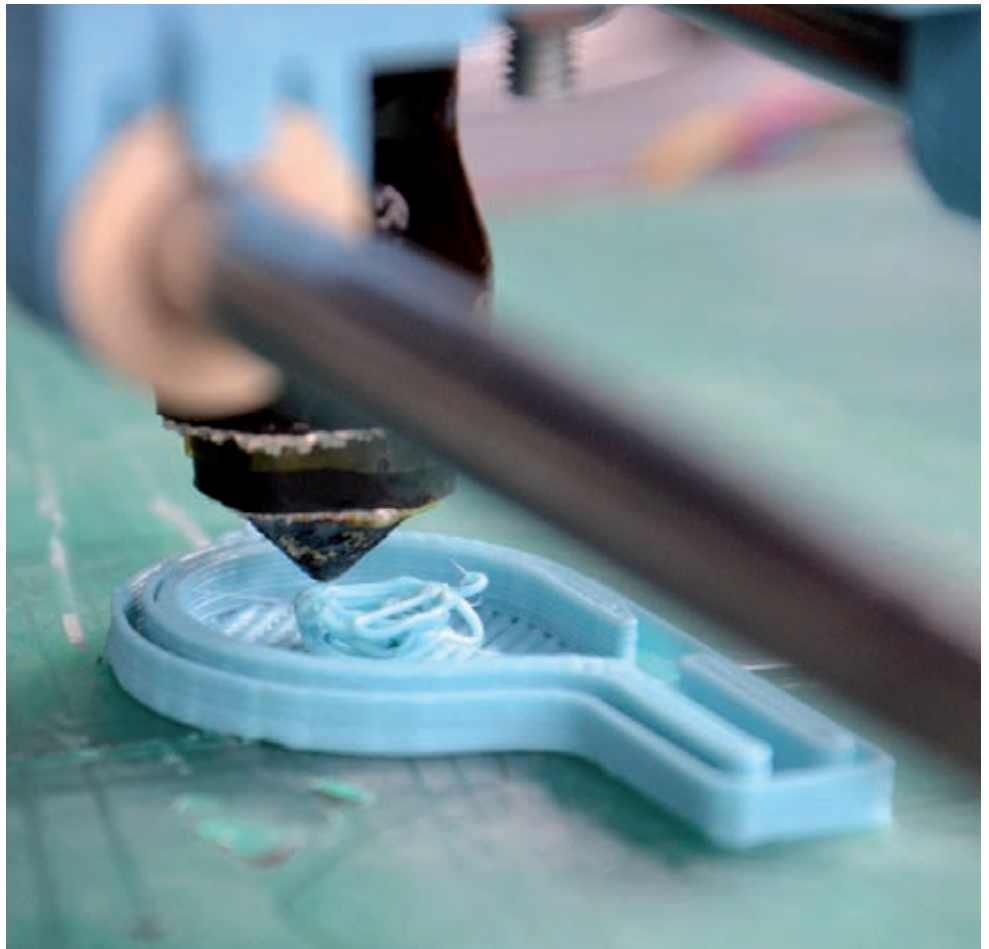
**3D printing opens up an exciting range of advanced manufacturing possibilities. It also has the potential to be highly disruptive to traditional design and manufacturing processes, raising the prospect of conflict with existing intellectual property rights. It is not yet clear how 3D printing will effect IP rights holders and what potential pitfalls await the users of this technology. However, if the reaction of copyright industries to online file sharing is any guide, there may be a rocky road ahead.**

In many ways 3D printing is simply another manufacturing technique to which the basic principles of patent law apply. There are however, some features of 3D printing which give rise to particular infringement issues. Firstly, there is the potential for rapid and widespread dissemination of electronic files which enable a product to be printed. Secondly, 3D printing substantially reduces the barriers of entry into new manufacturing areas, to the point where end users or consumers can themselves become manufacturers. Linking these two issues is the question of how IP rights holders deal with widespread end user infringement.

### How will infringement arise?

There are a large and rapidly increasing number of patents specifically relating to 3D printing technology, and the potential for such patents to be infringed by businesses or consumers engaged in 3D printing is readily apparent. However, 3D printing activity may infringe a much broader range of patents which are not specific to that technology. Indeed patents might be infringed even where the inventor had not even conceived that the invention might be performed by 3D printing. For example, a patent might exist for a product wherein the invention lies in the making of the product as a single unitary piece as opposed to an assembly of multiple separate pieces. Provided the patent specification enabled one way of producing such a product, a claim to the unitary product itself would be allowable. Such a claim would be infringed if the product was produced by 3D printing despite there being no suggestion in the patent specification that such a manufacturing technique could be used to perform the invention.

The fact that 3D printing offers the possibility of anyone manufacturing anything also means that there is wide scope for users to engage in potentially infringing conduct.



### Indirect infringement

In many instances, the primary act of infringement will be the act of printing itself. Where the act of printing is undertaken by an individual end user, patent owners may find it difficult or be reluctant to pursue such infringers. Claims of indirect infringement against suppliers to the end user are therefore likely to play a significant role.

In Australia, there are a number of situations in which indirect infringement of a patent may arise. Common law principles of contributory infringement apply where someone aids or abets, or procures another to infringe a patent through inducement, incitement or persuasion. A patentee is also granted an exclusive right to authorise the exploitation of their invention. Both of these forms of contributory infringement require something beyond mere facilitation of infringing conduct. In the context of 3D printing, selling someone an electronic file, the printing of which would be an act of infringement may well constitute contributory infringement based on these principles.

Indirect infringement might also arise under the specific provisions of section 117 of the Patents Act. Essentially, if the use of a product by a person would infringe a patent, the supply of that product by one person to another may be an infringement in certain circumstances. Infringing uses which would result in the supplier also infringing are:

- (a) if the product (having regard to its nature or design) is capable of only one reasonable use – that use
- (b) if the product is not a staple commercial product – any use of the product, if the supplier had reason to believe that the person would put it to that use
- (c) the use of the product in accordance with any instructions for the use.

The supply of a 3D printer to someone with instructions to use it in a manner which would infringe a patent, might itself infringe. A person who used 3D printing to manufacture a component for another to use in the manufacture of a product which would infringe, might themselves infringe. The supply of a 3D printing file which if printed would make a patented product, might itself infringe.



## Defences to infringement

Many individual end users of 3D printing are unlikely to be aware of the existence of patent rights and may seek to rely on innocent infringement provisions to avoid liability.

These provisions are not strictly a defence to infringement and don't prevent the granting of an injunction. They do however allow a Court to award nil or reduced damages.

In order to rely on these provisions, an infringer needs to show that they were not aware, and had no reason to believe, that a patent for the invention existed. Where a product is marked so as to indicate that it is protected by a patent, an infringer will be deemed to be aware of the existence of the patent unless they can establish the contrary. This places a significant burden on an infringer to establish a defence of innocence.

A complete defence to infringement which might be relevant to some users of 3D printing is the experimental use provision. It is not an infringement to do something for experimental purposes relating to the subject matter of the invention. Experimental purposes include, determining the properties of the invention, improving or modifying the invention as well as determining matters relating to the patent itself such as its scope or validity.

In assessing whether conduct is done for experimental purposes, a distinction is drawn between commercial and non-commercial activity. While there is a recognition that research will usually have a commercial underpinning, conduct with a dominant commercial purpose will not avoid infringement simply because it involves a degree of research activity.

## What is next?

Disputes relating to infringement of IP rights by 3D printing are already surfacing. However, it may be some time before Australian Courts are called on to grapple with the issues discussed above. In the meantime, IP rights holders should be considering how 3D printing might impact on their business and what strategies can be put in place to address any foreseeable difficulties. Those adopting 3D printing as a manufacturing tool need to carefully assess the potential IP infringement scenarios and take steps to mitigate any risks identified.

Please contact us if you have any questions relating to this topic.

**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

## The POF Board is pleased to announce four promotions



### Dr Edwin Patterson, Partner

Edwin started in the IP profession in 2001, registering as a patent attorney in 2004. He was awarded the Institute of Patent and Trade Mark Attorney's prize in 2004 for best qualifying candidate.

Edwin is a key member of the Engineering team, bringing important expertise in chemical and materials engineering to the Melbourne Office and overall POF practice. He is also a prominent member of our Sustainability and Clean Technology team, and is the convener of the firm's Resources Industry group.

Since joining POF in 2006, Ed has demonstrated tenacity and dedication and is a highly respected member of the firm. He brings to the Partnership considerable expertise and experience and we congratulate Ed on his appointment.

Edwin says, "I am delighted and honoured to join the POF partnership. I would like to thank my clients and my colleagues who have provided valuable support throughout my IP career, entrusted me with interesting, challenging and valued matters over the years, culminating in this appointment. I look forward to helping POF provide the best quality service and advice to our clients across all facets of intellectual property law from conception to enforcement."

In his spare time, Edwin enjoys rugby union, British sci-fi and investing in quality time with his young family.



### Daniel McKinley, Senior Associate

Daniel joined POF in the Melbourne office in 2001 and subsequently relocated to the Sydney office. Daniel specialises in the areas of mechanical engineering and medical devices, with a strong focus on biomedical engineering, process engineering and ICT.

Daniel has extensive experience in patent drafting and prosecution, design registration and trade marks practice in Australia and overseas. He also has experience in enforcement of intellectual property rights. We congratulate him on this promotion.



### David Longmuir, Senior Associate

David began his professional career at POFL as an Articled Clerk in 2003 and was admitted to practice as a barrister and solicitor of the Supreme Court of Victoria and the Federal and High Courts of Australia in 2004. David works across all areas of intellectual property litigation, including patent litigation in the chemical, biotechnology and pharmaceutical sectors.

David also provides clients with advice in relation to non-contentious intellectual property matters. He is a key member of POFL and has also contributed considerable expertise to the Life Sciences team.



### Leonie Heaton, Senior Associate

Leonie has considerable experience in negotiating and drafting agreements and advising on commercialisation issues arising in the intellectual property field. She also advises on matters arising under the Australian Consumer Law, the Personal Property Securities Act, privacy legislation and general commercial and corporate law.

Prior to qualifying as a lawyer, Leonie owned and operated a successful small business giving her first-hand experience of a broad range of legal issues that regularly arise for small business operators. Leonie's continued contribution to the growth of the commercial group of POFL is commended.

In July 2014, **Duncan Joiner** became the most recent POF professional to register as a trade marks attorney. We congratulate Duncan on this significant achievement.



## The patentability pendulum

Ross McFarlane, Partner

**Internationally, the patentability pendulum for computer-implemented inventions has swung from the 'technical character' requirement of the European Patent Office, past the 'machine-or-transformation' test of the US Supreme Court decisions *Gottschalk v Benson*, *Parker v Flook* and *Diamond v Diehr* to the 'anything under the sun' excesses of *State Street Bank*. It has then swung back to the hard-line 'machine-or-transformation' test of pre-Supreme Court *Bilski*, before softening to the post-Supreme Court *Bilski* series of patentability factors.**

In the recent case of *Alice Corporation Pty Ltd v CLS Bank International*<sup>1</sup>, the US Supreme Court reaffirmed the current US position that system claims covering the use of a generic computer to implement an abstract idea do not 'transform' a patent-ineligible method into a patent-eligible invention.

Along the way, the boundaries of what can be protected have been shaped by notions like 'field of use limitations', 'post-solution activity' and the 'pre-emption of mathematical algorithms'.

Japan, China and the Republic of Korea have all swung toward the 'technical' end of the patentability spectrum, and most countries continue to be influenced by developments notably in Europe and the United States.

### Concrete, tangible or observable effect

The Australian Patents Act relies upon the wonderfully adaptive phrase 'manner of manufacture' to define patentable subject matter. From NRDC<sup>2</sup>, we know that 'manner of manufacture' is required to involve an 'artificially created state of affairs in a field of economic endeavour'. We also know from the 1992 decision in *IBM*<sup>3</sup> – which related to displaying a curve from computed curve coordinate values – that software implemented inventions are patentable if they produce a (commercially useful) "concrete, tangible or observable effect".

### Science or technology

Potentially in response to the business method patent explosion and a desire for the Australian patent system to move towards the 'technical' end and away from the 'anything under the sun' end of things, the Deputy Commissioner of Patents developed the proposition that 'artificially created state of affairs' discussed by the High Court in *NRDC* requires 'the application of science or technology in some material manner'.

Unfortunately for the Patent Office, 'the application of science or technology' test was rejected in the *Re Peter Szabo and Associates Pty Ltd* decision.<sup>4</sup>

### Physical

A 'physical' requirement was arguably added to the *IBM* test in *Grant*.<sup>5</sup> The claimed invention was a pure business method and related to an asset protection method that was not implemented by any technology. The Court decided that the same patentability test should apply for business methods as for any other claimed invention – namely does the invention produce any artificial state of affairs in the sense of a concrete, tangible, physical or observable effect?

A physical effect will exist where a component is physically affected, or a change in state of information in a part of the machine occurs (i.e. a change in data stored in memory). The physical effect need not always be a physically observable end result in the sense of a tangible product.

### Technical

The Patent Office then chose to get 'technical' with the 'physical' requirement. The *Examiners' Manual of Practice and Procedure* in 2008 stated:

'Business methods that claim a technical solution or technical advantage, for example, computerised accounting, monitoring, reporting or analysis systems generally satisfy the criteria of a manner of manufacture, as do business methods involving electronic commerce systems.

The artificially created state of affairs resides in the technological implementation. This technological implementation satisfies the 'physical effect' requirement provided that the implementation is directly involved in the operation of the method ...'

### Direct involvement

The Patent Office subsequently added a 'direct involvement' element, arguing in issued Examination Reports that the mere use of a physical form or device, or a physical effect or transformation that arises incidentally or indirectly in its operation, is not sufficient to change the fundamental character of the subject matter claimed.

Next, the Patent Office started creating its own set of precedents, including the *Invention Pathways*<sup>6</sup> decision. The invention related to an 'invention specific commercialisation system to facilitate success of inventions', which included a number of manual steps and just one computer implemented step of storing a checklist. The Patent Office held that in this case 'the physical effect ... is ... peripheral and subordinate to the substance of the claimed method which is a scheme for the commercialisation of inventions'. This meant that a method is not patentable because it uses some part of a computer or other physical device in an incidental way, but rather the computer must be central to the purpose or operation of the claimed process.

This decision has probably left us in the position that patentable computer-implemented inventions directly involved some part of a computer or other physical device in a way that was central to the purpose or operation of the claimed process, and produced a concrete, tangible, physical or observable effect. Whatever that means!

However, the pendulum is about to swing again. We currently await decisions from two Full Federal Court Appeals which could once again change the patentability requirements for computer-implemented inventions in Australia.

In *Research Affiliates*<sup>7</sup>, the invention was a method for generating an index representing the relative value of a notional portfolio of stocks. The claims defined that the method was 'computer-implemented' but otherwise included no technology elements or features. In the decision under appeal, the Court found that merely writing data in a computer's memory could not possibly be regarded as a physical effect because in that case any scheme implemented using a computer would comprise patentable subject matter.

The Court considered that in this case a computer was not "central to the operation" of the claimed method.

In *RPL Central*<sup>8</sup>, the invention was a method of gathering evidence for the purpose of assessing an individual's competency relative to a recognised qualification standard. The claims extensively defined the use of a computer, the internet and a remote server in the performance of the method steps.

In the decision under Appeal, the Court rejected the premise that *Grant* and like decisions imposed 'a separate or new requirement of substantiality or physical effect'. Assessing patentability by firstly stripping away



Technical character



Anything under the sun!



the computer aspects of the claims, and then considering whether what is left is a method for performing an aspect of a business, was also rejected.

The Court noted in RPL Central that: ‘the specification and claims in issue in this case provide significant information about how the invention is to be implemented by means of computer. The computer is integral to the invention as claimed ...’.

This was contrasted with Research Affiliates where the only physical result generated was a computer file containing an index (simply a set of data), and the specification contained virtually no substantive detail about how the claimed method was to be implemented by a computer. The claimed method could readily have been ‘carried out manually’ and the computer implementation was considered to be merely ‘the modern equivalent of writing down the index on pieces of paper,’ and ‘no more than the use of a computer for a purpose for which it is suitable’.

### Patent specification is critical

The RPL Central and Research Affiliates decisions highlight the absolute necessity for patent specifications to be prepared in a manner that increases the likelihood of their validity, in particular by (i) extensively embedding computer and preferably hardware elements in the claims and (ii) highlighting in the description and drawings the central role of these computer and hardware elements in the performance of the invention.

### Tougher test applied for now

In spite of the divergence between RPL Central and Research Affiliates decisions, the Patent Office has chosen to apply the tougher Research Affiliates position when examining computer-implemented inventions. The decisions on the appeals from RPL Central and Research Affiliates are due to be handed down any time now.

We will advise clients as soon as these decisions have been made and what this will mean.

### References

- 1 *Supreme Court Docket No. 13-298* (2014)
- 2 *National Research Development Corporation v Commissioner of Patents* [1959] HCA 67
- 3 *International Business Machines Corporation v Commissioner of Patents* (1991) 33 FCR 218
- 4 *Peter Szabo and Associates Pty Ltd* [2005] APO 24
- 5 *Grant v Commissioner of Patents* (2006) 154 FCR 62
- 6 *Invention Pathways Pty Ltd* [2010] APO 10
- 7 *Research Affiliates LLC v Commissioner of Patents* [2013] FCA 71
- 8 *RPL Central Pty Ltd v Commissioner of Patents* [2013] FCA 871

**Ross McFarlane** BEng(Elec)(Hons) FIPTA is a Patent and Trade Marks Attorney with considerable expertise in patent drafting, infringement and oppositions. He qualified as a European patent attorney while working as an in-house patent attorney for The Swatch Group. Ross specialises in telecommunications, electronics, medical devices, software and electromechanical control fields. ross.mcfarlane@pof.com.au

## News from IP Australia

IP Australia recently issued the *Australian Intellectual Property Report 2014*. The report reveals a growth in all types of applications filed at IP Australia during 2013. Patent filings increased by 13 percent, design filings by seven percent, plant breeder’s rights by nine percent and trade mark filings by less than one percent.

The report also reveals that Australian residents continue to file strongly overseas. In 2012, Australians filed three times as many foreign patent applications as they filed in Australia.

The top three patent filing destinations for Australians are the United States, the European Patent Office and China. The United States is the most popular foreign filing destination for Australian applicants with around 42 percent of foreign patent filings being received at the United States Patent and Trademark Office (USPTO).

Australians are also filing increasing numbers of foreign trade mark applications. In 2011, China became the top destination for foreign

trade mark applications filed by Australian applicants. Australian trade mark applicants also file strongly in New Zealand and the United States.

A full copy of the *Australian Intellectual Property Report 2014* is available at [www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)





## Moving closer to a single trans-Tasman patent application

Dr Edwin Patterson, Partner

**Australia and New Zealand have close sporting, cultural and economic ties, and now their ties in the patent space are about to be brought closer through the implementation of a single application process, and single examination process for New Zealand and Australian patent applications.**

A recent discussion paper issued from the Intellectual Property Office of New Zealand (IPONZ) provides the following details of this yet to be implemented single application and single examination processes.

### Single Application Process (SAP)

The intent of the SAP is to enable the filing of an application in a single transaction which would fulfil filing requirements of the resulting two applications in Australia and New Zealand.

Use of the SAP is proposed to be optional, with applicants still able to choose to file patent applications via the traditional filing means available at Intellectual Property Office of New Zealand (IPONZ) and IP Australia. If the SAP is chosen, filing will be conducted as a B2B transaction (where applicable), or through an online filing portal accessible from the respective websites of each IP Office.

The filing transaction will include a single fee payment, voluntary examination request, and lodgement of a notice of entitlement for the application. Any proposed amendments required to be considered at examination must also be filed at this time, as it is currently proposed that further voluntary amendments will not be allowable until after examination.

A filing date and application number will be assigned to each of the applications in accordance with the law and practice of each country. The filing date of each application will be determined by the date on which the application data is received. The date is also determined once the IP office has received a notification that the fee has been paid.

The filing dates of the two applications may differ in accordance with the time difference (typically two hours) between Canberra, Australia, and Wellington, New Zealand. For example, for a SAP application made at 11pm Canberra time, the Australian application will receive the filing date of that day, whereas the New Zealand application will receive a filing date of the next day.



### Single Examination Process (SEP)

The intent of the single examination process is to provide an efficient way for applicants, IP Australia and IPONZ to move through the examination process for the same invention at the same time. This would provide two applications for the one invention, one examination process, and (if accepted) two granted patents.

The SEP must be requested by the applicant within the relevant timeframes of each country's patent system. For a SEP request, the applications must have the same address for service. However, it appears that separately filed Australian and New Zealand applications for the same invention may also enter the SEP if each application has the same address for service. In each case, the normal examination request fee in each country will be required to be paid for each of the applications to be examined.

Patent applications for the same invention will be examined by a single examiner from either Australia or New Zealand. The applicant will not be able to choose which office examines the applications. SEP examination reports will raise matters relating to each application under the corresponding legislation and practice of Australia or New Zealand.

Responses to SEP examination reports will be required to address the matters raised in the examination report in accordance with the law

and practice of Australia and New Zealand as appropriate. The process will take account of the separate national laws and will produce two separate Australian and New Zealand patents. IP Australia and IPONZ will each retain their existing responsibilities for granting or refusing the patents.

### Implementation

In New Zealand, the legislative changes that provide for commencement of SAP and SEP form part of the long awaited new New Zealand *Patents Act 2013*. Proposed amendments to the Australian Patents Act form part of the *Intellectual Property Laws Amendment Bill 2013* issued on 30 May 2013. This Bill has yet to receive Royal assent. It is therefore likely that shared trans-Tasman patent application services will not be offered until at least 2015.

Phillips Ormonde Fitzpatrick currently provides patent filing services in both Australia and New Zealand, and once implemented will offer the single trans-Tasman patent application filing option.

**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





## Monkey Selfies and Elephant Expressionism: is there copyright in Australia in animal generated pictures?

Annette Rubinstein, Partner



The monkey selfie, above, made headlines around the world. Photo: David Slater/Wikimedia Commons.

**If you read *The Washington Post*, *The Telegraph*, *The Guardian* or *The Age* (or any other major newspaper) in mid-August, you may be aware of the dispute between Wikipedia and photographer David Slater concerning the ownership of copyright in a selfie taken by a monkey who, according to Slater, had 'stolen' his camera. While Slater argued he owned copyright in the photograph, Wikipedia argued that there was no copyright in it, and it could therefore be reproduced without his consent.**

How would this have played out in Australia? It isn't necessary to look at the Australian *Copyright Act* to work out if an animal can own copyright. Animals are not 'legal persons' (entities that are recognised by law as having legal personality, including human beings and corporations). So an animal can't own anything, and unless it is a wild or feral animal, it is itself property (although no cat has ever acknowledged this).

So who does own the Australian copyright in animal generated works?

In the case of the monkey selfie, no-one. Section 10 of the *Copyright Act* defines the author of a photograph as the person who took the photograph. 'Person' here must be interpreted as a human being, not a corporate legal person, as the duration of copyright in a photograph is determined by the date of the author's death. No person took the monkey selfie, and as a result, like some compilations and computer generated data bases, it has no author, is not a 'work' for the purposes of the *Copyright Act*, and copyright does not subsist in it.

The position with segments of wildlife films where a hidden camera is activated by detecting the animal's movement is different. Cinematograph films (as the *Copyright Act* quaintly calls them) unlike photographs are not 'works', and the ownership rules applying to them are not the same. In a blow to French cultural theorists, they do not need to have authors, and copyright is owned by the entity who made the arrangements for the film to be made, in other words, the producer or production company.

The *Copyright Act* does not define the author of works other than photographs. Paintings are

artistic works, and whether there is copyright in the paintings created by Zoos Victoria's elephants (displayed at <http://shop.zoo.org.au>) should, in principle, depend on whether a keeper was sufficiently responsible for the appearance of an individual painting to be considered an author.

So even if those monkeys ever did succeed in writing Hamlet, they would not own copyright in it.

**Annette Rubinstein** BA(Hons) LLB(Hons) is head of the commercial practice group. She specialises 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)



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## Australian Patent Office flexes re-examination muscle

Mark Williams, Associate

**In the decision of *Huping Hu* (2014) APO 17, the Australian Patent Office has re-examined a granted patent via the new re-examination provisions introduced in April 2013 by the *IP Laws Amendment (Raising the Bar) Act 2012*.**

In this case the applicant, Huping Hu, requested examination in June 2009 and after filing submissions and amendments achieved acceptance of the patent application in May 2012. The patent was granted in September 2012 (Australian Patent 2007220893 – Method and apparatus for producing quantum entanglement and non-local effects of substance description).

In May 2013, for reasons unknown, the Australian Patent Office elected to re-examine the patent.

Interestingly, the re-examination report contained new objections relating to utility of invention, lack of manner of manufacture, and that the specification did not fully describe the invention.

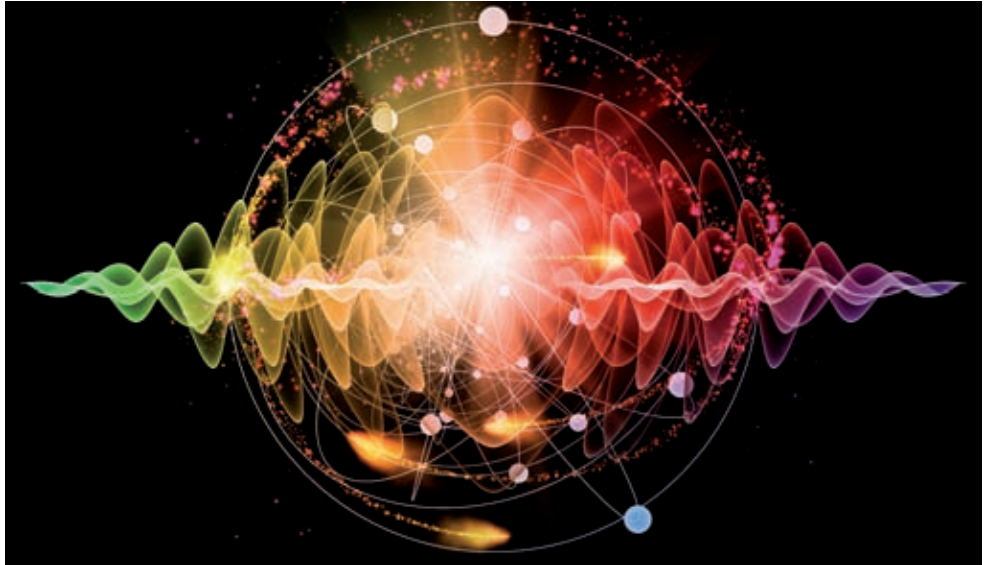
### A boost for patent re-examination

Prior to 15 April 2013, the only grounds available to the Commissioner of Patents (or a third party) during re-examination were novelty and inventive step. Any issues of lack of manufacture, utility or sufficiency should only be raised during revocation proceedings before the Federal Court. However, following 15 April 2013, the expanded grounds now available for re-examination include:

- > novelty (including prior use)
- > inventive step and manner of manufacture
- > utility, and
- > the requirement to fully describe the invention irrespective of when examination was requested.

The only catch is that while the Raising the Bar Act expands the grounds available for re-examination, the application of each ground depends on when the examination request was filed (i.e. prior to or after 15 April 2013). For example, in a case where an examination request was filed before 15 April 2013, the expanded re-examination grounds apply, but in the case of S40, the pre-Raising the Bar test (fair basis) applies, rather than the new post-Raising the Bar test (support).

In Huping Hu's case, it was found by the Delegate that the patent lacked utility, lacked patentable subject matter (i.e. was not a manner of manufacture), and the specification



did not fully describe the invention. The delegate also considered that the grounds of objection to the specification could not be rectified by an allowable amendment and therefore revoked the patent.

### Manner of manufacture

What may be of interest to readers is the possibility of requesting re-examination and raising the issue of manner of manufacture.

In this regard, it is anticipated that two significant judgments in the areas of patentability of computer implemented inventions and gene patents will be handed down in the coming months. Depending on the judgment in these cases, it may be easier to succeed in having a patent revoked on this ground and for relatively minimal expense.

In addition, the Commissioner of Patents could conceivably 'purge' the Australian Patent Office register of patents which no longer comply with any strengthened manner of manufacture requirement by issuing re-examination requests to the patentees.

### Utility

In addition to manner of manufacture, the availability of the ground of inutility during re-examination may also have a significant impact on the outcome of the re-examination process.

For example, the Explanatory Memorandum accompanying the Raising the Bar Act, discusses the example of clinical trials of a new drug that show that a drug does not achieve the use disclosed in the specification and the drug is therefore not useful. It is possible that the recent trend towards

publication of negative clinical trial results for pharmaceuticals may impact upon the validity of granted patents.

### Standard of proof

Importantly, a higher standard of proof now applies during re-examination. The higher standard of proof also applies for cases where examination was requested before the Raising the Bar Act commenced. The intention is to give the Commissioner the ability to refuse to grant or to revoke a patent where the Commissioner is satisfied, on the balance of probabilities, that a granted patent would be or is invalid. Previously, the Commissioner could only refuse to grant or to revoke a patent if she was practically certain any granted patent was invalid.

### Finally

It is clear that the previously weak re-examination provisions have been given a real boost by the Raising the Bar Act. Only time will tell to what extent the Commissioner of Patents will use the new provisions. For third parties, re-examination now presents a useful and relatively inexpensive tool to launch an invalidity attack on an Australian Patent.

**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.  
mark.williams@pof.com.au





## Testing times for start-up's brand health

Anita Brown, Associate

### Coincidence or copying? Within hours of Apple launching its new HealthKit product in June, Melbourne-based start-up HealthKit Pty Ltd was asking itself this very question.

The Australian company, which has been using its trade mark HealthKit since at least 2012, provides clinical software connecting health practitioners and patients anywhere in the world. The product also allows patients to track their health electronically.

Apple's new 'revolutionary' HealthKit product also operates in the digital health space. Capitalising on consumer appetite for health and fitness data, it is a tool to pull together the data obtained from different health and fitness apps enabling a consumer to access and manage their data in one place.

The Apple HealthKit product was launched on Monday, 2 June 2014 in San Francisco. Shortly afterwards, HealthKit Pty Ltd took to social media to vent its anger at the tech giant's adoption of its name. A company executive from HealthKit Pty Ltd posted "As an Apple fan, I feel let down... Are they so big that they are above doing an ordinary Google search?" It also immediately instructed its lawyers to file some trade mark applications, filing an

Australian application for its mark on 3 June 2014 and a US application on 17 June 2014 (making a convention priority claim for the 3 June 2014 Australian filing date).

It is too early to speculate on whether Apple or HealthKit Pty Ltd has superior rights in the trade mark. However, there were rumours of trade mark filings in Trinidad and Tobago for the trade marks 'Healthbook' and 'HealthKit' circulating in May. Although these filings were not obviously connected to Apple, it is widely believed that these were made by the company as it favours this jurisdiction for early trade mark filings.

Almost certainly, internet searches would have located the Australian company's website [www.healthkit.com](http://www.healthkit.com), but perhaps if HealthKit Pty Ltd had filed its trade mark applications back in 2012 when it claims to have started using the mark, Apple may have chosen another trade mark.

Whatever the outcome, the situation demonstrates that regardless of the size of

your business you should not start promoting your product before:

1. Undertaking a comprehensive trade mark search, including searches of trade mark registers, company and business name registers, domain name and internet searches, in the markets where you intend to use your trade mark, and
2. Filing trade mark applications in your key markets to carve out your territory and deter others from adopting the same or a similar mark for similar types of products and services.

If you require advice on trade mark searching and filing, please contact us.

**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)

## POF client REDARC wins the 2014 Telstra Business of the Year Award and the South Australian Business of the Year Award

REDARC, an innovative electronics manufacturer based in Lonsdale, SA, has cleaned up at the 2014 Telstra Australian Business Awards, winning the top prize for 'Australian Business of the Year', as well as 'South Australian Business of the Year' and 'Medium Business of the Year'.

REDARC manufactures a diverse range of electronic products used in the automotive, trucking, mining, industrial, recreational vehicle, defence, agricultural and marine markets.

In 1997, the organisation was taken over by Anthony and Michelle Kittel, who have transformed the business from a small operation into a research and development-driven manufacturer. Today, REDARC employs 95 people and has a customer base extending to North America, France and New Zealand.

POF has been working with REDARC since 2007 and we have helped them protect a number of their innovative products such as the battery isolator and battery management system.

Anthony Kittel said, "At REDARC we attribute our fast growth and success due to an unrelenting commitment and focus on innovation. Protecting our IP is therefore



Anthony Kittel, REDARC Chief Executive, accepting the 2014 Telstra Business of the Year Award.

paramount to our business and we are delighted by the excellent support that we receive from the Phillips Ormonde Fitzpatrick team. Their comprehensive range of intellectual property services including patents, trade marks, designs registrations, IP

advice and research services certainly meet our needs."

We would like to extend our warmest congratulations to Anthony, Michelle and the REDARC team.



## Wayward brewer bursts beer bubble

Natasha Marshall Teoh, Trade Marks Attorney  
and Russell Waters, Partner



**Phillips Ormonde Fitzpatrick is pleased to have successfully represented Peter Philip in a trade mark opposition brought by SABMiller India Limited against Mr Philip's Australian trade mark application for WAYWARD, covering beer in class 32.**

Mr Philip (pictured) is a micro-brewer, who started his business in the inner-west of Sydney in 2012. Mr Philip has built his microbrewery business from the ground up, and now distributes bottled beers and beer on-tap under the trade mark WAYWARD to various liquor stores, pubs and bars in Sydney and Melbourne.

SABMiller India Limited ('SABMiller') filed a Notice of Opposition to Mr Philip's WAYWARD application under provisions of the Trade Marks Regulations, and raised a large number of grounds of opposition.

The Hearings Officer found that none of the grounds of opposition raised were supported by the Opponent's evidence, with the possible exception of a ground under Section 60 of the *Trade Marks Act 1995*. This ground relates to the likelihood of deception or confusion arising due to a similar mark having a prior reputation in Australia.

SABMiller's evidence stated that they use the trade marks HAYWARDS 5000 and HAYWARDS 2000 in relation to beer, and first used those marks in Australia in 2002 although they did not have trade mark applications or registrations for these marks in Australia at the time of the Opposition.

To succeed under the Section 60 ground, SABMiller had to establish first that it had acquired a significant reputation in the HAYWARDS 5000 and HAYWARDS 2000 trade marks in respect of beer, before 17 July 2012 (the filing date of the WAYWARD trade mark); and secondly that, because of that reputation, use of the WAYWARD trade mark for beer by Mr Philip would be likely to deceive or cause confusion in the Australian market.

SABMiller submitted in its evidence in support of the opposition that it had captured 40% of the Indian beer category in Australia with its HAYWARDS 5000 and HAYWARDS 2000 beers. At first blush, this seemed quite a substantial market share. However, this figure was not substantiated, and when SABMiller's sales figures were further analysed in terms of available market information (obtained from the Australian Bureau of Statistics), it became apparent that in terms of the overall Australian beer market (which is very large!), an Indian beers category was so small as to be effectively unknown to Australian beer drinkers.



Mr Peter Philip in his microbrewery. Image used with Mr Philip's permission.

In response, SABMiller then filed evidence in relation to its market share in India, arguing that this resulted in flow-on reputation to Australia. The Hearing Officer found that the evidence failed to clearly establish the level of any reputation in India, or that there was any significant reputation in Australia as a flow-on from whatever Indian reputation may have existed. The Hearings Officer also found it was unhelpful that the Opponent had provided various figures in South East Asian units of 'lac' and 'crore', without providing any explanation of these units (a 'lac' is equivalent to 100,000, a 'crore' is equivalent to 10,000,000).

The Hearings Officer concluded that the HAYWARDS 5000 and HAYWARDS 2000 beers could not be considered as having a significant reputation in Australia. The Hearings Officer further commented that even if he had been satisfied of a reputation, he did not believe that the trade mark WAYWARD was so similar to SABMiller's HAYWARDS 2000 and HAYWARDS 5000 marks that use of the WAYWARD mark would cause confusion or deception amongst a significant number of the beer drinking public in Australia. He agreed that the WAYWARD mark consisted of a common English word that would be readily distinguished from HAYWARDS (the plural of a common Australian surname) by Australian beer drinkers. This meant that SABMiller also failed to establish the second leg of the Section 60 ground.

As an aside, on procedural matters, the Hearings Officer said it was "difficult to disagree" that some of the Evidence-in-Reply contained matters within the knowledge of the Opponent and easily discoverable by the Opponent and its Attorney, which should have comprised the Evidence-in-Support. This was particularly in respect of evidence of a "spill-over" reputation of the HAYWARDS 5000 and HAYWARDS 2000 beers in India, to Australia, which was raised for the first time in Evidence in Reply. This meant that the applicant did not have the chance to respond to those allegations with counter-evidence.

### Take home points

- > When making assertions in evidence and submissions, make sure they are supported with sound evidence and stand up to analysis.
- > When providing foreign currencies, foreign units of measurements, or numbering systems, place them in context of comparable units, and / or explain them so that they stand up if analysed.
- > Make sure matters within your knowledge or easily discoverable information is submitted in evidence at the appropriate point in time.

**Natasha Marshall Teoh** BA (Asian studies) (Hons) LLB is based in our Sydney office and assists clients with trade mark search advice, prosecution and enforcement. She has previously worked in Japan, where she used her bilingual skills to assist foreign clients with prosecuting trade marks. Natasha also worked as an in-house IP lawyer for an Australian company with a large international trade mark portfolio.  
natasha.marshall@pof.com.au

**Russell Waters** BSc LLB FIPTA advises clients on proposed marks, obtaining registration, searching, oppositions and enforcement. Russell recently won Australian trade mark categories for the ILO Client Choice Award 2013 and ACQ Finance Magazine Law Awards 2012, and ranks amongst Australia's top trade mark attorneys in the annual World Trademark Review 1000.  
russell.waters@pof.com.au



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### Melbourne

Level 23, 367 Collins Street,  
Melbourne VIC 3000 Australia  
**phone:** +61 3 9614 1944  
**fax:** +61 3 9614 1867

### Sydney

Level 19, 133 Castlereagh Street  
Sydney 2000 Australia  
**phone:** +61 2 9285 2900  
**fax:** +61 2 9283 2177

### Adelaide

Level 5, 75 Hindmarsh Square  
Adelaide 5000 Australia  
**phone:** +61 8 8232 5199  
**fax:** +61 8 8232 5477