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DOING BUSINESS IN AUSTRALIA:

INTELLECTUAL PROPERTY

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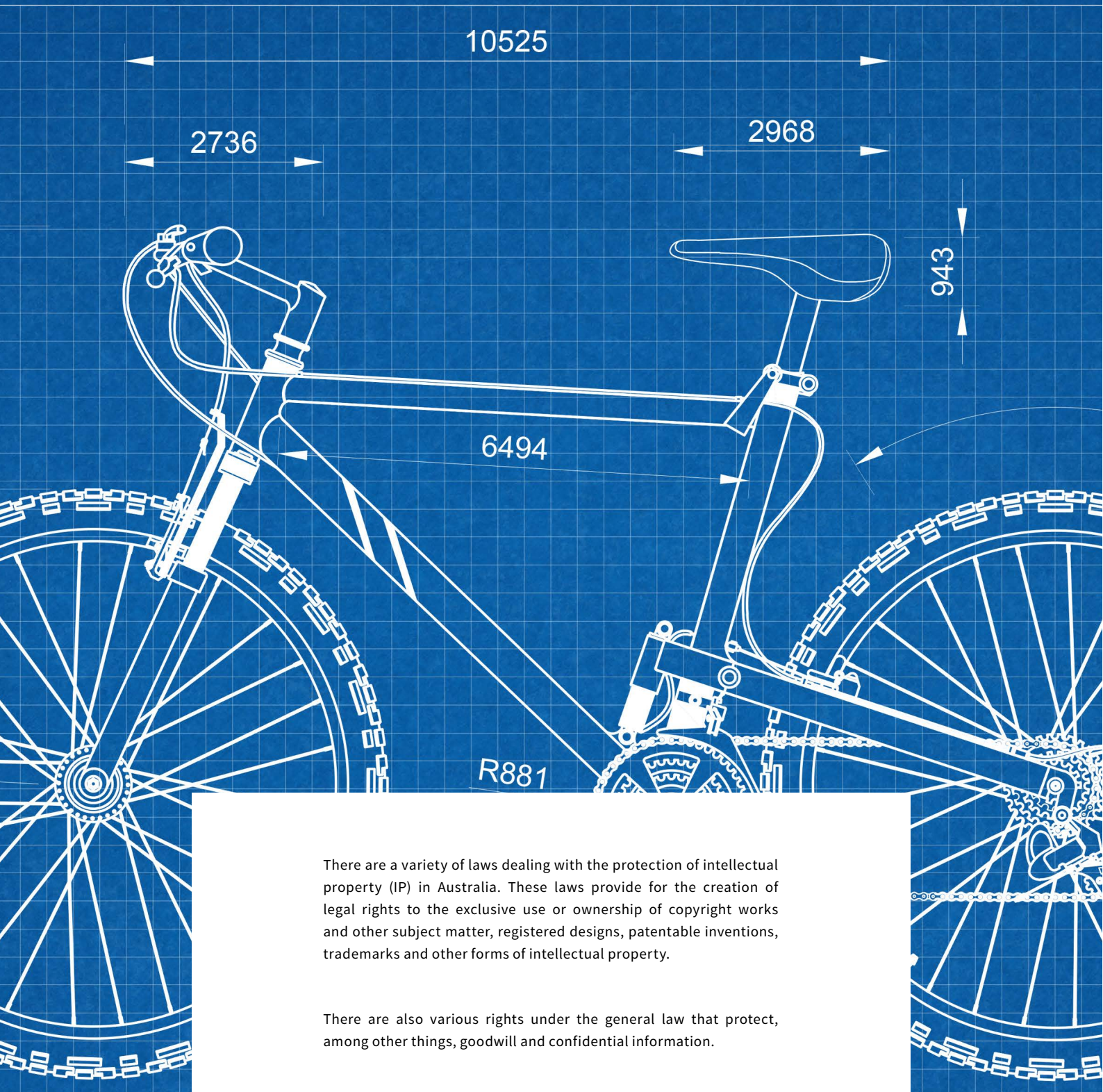


There are a variety of laws dealing with the protection of intellectual property (IP) in Australia. These laws provide for the creation of legal rights to the exclusive use or ownership of copyright works and other subject matter, registered designs, patentable inventions, trademarks and other forms of intellectual property.

There are also various rights under the general law that protect, among other things, goodwill and confidential information.

Some principal laws protecting intellectual property are briefly discussed below.

For all IP rights, if a right is created by an employee during the course of and in performing the duties of employment, those rights are owned by the employer. Independent contractors own all rights in anything created under the contract.

INTELLECTUAL PROPERTY

PATENTS

The law relating to patents is contained in the Patents Act 1990. This law is federal and operates throughout Australia. If a person seeks to obtain the exclusive and enforceable right to make, use or sell their invention in Australia, they must apply under the Act for a patent that gives the rights for a defined period (subject to maintenance fees). IP Australia administers patents in Australia.

The Act provides for granting of two distinct types of patent:

- A Standard Patent confers the exclusive right to make, use or otherwise exploit the invention claimed for a period of 20 years (upon payment of the annual maintenance fees).
- An Innovation Patent which replaced the petty patent in Australia on 24 May 2001, is a relatively fast, inexpensive protection option. Protection lasts for up to a maximum of eight years. The innovation patent system has been designed to provide protection for new products and improvements that, although not vastly different from existing technology, have significant commercial value. Applying for an innovation patent must also cover novel subject matter but does not require an inventive step, but rather only an innovative step.

Prior to applying for either a standard or innovation patent, it is possible to make a provisional patent application to establish a priority date for an invention which provides 12 months to file either:

- An Australian standard or innovation patent application
- An application under the Patent Co-Operation Treaty (PCT) designating Australia
- A patent application in one or more foreign countries
- A complete application can also be made based on and claiming priority from an overseas provisional application or a PCT application that designates Australia.

In order to be “patentable” an invention must be a “manner of manufacture” that involves an inventive step (or innovative step in the case of innovation patents) and be commercially useful.

You cannot patent artistic creations, mathematical models, plans, schemes or other purely mental processes; however, Australia does consider software and certain business methods to be patentable subject matter.

Special care must be taken when filing a specification to ensure that the invention is accurately and completely described, and that nothing is disclosed prior to securing a valid priority date, as this publication will destroy novelty (subject to a limited grace period).

In all circumstances, it is advisable to consult a patent attorney before preparing the patent application. In Australia, only inventors or patent attorneys can file and prosecute patent applications. Only lawyers can prepare patent licences or other commercial documents and take enforcement proceedings in the courts. Registered patent attorneys are not lawyers but specialists in the preparation and ongoing prosecution of patent applications. All Meritas member firms in Australia have excellent contacts with patent attorneys. Infringement proceedings are generally taken in the Federal Court of Australia.

The Intellectual Property Laws Amendment Act 2015 allows for a single trans-Tasman patent attorney scheme, which came into effect on 24 February 2017 and is designed to increase business confidence in the service provided by patent attorneys, to streamline processes, to minimise the cost of regulating patent attorneys in both countries, and to facilitate competition in the market for patent attorney services.

INTELLECTUAL PROPERTY

COPYRIGHT

Copyright gives the owner the exclusive right in Australia to reproduce, publish, perform, communicate to the public (which includes broadcasting and electronic transmission), adapt from original literary works (including original computer programs) and original artistic, dramatic and musical works together with other protected subject matter such as films and sound recordings. Rights vary according to the nature of the work or subject matter.

Copyright subsists in:

- Unpublished original works where the author of the work is an Australian citizen or resident, or a citizen or resident of a member state of the Berne Convention
- Published original works where first publication of the work takes place in Australia, or the author of the work is a citizen or resident of a member state of the Berne Convention at the time the work is first published.

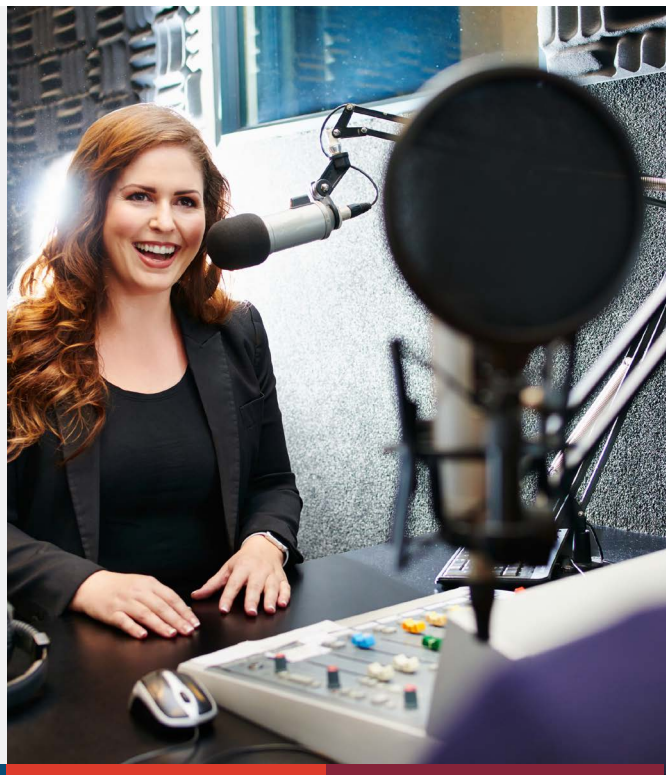
The Copyright Act 1968 governs copyright. This law is federal and operates throughout Australia. It does not rely on a system of registration. Protection arises automatically on the creation of an original work or protected subject matter.

"Fair dealing" in copyright works for the purposes of research or study, criticism or review, parody or satire, legal advice and reporting news is permitted by the Copyright Act without the owner's permission.

The Copyright Act was amended in 2000 to provide for protection of electronic copyright material, and to allow digital copying of copyright material without permission in certain circumstances.

Copyright generally lasts for a period of 70 years after the end of the calendar year of the date of the author's death for works (provided the work is published at the date of death), and 70 years from the date of publication for sound recordings and films (provided the work is published at the date of death). Copyright in broadcasts continues for a period of 50 years from the year in which the broadcast is first made.

In 2015, in response to a rise in digital copyright infringement, the Australian Government sought to create a mechanism for copyright owners and exclusive licensees to block access to online locations based overseas that encourage copyright infringement.



INTELLECTUAL PROPERTY

The Copyright Amendment (Online Infringement) Act 2015 introduced new laws to give rights holders who discover infringing material online a way of requiring carriage service providers to take reasonable steps to block access to the content, via an injunction from the Federal Court. Infringement proceedings are generally taken in the Federal Court of Australia.

Australia also grants to authors certain moral rights, which are separate from the economic rights of reproduction, publication and communication.

These rights are owned by authors even if the author never had any interest in the copyright. The rights cannot be assigned. Authors of works (and producers and directors of films) have each of the following moral rights:

- To be attributed as the author of the work or films
- Not to be falsely attributed as the author of the work or the film
- To prevent the work or film from being the subject of “derogatory treatment”.

Each of these rights is only infringed if the act that is undertaken is, in all of the circumstances, unreasonable.

While these moral rights cannot be assigned, an author can consent to acts or omissions that would, but for the consent, amount to an infringement of those moral rights.

CIRCUIT LAYOUT RIGHTS (CLR)

CLR automatically protect original layout designs for integrated circuits and computer chips.

Like copyright protection, there is no requirement for registration for the granting of rights to the owner of an eligible circuit layout design.

The owner of an original circuit layout has exclusive right to:

- Copy the layout in a material form
- Make integrated circuits from the layout
- Exploit it commercially in Australia.

The maximum possible protection period is 20 years. The Attorney General’s Department administers legislation relating to CLR.

INTELLECTUAL PROPERTY

TRADE MARKS

A sign (such as a word, symbol, name, brand, letter, colour, scent, shape, sound or aspect of packaging or a combination of any of them) used as a trade mark in relation to goods or services provided in Australia is registrable under the Trade Marks Act 1995. This law is federal and operates throughout Australia. IP Australia administers trade mark applications and registrations.

In order to be registrable, a trade mark must be distinctive or capable of becoming distinctive, in that it is not directly descriptive of the character or quality of goods or services the trade mark is applied to, and must be dissimilar to any existing registered trade marks or pending applications. The person who first uses (by use or by applying to register the trade mark in Australia) is entitled to be registered as the owner of the trade mark.

Trade mark clearance or entitlement to use searches can be a valuable part of the registration process, as they will identify marks that may potentially block acceptance or possible opposition or infringement actions.

It is also important to ensure that where an application is being filed following prior use in Australia, that application is made in the name of the entity that has used the mark; or the rights in the mark, including the right to file the application, have been validly assigned by the first user to the applicant entity. Failure to ensure that the application is made in the name of the correct applicant can lead to an invalid registration. Registration of a trade mark gives exclusive rights for a period of 10 years. If the registration is renewed every 10 years, the owner of the trade mark may obtain exclusive rights in perpetuity.

It is also important to ensure that a registered trade mark is used, so as to prevent another party from seeking to remove the mark. Any person is entitled to bring removal proceedings for any mark that has been on the register for more than three years and has not been used for a continuous period of three years, ending on one month before the date the removal application is made. It is also possible to seek to remove a registered trade mark if it has been registered for less than three years, if it was filed without any intention in good faith to use or authorise the use of the mark in Australia, and it has not been used at any time since filing. Infringement proceedings are generally taken in the Federal Court of Australia.

In addition to registered trade mark rights, use of a mark, or name, may generate common law rights, which may entitle the user of that common law mark to restrain use, or oppose registration, of a deceptively similar mark.

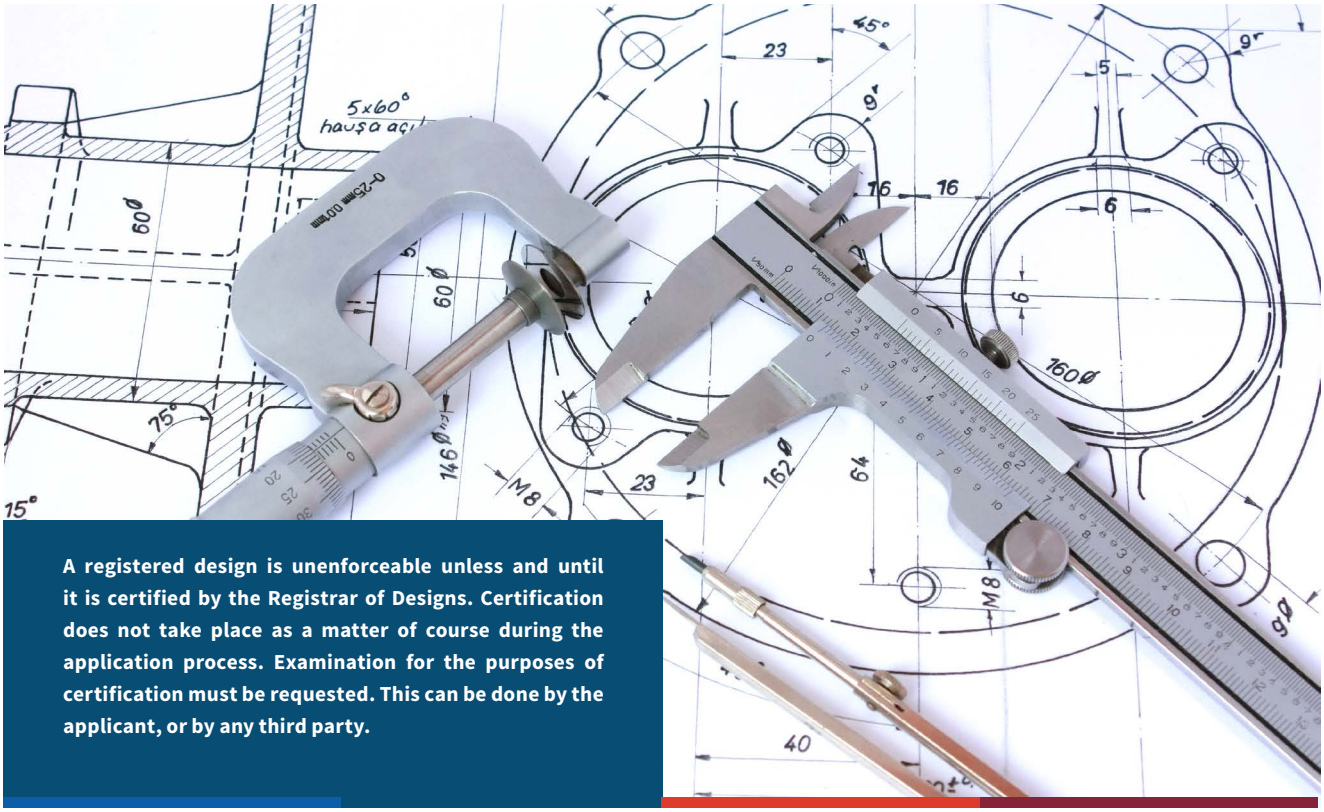
Australia is a signatory to the Madrid Protocol, which came into effect in 2001. This provides for the registration of trade marks in other countries, allowing a single application to be filed for protection in any or all signatory countries, based on an Australian trade mark application.

INTELLECTUAL PROPERTY

DESIGNS

The look or shape of new and distinctive industrial designs applied to mass-produced articles may be protected by registration under the Designs Act 2003. This law is federal and operates throughout Australia. Protection is granted for the appearance of the article and not how it works.

In order to be valid, the design must be new and distinctive when compared with the prior art base of the design as it existed before the priority date of the design. The design must be a visual feature, which includes the shape, configuration, pattern and ornamentation of the product. That feature may, but need not, serve a functional purpose. The feel of, or materials used, in the product are not visual features.



A registered design is unenforceable unless and until it is certified by the Registrar of Designs. Certification does not take place as a matter of course during the application process. Examination for the purposes of certification must be requested. This can be done by the applicant, or by any third party.

Registered designs for which a certificate of examination has been issued give the owner exclusive and legally enforceable rights in respect of the design initially for a period of five years. Registration can then be extended for an additional five-year period providing a total protection period of 10 years. IP Australia administers designs in Australia.

Enforcement proceedings are generally instituted in the Federal Court of Australia. Infringement occurs if, during the term of the registration, and without the licence of the owner, a person makes, imports, sells, hires or otherwise disposes of, uses or keeps a product in relation to which the design is registered which embodies a design that is identical to or substantially similar in overall impression to the registered design.

INTELLECTUAL PROPERTY

PLANT BREEDERS' RIGHTS (PBR)

PBR are used to protect new varieties of plants by giving exclusive commercial rights to propagate, market and sell a new variety or its reproductive material. Registered owners of PBR can direct the production, sale and distribution of the new variety, receive royalties from the sale of plants or sell their PBR to a third party. PBR protection lasts for up to 25 years for trees or vines and 20 years for other species.

Plant varieties can only be protected if they are a new variety or have been recently exploited. A new variety is one which has not previously been sold with the breeder's consent.

A recently exploited variety of plant is one which has been sold in Australia for a period no longer than 12 months before the lodgement of the application. These timeframes are extended for sales outside Australia as follows:

- Trees and vines up to six years
- Other varieties up to four years IP Australia administers PBR.

To be eligible for PBR protection in Australia, the applicant must:

- Show that the new variety is distinct, uniform and stable
- Be able to demonstrate, by a comparative trial, that its variety is clearly distinguishable from any other variety, the existence of which is a matter of common knowledge.

If the breeder is an overseas resident, the breeder must either appoint an agent or an Australian address to receive service of notices.

Enforcement proceedings are generally taken in the Federal Court of Australia. The Intellectual Property Laws Amendment Act 2015 extends the jurisdiction of the Federal Circuit Court of Australia to include PBR matters (commencing 25 August 2015). The PBR in a plant variety is infringed by producing or reproducing, conditioning for the purposes of propagation, selling, offering, importing, exporting or stocking the material (or claiming that the person has a right to do each of those things) without the licence of the owner. PBR is also infringed if the person uses the name of the variety that is entered in the Register in relation to any other plant variety of the same plant class or a plant of a variety of the same plant class.

INTELLECTUAL PROPERTY

TRADE OR BUSINESS NAMES

Any individual or company conducting business under a name that is different from that person's personal or company name (referred to as a business name) must register the business name with the Australian Securities and Investments Commission (ASIC).

A "trading name" refers to an unregistered name that businesses could use before the introduction of the National Business Names Register on 28 May 2012. A trading name is not a registered business name. A transition period from 28 May 2012 to 31 October 2018 was in place to allow businesses who have unregistered trading names to decide whether to register them. To continue using a trading name after October 2018, businesses had to register them.

Registration does not provide the registrant with any proprietary interest in the trade or business name and is a statutory obligation under the Federal Business Names Registration Act 2011. Prior to 2011, business name registration was controlled separately by each of the states and territories. In order to obtain national coverage, a business had to register separate business names in each state and territory. Under the Federal Business Names Registration Act 2011, there is now a single, national register, administered by ASIC (which also regulates corporations).

Registration does not protect the business name but does ensure that an identical name cannot be registered by another person.

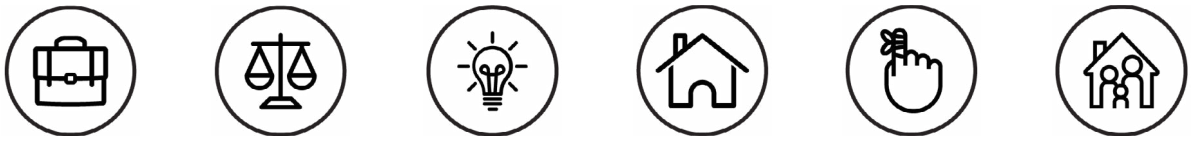
Registration of a business name or a company name is also one of the eligibility requirements for obtaining a .com.au domain name.

ABOUT BENNETT & PHILP

Established in 1984, Bennett & Philp is a mid-tier law firm based in the heart of Brisbane offering end-to-end legal solutions for both business and individual clients. Our team offers a broad range of services us to support both Australian and international clients across every stage of business and life.

AREAS OF PRACTICE

We provide personalised service across six core areas of specialisation:



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WHY CHOOSE BENNETT & PHILP?

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WE GENUINELY CARE

As a client of Bennett & Philp, you're more than just a number in our practice management system. We're your trusted partners, always on hand with the right advice when it matters.

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WE ARE A ONE-STOP-SHOP

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