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Partner



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Welcome to the September edition of *Inspire!*

We are delighted to announce five new promotions at POF – two Partners, two Senior Associates and one Associate. Congratulations to all of our new appointments on this well-earned recognition of the technical and professional expertise they offer to our valued clients (page 7).

In this edition, Marine Guillou discusses the recent decision in *Hearst Communications v Toyota* in which Hearst successfully opposed the registration of Toyota's COSMOPOLITAN trade mark on the ground of bad faith. The decision highlights how a prior business relationship, in this case a joint advertising campaign, can give rise to a finding of bad faith, even where the parties operate in very different markets (page 5).

Anita Brown gives readers an update on the Dallas Buyers Club (DBC) v iiNet proceedings. As part of an application to lift a stay over the release of customer information held by the ISPs, the Court reviewed DBC's proposed letter of demand to alleged copyright infringers. Whilst aspects of DBC's claim for damages were considered plausible, others were viewed far less favourably by the Court with one described as "so surreal as not to be taken seriously" (page 3).

Margaret Ryan and David Longmuir consider the practice of parallel importation where genuine goods intended to be sold in an overseas market are imported into Australia instead. Trade marks and copyright material associated with those goods, as well as the licensing arrangements surrounding that intellectual property, can give rise to a number of issues for both rights holders and importers (page 6).

Also in this edition, Davin Merritt provides information on the Australian design registration system (page 9), Margaret Ryan discusses new legislation aimed at blocking online overseas copyright infringement (page 2), and Duncan Joiner takes a look at patents on the ski slopes (page 8).

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

On 26 June 2015, website blocking legislation – the *Copyright Amendment (Online Infringement) Act 2015* – came into effect.

The Act enables the Federal Court of Australia to order an internet service provider (ISP) to block access to an overseas website if:

- (a) the website "infringes, or facilitates an infringement" of copyright; and
- (b) the primary purpose of the website is to infringe, or facilitate the infringement of copyright (whether or not in Australia).

This is described in the Explanatory Memorandum (EM) as an "intentionally high threshold test", and the purpose is to provide a remedy against online locations which "flagrantly disregard the rights of copyright owners". The legislation is directed at the likes of Pirate Bay and Kickass Torrents (which have been the subject of similar blocking legislation in Ireland). The film and TV industries have been pushing for this legislation for some time because of the high level of downloading in Australia.

The primary purpose test is stated to exclude websites mainly operated for a legitimate purpose, but which may contain a small percentage of infringing content. The EM states that YouTube would not breach the primary purpose test and the EM claims that "Technology and technological change is not to be chilled or targeted by this amendment".

The remedy against ISP's is described as a "no fault" remedy – the copyright owner does not need to prove any wrong-doing on the part of the ISP. The amendment does not apply to Australian websites.

In order to obtain such an order, the copyright owner must notify the ISP and try and notify the overseas website, although the Court may dispense with this if the copyright owner is unable to do so.

In deciding whether to grant the order, the Court must take into account a long list of factors including:

- (a) the flagrancy of the infringement or facilitation of infringement;
- (b) whether the website contains directories, indexes or categories of the means to infringe or facilitate infringement;

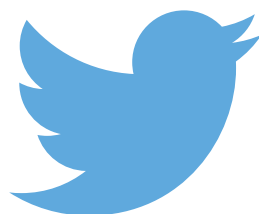


- (c) whether the website operator shows disregard for copyright generally;
- (d) whether the website has been the subject of overseas blocking orders;
- (e) whether blocking is a proportionate response – e.g. the Court can look at the percentage of infringing content on the website or the frequency with which Australians access infringing material;
- (f) the public interest;
- (g) the impact on persons affected.

Blocking orders may be limited in time. The ISP is protected from legal costs of the action provided that it does not participate in the proceedings. Copyright owners using this provision may be ordered to give an undertaking as to any damage suffered by persons as a result of the order.

If you have any questions about this legislation, please contact Margaret Ryan.

Margaret Ryan BA LLB(Hons) is a Lawyer and Trade Marks Attorney with over 20 years' experience in all areas of IP law practice. Margaret represents clients in both litigious and commercial matters. Margaret was awarded the University Medal in Law and has been a co-author of the copyright section of The Laws of Australia.
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Hold your horses: reprieve for pirates in Dallas Buyers Club case

Anita Brown, Associate

The makers of *Dallas Buyers Club* (DBC) have hit another hurdle in their quest to sue 'mum and dad' internet subscribers who illegally downloaded the film for copyright infringement. In a victory for subscribers and six Australian Internet Service Providers (ISPs), the Federal Court has maintained the stay on its order requiring the ISPs to release the names and physical addresses of 4,726 individuals or Internet Protocol (IP) address holders.

The story so far

As reported in the last edition of *Inspire!*, DBC obtained a preliminary discovery order that required the ISPs to release the details of individuals or Internet Protocol (IP) address holders who it claimed infringed its copyright by sharing the film, *Dallas Buyers Club*, online using a peer-to-peer file sharing network.¹

The order was stayed to allow the Court to approve any letters of demand DBC intended to send to account holders. This was to prevent the practice of speculative invoicing, where a copyright holder or its legal representatives write to an individual downloader, demanding a large payment to avoid being taken to court for copyright infringement.

A draft demand letter was provided to the Court, but was considered unsatisfactory as it did not provide any information as to the amounts of money DBC would demand from the account holders. At a hearing in June 2015, Justice Nye Perram flagged that DBC would need to show the Court what it was intending to demand from the account holders, or at least the methodology underlying its approach to the amount of damages it was going to claim before he would approve the demand letters and allow the release of the subscribers' personal details.

The present proceedings

In the most recent hearing², Perram J had to decide whether to lift the stay on the preliminary discovery order allowing DBC to access the subscribers' personal details.

Rule 7.22 of the *Federal Court Rules 2011* (Cth) allows for an order for preliminary discovery to allow a prospective applicant to ascertain the description or identity of the respondent(s). There are certain prerequisites that must be satisfied for an order to be made including that "there may be a right for the prospective applicant to obtain relief against a prospect respondent", and that the applicant is unable to ascertain the identity of the respondent(s). Whilst DBC had satisfied these requirements, as Perram J noted, the power to order preliminary discovery under r. 7.22 is



discretionary. In deciding whether to exercise the discretion, Perram J considered whether DBC had any right to obtain the sums of money it was proposing to demand.

What did DBC wish to claim from subscribers?

DBC had intended to claim the following from alleged infringers:

1. The cost of an actual purchase of a single copy of the film for each copy of the film downloaded,
2. An amount relating to each infringer's uploading activities to comprise a one-off licence fee from each uploader on the basis each was engaged in widespread distribution of the film,
3. Additional damages under s 115(4) of the *Copyright Act 1968* (Cth) calculated on the basis of how many copies of other copyright works had been downloaded by each infringer, and
4. Damages arising from the cost to DBC to obtain each infringer's name.

What did the Court think DBC could claim?

Perram J was of the view that DBC could plausibly expect to sue infringers for the cost of the actual purchase of a single copy of the film and also for damages arising from the costs to it to obtain each infringer's name.

As to a claim for a licence fee, Perram J found the notion that individuals who were sharing the film peer-to-peer were going to approach DBC to negotiate distribution rights in return for a licence fee "so surreal as not to be taken seriously". He was equally critical of the claim for additional

damages for infringing other copyright works, finding it was inconsistent with the provision in the *Copyright Act 1968* (Cth) which is directed to the award of additional damages.

What's next?

Perram J maintained the stay and it will remain in place until DBC provides undertakings to the Court to only use the account holders' information to demand payment as set out at 1 and 4 above. In a further blow for DBC, which has no presence in Australia, it was ordered to pay \$600,000 to the Court to secure the undertaking.

Thus, the ISPs and their subscribers have been granted a reprieve, at least while DBC plots their next move.

For litigators, the decision suggests that in future, applicants seeking to obtain preliminary discovery under r.7.22 against a party, such as ISPs, with a view to contacting a large class of potential respondents, will need to put on evidence of the nature of the demands or claims they propose.

References

- 1 *Dallas Buyers Club LLC v iiNet Limited* [2015] FCA 317
- 2 *Dallas Buyers Club LLC v iiNet Limited (No 4)* [2015] FCA 838

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Australia seeks harmony in the discordant world of designs

Mark Williams, Senior Associate

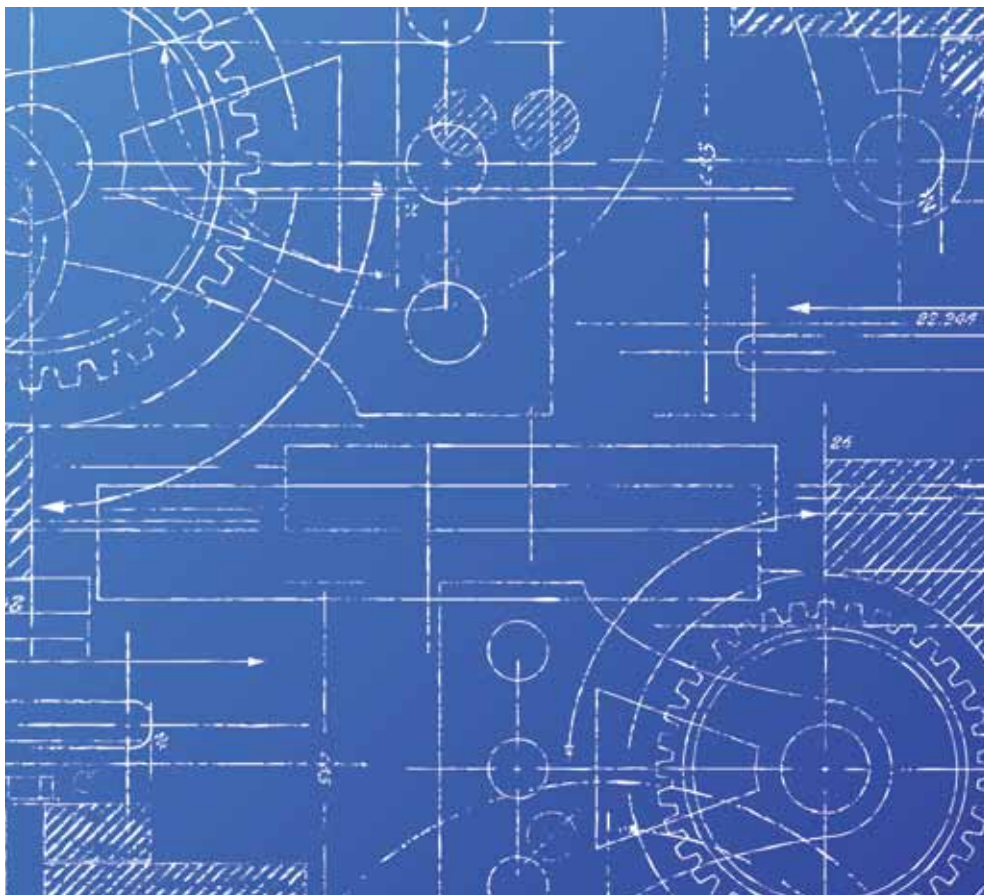
Australia has seen its fair share of intellectual property law reform over the past few years, with the 'Raising the Bar' legislation¹ in 2012, and major reviews of the Innovation Patent System, the Copyright system and now the Designs system. While changes from these reforms are still some time away, we can see there is a definite push to harmonise the Australian Designs System with the rest of the world.

The report² prepared by the Australian Council on Intellectual Property (ACIP) is one of the last reports they will release. ACIP was an independent body established in 1994, which advised the Federal Minister for Industry and Science on intellectual property matters and the strategic administration of IP Australia. IP Australia will now handle reviews of intellectual property.

At its heart, the ACIP report recommends a move towards greater harmonisation with international treaties and practice in design protection. ACIP also looked at the changes that were introduced with the Australian *Designs Act 2003*, the effectiveness of those changes, and how some aspects of present designs legislation could be enhanced and improved.

Twenty-three recommendations were tabled. The recommendations of note are:

- > Amending the Designs Act to bring Australian designs law into better alignment with equivalent laws of major trading partners, international treaties and proposed international treaties such as the Hague Agreement and the Designs Law Treaty.
- > Extending the maximum term of protection of designs from 10 years to 15 years (only if a decision is made to join the Hague Agreement).
- > A proposal to refer to an Australian design that is registered but not certified (i.e. not examined) as an 'uncertified design'. Presently, Australian designs are 'rubber stamped' and 'registered', but must be certified via an examination process before they can be enforced.
- > Removing the ability to register a design and not have it certified. At present, designs may sit unexamined for their entire term unless the applicant or a third party requests examination. A recommendation to require a request for examination of the design by the first renewal deadline (five years from the filing date) is also proposed. If this recommendation is accepted, a proposal is also to have a post-certification opposition system.
- > A proposal to make filing for multiple designs more cost-effective. Currently in



Australia there is no cost saving in filing a single application for multiple designs – a government fee applies for each design, irrespective of whether they are in the same application or not. Consistency and harmonisation with other jurisdictions with regard to multiple designs is also proposed.

- > A proposal of a six month grace period together with a prior use defence. Currently there is no grace period in Australia for designs. It is also proposed that applicants who rely on the grace period to protect the validity of their design rights should be required to file a declaration to that effect. Interestingly there is no corresponding declaration requirement in Australia's Patent system which also has a grace period.
- > Reconsider the previous recommendation to formally allow virtual or non-physical designs (such as screen displays on tablet devices and smartphones). This could be achieved by allowing consideration of the product in its active, and not just its resting state when considering validity. Presently, these types of designs are registrable (and can be certified) if a suitable statement of newness and distinctiveness is provided.

- > A recommendation to replicate border protection measures that align with the Australian Trade Marks Notice of Objection Schemes so as to allow for seizure by Customs of alleged design infringements which are identical to certified designs.

If you have any questions about the review of the designs system, please contact your POF attorney.

References

- 1 *Intellectual Property Laws Amendment (Raising the Bar) Act 2012*
- 2 http://www.acip.gov.au/pdfs/ACIP_Designs_Final_Report.pdf

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Trade Marks and Bad Faith

Marine Guillou, Associate

In the recent case of *Hearst Communications, Inc. v Toyota Motor Corporation Australia Ltd* [2015] ATMO 36 (4 May 2015), Hearst successfully opposed registration of Toyota's COSMOPOLITAN trade mark on the ground that Toyota's application was filed in bad faith.

On 12 August 2010, the Toyota Motor Corporation Australia Limited ('Toyota') applied to register the word 'COSMOPOLITAN' as a trade mark in respect of 'Automotive Paints' and 'Motor vehicles, and parts and accessories for motor vehicles'.

The US company Hearst Communications, Inc. ('Hearst'), who is the owner of the international fashion magazine *Cosmopolitan* and various trade marks for COSMOPOLITAN, opposed Toyota's trade mark application pressing grounds under sections 43, 59, 60 and 62A of the *Trade Marks Act 1995*.

ACP Magazines (licensee of Hearst's *Cosmopolitan* marks) and Toyota partnered for Australian advertising campaigns in 2009 and 2010. During this time, the advertisements for the Toyota Yaris were featured on the *Cosmopolitan* website, and many advertisements featured brands from both parties. In July 2010, Toyota wrote to the Editor of *Cosmopolitan* magazine informing them of their intention to use the name 'Cosmopolitan' as the name of a new colour for the Yaris and to apply to register the paint colour name as a trade mark. Toyota did not receive a response to that letter.

In brief, the main arguments from Hearst in opposing the registration were as follows:

- > **Section 43** – 'Cosmopolitan' contained a likely connotation that there was an implied or inherent sponsorship between Hearst and Toyota which was likely to cause confusion.
- > **Section 59** – At the application date, Toyota did not have a bona fide intention to use the trade mark in respect of 'Motor vehicles, and parts and accessories for motor vehicles'. Hearst was relying on the correspondence sent to the Editor of *Cosmopolitan* magazine by Toyota in 2010 pointing to an intention to use COSMOPOLITAN for a paint colour, but not for motor vehicles or their parts.
- > **Section 60** – Hearst enjoyed a solid reputation for the trade mark *Cosmopolitan*, and the use of *Cosmopolitan* by Toyota would be likely to lead to confusion or deception.
- > **Section 62 A** – This ground of opposition was pursued on the basis of the prior business relationship and



advertising campaign, the reputation of the *Cosmopolitan* trade mark and its purported associated reputation in the colour pink, and the prior correspondence from Toyota advising of their intention to apply for the trade mark COSMOPOLITAN.

The grounds of opposition based on Sections 43, 59 and 60 were not upheld by the Hearing Officer. The Hearing Officer relied in particular on the fact that the respective industries in which the parties operated were different.

Under the Section 43 ground, it was held that there was no relevant connotation within the trade mark, as 'Cosmopolitan' is an ordinary English word.

Hearst's argument that Toyota did not intend to use the trade mark (Section 59) was also refuted. According to the Hearing Officer, use of the trade mark in relation to some of the goods and not others did not by itself establish a lack of intention to use it on all the goods. In any event, it was held that use of COSMOPOLITAN as the name of a colour of the vehicle was also sufficient to constitute use 'upon or in relation to "automotive vehicles and their parts"'.

Moreover, Hearst did not convince the Hearing Officer that there was a likelihood of deception or confusion (under Section 60), and noted that the parties are 'very well-known in their respective industries' and that deception or confusion arising from the use of the COSMOPOLITAN was unlikely.

Hearst was however successful on the Section 62A bad faith ground.

While the Hearings Officer was not satisfied that the conduct of Toyota amounted to fraud or dishonesty, he was satisfied that it amounted to bad faith, having regard to all of

the surrounding circumstances and noted that:

- > The existence of the letter from Toyota dated July 2010 was undoubtedly an acknowledgement that Toyota was aware that applying to register the trade mark would be of concern to Hearst.
- > The lack of response to this letter did not imply that Hearst was permitting the use or registration of the trade mark by Toyota.
- > Use of COSMOPOLITAN by Toyota in relation to the colour of Toyota's 'Yaris' model and no other models, supported the inference of an association with the previous joint advertising campaigns (involving the Yaris) and therefore with *Cosmopolitan* magazine.
- > 'Reasonable and experienced persons in the field would view Toyota's conduct as falling short of acceptable commercial behaviour'.

This decision is a reminder that use of another right holder's mark in very different fields of activity can amount to bad faith, when there has been a previous business relationship between the two parties.

If you have any questions relating to bad faith in trade marks, please contact us.

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. She also worked in the legal department for Renault. In 2015, Marine has been ranked as one of Australia's top five experts in anti-counterfeiting in the World Trademark Review 1000.
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There's more than one way to skin a cat: the issue of Parallel Importation

Margaret Ryan, Special Counsel David Longmuir, Senior Associate



Parallel importation occurs when someone imports goods which are genuine but which were intended to be sold in a market other than Australia.

The Government and consumer groups tend to favour parallel importation as it gives consumers the potential to access goods which may be cheaper or otherwise not available in Australia. The Federal Government is currently pushing ahead with its controversial proposal to allow the importation of new cars outside established frameworks, in order to provide Australian consumers with access to vehicles at the lowest possible cost. Of course the fact that the parallel imported goods are cheaper than the locally licensed goods tends to incense authorised local distributors. What can be done?

Unfortunately for the local distributor, options under current intellectual property laws are limited. Under the *Copyright Act* there is a specific defence to infringement for parallel imported copyright material accompanying goods (like a label, logo, instructions manual etc.). Under s 123 of the *Trade Marks Act* it is not an infringement of a trade mark registration if the trade mark was applied with the consent of the trade mark owner (which, if they are genuine goods, will normally be the case). But, in the law, as in life, there is often more than one way to skin a cat.

Consent

There may be questions of whether the trade mark owner actually consented to application of the trade mark. A number of recent cases have considered the issue of consent under section 123, with the bottom line being that even if the products are genuine, it is no certainty that the section 123 defence will apply.

For example, it may be that the brand owner's consent to the use of its trade mark is conditional on the products only being sold and distributed in a particular jurisdiction. In *Sporte Leisure Pty Ltd v Pauls Warehouse International Pty Ltd (No. 3) [2010] FCA 1162*, the trade mark owner authorised an overseas company to manufacture clothes with Greg Norman Collections Inc trade marks for distribution and sale in India only.

The goods in question were ultimately imported into Australia by Paul's International. The court found that whilst the goods imported into and sold in Australia were manufactured by a licensee of the Australian trade mark owner, they were manufactured in breach of its licence because it was known that they were to be sold to a customer outside of India. As the trade mark owner had not consented to the use of the trade mark on the garments outside of



the defined region, the court held that the s 123 defence did not apply.

Another potential avenue open to brand owners is where the consent of the Australian trade mark owner cannot be linked back to the actual goods at the time of manufacture. In *Paul's Retail Pty Ltd v Lonsdale Australia [2012] FCAFC 130*, Lonsdale Sports was the owner of the Lonsdale trade mark for clothing. Lonsdale Sports licensed its trade mark to Punch in 2009 to market, distribute and sell products bearing the Lonsdale mark in Europe, and to manufacture the products in or outside Europe. Punch subsequently entered into an agreement with Unicell Limited to sell products with the Lonsdale marks direct from the warehouse in China. In 2011, Unicell sold goods bearing the Lonsdale mark to an American company who on sold the goods to Paul's Warehouse in Australia.

The court held that Paul's Warehouse was not entitled to rely on the s 123 defence. This was on the basis that Punch was not related to Lonsdale Australia (the Australian trade mark owner), that Lonsdale Australia was not

involved in the European licence or in Punch's application of the trade marks to the goods, and that the sale to Unicell was outside its licence agreement with Lonsdale Sports.

These decisions highlight that importers may be liable for trade mark infringement if they import goods where the Australian brand owner's consent is conditional or cannot be traced back to the actual goods in question. The issues will depend on the particular facts of any case, but should be thoroughly explored by those with interests in parallel importation.

Australian Regulations

In addition to the issue of consent, some parallel imported goods need to comply with Australian regulations. In *Electrolux Home Products Pty Ltd v Delap Impex KFT [2015] FCA 62*, Australian consumers were being offered electrical equipment under the trade marks AEG and ELECTROLUX via a Hungarian website. The plaintiff succeeded in gaining an injunction to prevent sale of the goods on the basis that such sales were in breach of the

Australian Consumer Law (ACL) because the imported goods did not comply with Australian safety standards.

There was also a concern that the goods did not comply with the consumer warranty provisions of the ACL. Unique to Australia is a certain form of words that must accompany all express warranties against defects for goods supplied to consumers. An injunction on this basis would only prevent imports until the warranty information was corrected, but it would serve to disrupt supply for a while.

Disadvantages of parallel imports

Finally, brand owners should consider the issues likely to be faced by consumers who purchase parallel imports.

Consumers may sometimes be disadvantaged when purchasing parallel imports, especially where there are problems with these products. Local warranties may not apply and warranty claims and repair times may be problematic. For larger and more expensive items, there may be significant impacts on whole of life costs, an issue strongly stressed by automotive industry groups in their lobbying against the Government's proposal to allow parallel importation of new vehicles. Indeed, the Australian Competition and Consumer Commission's view of parallel imports recognises that although there are potential access or cost benefits, consumers may sometimes be disadvantaged when purchasing parallel imports as opposed to purchasing the same products from an Australian authorised supplier.

Dealing with parallel importation can be challenging for rights owners, but as these decisions show there may be avenues worth exploring.

You can find out more at www.accc.gov.au

Margaret Ryan *BA LLB(Hons)* is a Lawyer and Trade Marks Attorney with over 20 years' experience in all areas of IP law practice. Margaret represents clients in both litigious and commercial matters. Margaret was awarded the University Medal in Law and has been a co-author of the copyright section of The Laws of Australia.
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Congratulations to our new Partners, Senior Associates and Associate

We are proud to announce five new promotions within the POF Group. As of 1 July 2015, we appointed two new Partners, two new Senior Associates and a new Associate.

Managing Partner Graham Cowin says, "We congratulate each of our new Partners, Senior Associates and Associate on their career milestone. It is a well-deserved recognition of the technical and professional expertise they offer to our valued clients. The strong growth we are undergoing has placed increased demands on these talented young attorneys, and it is wonderful to witness their positive reaction and contribution to that growth. I look forward to each of them being an integral part of the future leadership of the firm."

We are pleased to announce the following Partner appointments:



Dr Scott Whitmore

BSc PhD MIP FIPTA

Scott has been with POF since 2008 and has over 15 years' experience dealing with IP matters in the biotechnology field. He also has over ten years of academic and commercial research experience in biotechnology and life sciences in general. Scott's research and PhD studies focussed on disease gene identification, primarily in the field of cancer. He also worked for an Australian biotechnology company managing IP portfolios. Scott advises clients on all aspects of securing and enforcing IP rights.



Dr Mark Wickham

BSc(Hons) MCommrclLaw PhD

Mark joined POF in 2007 following his post-doctoral work in Vancouver, Canada, and a PhD at the Walter and Eliza Hall Institute in Melbourne. Mark has extensive experience in biologics, pharmaceuticals and agricultural biotechnology. Mark majored in genetics and biochemistry, and his PhD and post-doc work focussed on the molecular and cell biology of host-pathogen interactions. Mark works with clients to secure intellectual property rights appropriate to their commercial needs.

Our two new Senior Associates are:



Mark Williams

BCSE(Hons) MIP FIPTA

Mark has been with POF since 2002 and has considerable experience in drafting and prosecuting patent applications in the fields of electronic devices, electronic gaming machines, online transactions and payment systems, anti-virus software, computer implemented inventions, business methods and mobile 3GPP/LTE standards.



Raffaele Calabrese

BEng(Elec&ElectEng) MEng MIP FIPTA

Raffaele joined POF as an Associate in 2011 and has a technical background in electrical and electronic engineering. He has a Master's degree in Engineering specialising in information technology and telecommunications. Raffaele has significant professional experience in protecting inventions relating to telecommunications, computer implemented inventions, software, business processes, and medical devices.

We welcome the following Associate appointment:



Michelle Betschart

LLB/LP(Hons) BSc LLM (IP)

Michelle joined POF in 2008 and she advises both local and overseas clients on all aspects of trade mark registerability and protection. Prior to joining POF, Michelle worked as a lawyer for a large medical institute as well as the South Australian Government. Michelle has also completed a Master of Laws at the University of Melbourne.

Congratulations to our new appointments!



Patents on the slopes

Duncan Joiner, Patent and Trade Marks Attorney

With snow sports more popular (and more expensive) than ever, it will come as no surprise that ski and snowboard manufacturers are continuing to innovate, and are seeking protection for their hard-earned developments. However, one may be more surprised to learn that ski-related patents have been around for almost a century. Here are some of the more notable examples.

US Patent 1,593,937 is one of the earlier ski patents, and was filed by Mr Emil Hall at the US Patent Office in July 1923 (Figure 1).

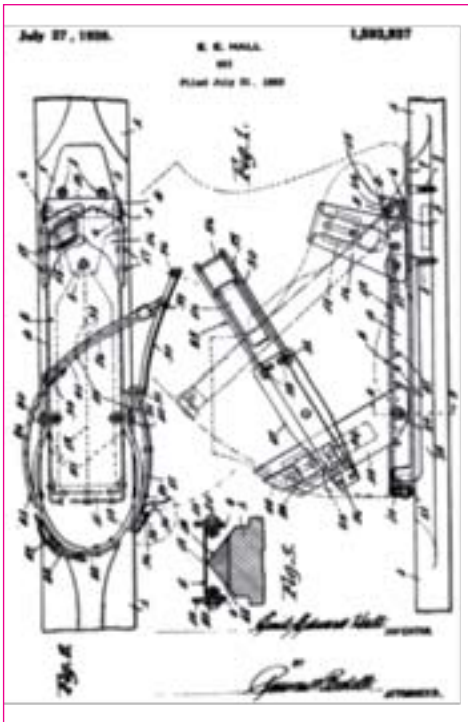


Figure 1

The patent was directed to an arrangement for fastening a ski to a boot in a more comfortable and flexible manner. We can only speculate as to whether the invention was a success, however it is safe to say the concept of a 'flexible' ski binding was a favourite with the ankle surgeons.

As is the case with many excellent inventions, the next in our list of skiing patents came about quite literally by accident. As the story goes, whilst skiing in 1917, Austrian accountant Rudolf Lettner lost control when his hickory skis became worn at the edges causing a loss of bite on a patch of ice, and leaving Lettner uncontrollably slide-slipping towards some rocks. Saved by the metallic tip of his ski poles, Lettner decided to extend the concept to his skis and, in 1926, filed a patent application for a ski with steel edges. Steel edges were a huge success and became ubiquitous in the following years. One of Lettner's later patents **DE476885** filed in 1928 and also directed to metallic ski edges (Figure 2.)

A seasoned ski innovator, Peter Ostbye was a Norwegian skier and ski manufacturer, and

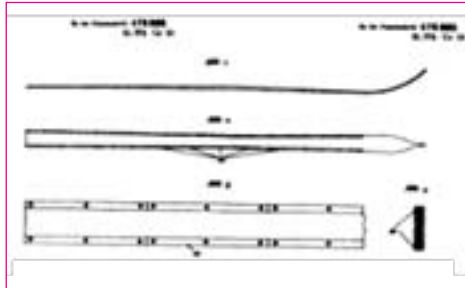


Figure 2

was well-known as the inventor of the famous Klister snow wax for which a patent was filed as early as 1913. Ostbye went on to file one of the earliest Australian ski patents in December 1934. **AU1935020861** (Figure 3) was a clever invention relating to tapering a central layer of the ski to reduce warping, as well as increasing springiness.

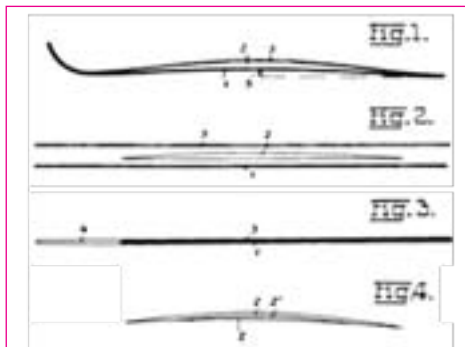


Figure 3

Notably, the patent attorney recorded as the Agent for Ostbye's Australian application was none other than Cecil W. Le Plastrier of the firm Phillips Ormonde Le Plastrier & Kelson (as Phillips Ormonde Fitzpatrick was known between 1920 and 1967). We are not sure whether Cecil was an avid skier, however at the very least he was up-to-date with the latest in ski technology.

For those of us with an aversion to chair lifts, exercise, snowmobiles or all of the above, **US Patent 3,964,560** filed in June 1976 provided a self-driven 'power ski'. The ski is propelled by an endless track powered by a small internal combustion engine worn on the skier's back and controlled by a hand throttle (Figure 4). It is anyone's guess why 'power-skiing' never really took off, however considering the risks already associated with regular old 'gravity skiing', it is possibly for the best.

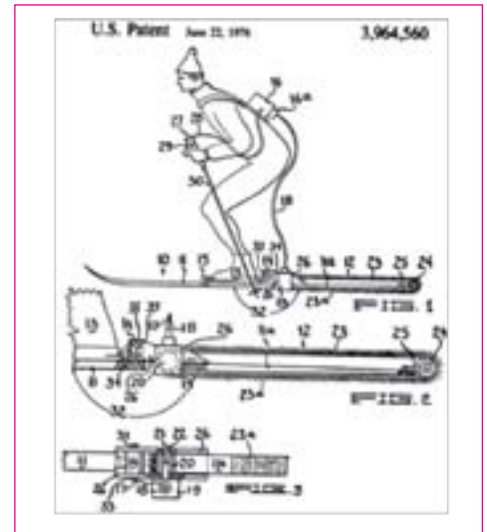


Figure 4

Those of us who were skiing pre-1990s (and those of us still using 30+ year old equipment), will appreciate the dramatic change in ski shape over the past few decades. Until the '90s, the conventional ski 'sidecut' (the amount the ski width is narrowed at the waist as compared to the ends) was between 4mm-10mm.

Fortunately for novice skiers, **US Patent 4,700,967** (Figure 5) was lodged in March 1985 by Olin Engineer Frank Meatto for a parabolic ski design with a deep sidecut two or three times the industry norm, providing a significant improvement in the skis ability to turn and 'carve'.

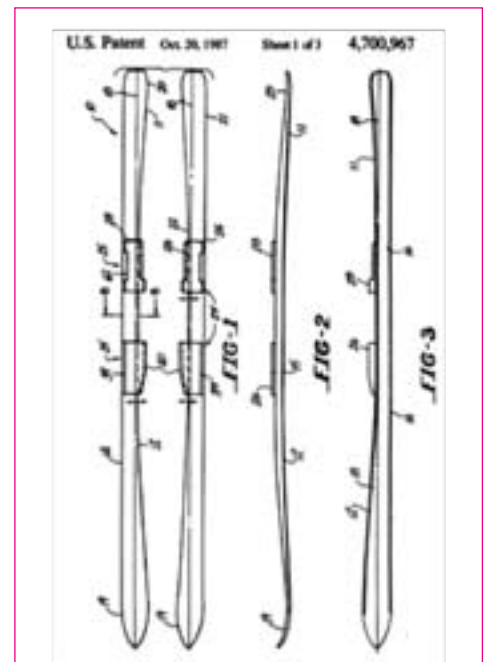


Figure 5

The asymmetrical and unconventional design proved to be ahead of its time and was not a commercial success. However it paved (or carved) the way for the development of skis with deep symmetrical sidecuts such as the well-known and hugely successful Elan SCX, which boasted a 22mm sidecut, and led to a revolution in narrow or 'wasp-waisted' skis that skiers of all abilities found far easier to turn.

The final ski-patent on our short list is not a patent for a ski per se, but is noteworthy nonetheless. Most of us will be familiar with the ski-brake; the wonderful spring-loaded device which prevents a ski flying off down the hill whenever a boot becomes detached from a ski. Many of us may be less familiar with its aerodynamic cousin, the ski-sail. As explained in **US Patent 4,531,763** (Figure 6), the device consists of a foldable sail extending between a pair of ski poles for deployment when conventional braking won't suffice.

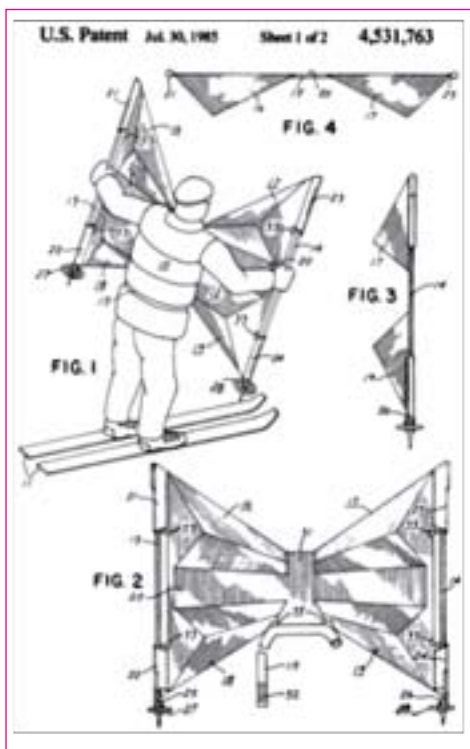


Figure 6

Some patent attorneys are all too familiar with flying out of control down a black run that far exceeds our abilities and will readily appreciate the need for such a device. Unfortunately, finding a local retailer that stocks the aerodynamic ski-brake has apparently proven difficult.

See you on the slopes!

Duncan Joiner BAeroEng(Hons) BLaws(Hons) MIPLaw is a Patent and Trade Marks Attorney who has experience in the preparation and prosecution of overseas and local patent applications. Duncan assists with the provision of advice to a wide range of clients from individual inventors to large commercial entities. His areas of specialisation include automotive, aerospace, mechanical, material and civil engineering. duncan.joiner@pof.com.au



Design registration – it's all about 'the look'

Davin Merritt, Partner



Have you designed a new product? Is it good looking? Do you want to protect its good looks? Then maybe design registration is for you. While patents seek to protect the functionality of a product, method or process, design registration is all about protecting the unique appearance of a product.

Our clients utilise the design registration system in Australia and overseas to protect their many and varied products. In many instances, design protection is vital in terms of their IP portfolio, as their customers often recognise their products in the marketplace solely on the basis of the product's unique appearance. Product packaging can also provide useful subject matter for a design registration, as it's often the packaging that a customer sees and recognises when purchasing the product, rather than the actual product.

Importantly, a design registration provides the means for preventing a competitor manufacturing a similar looking product, generally regardless of whether the competitor's product functions in the same way.

Virtually any uniquely designed product can be the subject of a design registration. Our clients pursue design registration for a myriad of products, including:

- > Automobile wheels and tyres
- > Automobiles
- > Automotive after-market accessories
- > Bathroom products
- > Beverage containers
- > Building fixtures and fittings
- > Confectionary
- > Construction and building components
- > Electronic devices and accessories
- > Footwear
- > Furniture
- > Household appliances
- > Medical equipment
- > Perfume bottles
- > Pharmaceutical tablets and dispensers
- > Product packaging
- > Rail vehicles and rail vehicle components

- > Rainwater harvesting products
- > Spectacles
- > Tools.

One of the benefits of the design system, particularly in Australia, is that the application process is relatively cost-effective. The application process is also very quick – an Australian design registration can be obtained within a matter of weeks of filing an application.

Phillips Ormonde Fitzpatrick's designs filing department can assist in preparing and filing design applications. Generally, all we require are drawings, or an electronic drawing file from which we can prepare the drawings for you. It is also important that you advise us prior to filing an application as to any specific feature of the product that you consider particularly distinctive or important, so that the application we file for you adequately protects the design.

Get your timing right!

One of the most common mistakes encountered by design applicants is that of prior publishing the design. It may be enticing to release a product as soon as possible into the marketplace, but please don't do so prior to filing your Australian design application, as early disclosure will most likely invalidate the application.

If you would like to discuss the designs filing system with us, please contact our Designs Partner, 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



Does your old trade mark registration reflect how your mark is used now?

Michelle Betschart, Associate

A trade mark is one of your business's most valuable assets. It is a representation of your brand and can be bought, sold or licensed, just like a physical asset. Just as other business assets need to be maintained, your intellectual property portfolio should also be the subject of regular reviews to ensure that the protection you have covers your present and future activities.

In the case of trade marks, it is important to regularly review existing trade mark registrations to ensure that they continue to adequately cover the goods and services in relation to which a mark is being used. For example, a business might have a well-known brand with an associated trade mark registration dating back over 30 years, but if the goods or services specified in the old registration are quite narrow, it might not prevent similar marks from being accepted onto the Register in respect of related areas of commerce. If the owner of the old registration decides to apply to register a modified or updated version of their trade mark, possibly for a broader range of goods or services, then the newer marks on the Register could be obstacles to any such new application. In other words, the owner of the old registration could be in a position where it has an old trade mark registration which no longer covers its full range of activities, and may not be able to



register a newer modified version of its mark because of intervening registrations by other trade mark owners.

What this hypothetical (but not uncommon) situation highlights is the need for trade mark owners to regularly review the scope of their trade mark protection, particularly where brands and logos, and the goods and/or services in relation to which they are used, are modified over time.

In this example, a review of the organisation's trade mark registrations at renewal might have resulted in broader applications being filed earlier, avoiding subsequent marks protected by other owners.

We recommend regular reviews of your intellectual property portfolio in the context of your current activities and at the very least, at each renewal of a trade mark registration.

Michelle Betschart LLB(LLP(Hons) BSc LLM (IP) is a Trade Marks Attorney who advises both local and overseas clients on all aspects of trade mark registerability and protection. Prior to joining POF, Michelle worked as a lawyer for a large medical institute as well as the South Australian Government. Michelle recently completed her Master of Laws at the University of Melbourne.
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Client Update



POF clients nominated for South Australian Scientist of the Year 2015

Dr Justin Dibbens, Consultant

The finalists for the 2015 South Australian Science Excellence Awards were recently announced and we were very pleased to learn that two of our clients have been nominated for South Australian Scientist of the Year.

Professor Nico Voelcker is Deputy Director at the Mawson Institute, University of South Australia, and is internationally recognised for his research into the interactions of nanostructured materials with biomolecules, cells and tissues. Professor Voelcker's research covers areas such as porous materials, surface engineering and biosensors, and has led to the development of a variety of important innovations in the use of nanostructured materials for drug delivery, diagnostic platforms and implants to regenerate tissues. Phillips Ormonde Fitzpatrick has drafted a number of

patent applications for Professor Voelcker and the University of South Australia through the university's commercialisation company, ITEK Ventures Pty Ltd.

Dr Michelle Lane is a Senior Research Fellow at the University of Adelaide and is a pioneer in the field of IVF technologies. She has had significant involvement into research into infertility and IVF technologies in both the academic and industry settings. Her research has provided important improvements in the clinical application of IVF technologies and she has been involved with a variety of start-up companies for clinical delivery of IVF technologies. Her research has led to more than 20 products in the market and an extensive suite of patents. Through the University of Adelaide's commercialisation

company, Adelaide Research & Innovation Pty Ltd, Phillips Ormonde Fitzpatrick is assisting with protecting a number of important developments from Dr Lane's research.

Phillips Ormonde Fitzpatrick extends our congratulations to both finalists for their prestigious nomination as 2015 South Australian Scientist of the Year.

Dr Justin Dibbens BSc(Hons) PhD FIPTA is a Patent and Trade Marks Attorney with extensive experience in the areas of molecular biology, genetics and genomics, biochemistry and health technologies. He has over 15 years' experience in intellectual property and is a Fellow of the Institute of Patent and Trade Marks Attorneys of Australia. Justin is also experienced in the commercialisation of IP rights.
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Australian innovation patent system under review

Andrew Massie, Partner

In our previous edition of *Inspire!* we outlined the procedure and some of the benefits involved in securing innovation patent protection in Australia. This article noted several benefits to patentees, and encouraged clients to consider filling innovation patent applications not only for relatively minor innovations, but for major inventions as well.

The innovation patent system is now under review by the Australian Government. This review has followed a recent report issued by IP Australia in relation to the economic impact of the innovation patent system, which found that the innovation patent system "is not fulfilling its policy goal of providing an incentive for Australian SMEs to innovate." Following release of the economic report, the Australian Government Advisory Council on Intellectual Property (ACIP) released a recommendation that the Australian Government should consider complete abolition of the innovation patent system. The position taken by ACIP is quite different to its previous position in its report in June 2014 in which it recommended raising the threshold level of innovation required for a valid innovation patent from the very low current level.

The ACIP report of June 2014 made further recommendations for changing the innovation patent system, including:

- 1) Requiring compulsory substantive examination of an innovation patent
- 2) Changing the name of an unexamined innovation patent, and
- 3) Limiting the grant of innovation patents to exclude methods and processes.

The ACIP report of June 2014 did indicate that it was unable to recommend abolition of the innovation patent system without adequate

empirical evidence on whether the system does or does not stimulate innovation in Australian SMEs. That inability has since been rectified by the economic report of IP Australia mentioned above and consequently, ACIP now recommends that the Australian Government consider abolishing the innovation patent system.

The innovation patent system has long been considered to provide too generous protection for innovation patent owners. Innovation patents provide the same legal remedies as standard patents, but an innovation patent can be valid based on only a very minor difference from the prior art. The difference can even be an obvious difference.

In the public consultation that proceeded the June 2014 ACIP report, the Institute of Patent and Trade Mark Attorneys of Australia (IPTA) recommended raising the level of innovation required for grant of a valid innovation patent. While ACIP did not recommend the specific change that IPTA suggested, ACIP did recommend an alternative approach that IPTA was in support of.

The most recent ACIP recommendation to abolish the innovation patent system would be welcome news for some practitioners in the IP industry, although for many others (and we expect the majority), there is an intermediate position that would be preferred. That intermediate position is to adopt the

recommendations made by ACIP in the June 2014 report. If those recommendations were adopted, then the innovation patent system could be tested at a more reasonable threshold validity level which would be more in keeping with the monopoly 'deal' that the patent system provides for genuine innovations and inventions. The intermediate position allows for an initial attempt to fix the system, rather than simply abolishing it straight away.

The Australian Government is now considering the economic report of IP Australia, along with the latest recommendation from ACIP in order to finalise its decision on whether the innovation patent system should continue, and if so, in what form.

The Government is calling for submissions from interested parties and POF will be active in those submissions. We are very interested to hear from our clients in relation to their views on whether the innovation patent system should be retained or abolished so that those views can be put to the Government.

If you wish to include a submission, please contact us.

Andrew Massie BEng FIPTA is a Patent and Trade Marks Attorney with over 20 years' IP experience in mechanical and civil engineering fields. This includes automotive, mining, constructions and manufacturing. He prepares and files patent applications in Australia and internationally. Andrew also provides advice on patent validity and infringement issues, as well as litigation of engineering patents.
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Trade Marks



POF to host a one day seminar and counterfeit identification workshop

Marine Guillou, Associate

Phillips Ormonde Fitzpatrick Lawyers is the exclusive partner of REACT, a leading anti-counterfeiting organisation headquartered in Europe. We are organising a one day Seminar and Counterfeit Identification Workshop on 15 October 2015 for REACT members and authorities involved in the fight against counterfeiting. The event will be held at our new offices at 333 Collins Street, Melbourne.

REACT is a European not-for-profit organisation with over 20 years' experience in fighting counterfeit trade, consisting of almost 200 Member global companies affected by counterfeiting and piracy. In 2014 REACT handled the seizure of almost 12 million counterfeit goods on behalf of its Member brands.

The event will include a seminar which is intended to provide a platform for the exchange of best practices in the fight against

counterfeiting. There will also be a training component which is designed to inform authorities responsible for cargo inspection, investigation, risk analysis and consumer protection on the most current counterfeiting trends and critical risk indicators to assist them in identifying counterfeit goods. More than 20 companies from various industries including pharmaceuticals, toys, automotive, fashion, and consumer electronics will be represented.

If you would like to find out more about the event, or if you have any issues in relation to anti-counterfeiting, please contact Marine Guillou.

Marine Guillou LL.M (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. She also worked in the legal department for Renault. In 2015, Marine has been ranked as one of Australia's top five experts in anti-counterfeiting in the World Trademark Review 1000.
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Medical Research Future Fund legislation passes parliament

Dr Mark Wickham, Partner

The 2013 McKeon Review, *Strategic Review of Health and Medical Research – Better Health through Research*, highlighted the importance of research in the health sector and the benefits of translating this into practice. The Review recommended that government increase research and development investment to a long-term target of three to four per cent of government health expenditure.

Following the McKeon Review, the Federal Government announced the establishment of the Medical Research Future Fund (MRFF), intended to build to \$20 billion and provide \$1 billion in funding annually for health and medical research. On 13 August 2015, the legislation to establish the MRFF passed both Houses of the Australian Parliament and was assented to on 26 August 2015. As a result, \$10 million in additional medical research funding will be distributed in 2015–16, and over \$400 million is estimated for distribution over the next four years.

As an endowment fund, the \$20 billion capital will be protected in perpetuity, and earnings from investing this capital will be allocated to health and medical research and medical innovation, complimenting research funding allocated by the National Health and Medical Research Council (NHMRC). The proposed MRFF will eventually deliver \$1 billion per annum for health and medical research and innovation (an effective doubling of Federal Government investment in this research).

Importantly, the MRFF will be broader in its remit than current NHMRC grant programs, funding medical innovation (i.e. commercialisation and translation of research, and the application of research findings in health settings), in addition to health and medical research. There is also potential for financial assistance from the MRFF to be



provided directly to businesses to support medical research commercialisation activities.

An Australian Medical Research Advisory Board (including the NHMRC CEO and up to seven other skills-based representatives), will be responsible for preparing a medical research and innovation strategy and priorities to guide the allocation of financial assistance and grants from the MRFF. There is also a requirement that the Advisory Board consult organisations with expertise in medical research/innovation and organisations that represent health consumers/patients.

Phillips Ormonde Fitzpatrick is a supporter of the Imagine a Healthier Future campaign, and this huge win for the health and medical research sector in Australia.

Dr Mark Wickham *BSc(Hons) MCommLaw 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

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