

Intellectual Property News

30 August 2010

Copyright

Australia

Project house builder found not to have copied competitor's design

The Federal Court has held that Ron Englehart Pty Ltd (**Englehart**) did not infringe the copyright in project homes owned by Enterprise Constructions (Aust.) Pty Ltd (**Enterprise**). Englehart and Enterprise are project home builders in Victoria. Englehart argued that the plans of the project houses, and the houses themselves, were original works in relation to which it owned the copyright, and that Enterprise had infringed its copyright by copying one or more of the plans or, alternatively, by copying the homes themselves. The primary question for Justice Jessup was one of fact, namely whether the changes made by the managing director of Enterprise to his original project home plans made it probable as a matter of inference that he had access to Englehart's brochure and was copying features from it. His Honour observed that the changes themselves, viewed in isolation, counted in favour of such an inference. On the other hand, his Honour found that there was a rational architectural explanation for the changes which was unrelated to Englehart's plans, and that despite the changes made to the original plans, there remained several respects in which the competing project homes differed. Furthermore, having observed that there was no evidence to suggest that the managing director of Enterprise had ever visited the Englehart's display home, his Honour was not satisfied that the changes were the result of the managing director having had access to, and of making reference to, Englehart's plans. As a result, it was held that Enterprise had not infringed Englehart's copyright, either in relation to the plans or the homes themselves.

Click [here](#) to access the case.

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LAWYERS

Copyright continued

Court sends clear message to copyright infringers

The Federal Magistrates Court has given guidance as to the way in which additional damages are to be calculated in copyright infringement actions. The Phonographic Performance Company of Australia Limited (**PPCA**), which is the society responsible for the collection of copyright royalties in respect of sound recordings that are performed in public, was granted summary judgment in respect of copyright infringement proceedings brought against the directors of the company that owned a Queensland nightclub. In deciding to award additional damages, the Court had regard to a number of factors, including that the respondents were repeatedly notified by the PPCA of their obligation to pay licence fees for the public performance of sound recordings. The respondents had continually refused to pay any licence fees for almost three years and had failed to respond to the PPCA's threats of litigation and requests for mediation. In regard to the quantum of damages, the Court was prepared to consider the value of the music to the nightclub which the Copyright Tribunal had determined was \$1.05 per visitor. Additional damages of \$AUD90,000 were awarded, with the Court observing that since any award must be able to be met, 'a party may suffer more from being required to pay just about as much as he can' than an impossibly large amount.

Click [here](#) to access the case.

International

Maker of game-pirating devices caught red-handed

The England and Wales High Court of Justice has given summary judgment in a case concerning copyright infringement and the avoidance of copyright-protection devices. The claimants, Nintendo Company Limited and Nintendo of Europe (**Nintendo**), made and distributed the Nintendo DS game console and accompanying games. The defendants imported and dealt with devices which enabled users of the Nintendo DS console to play pirated copies of games. The devices contained either built-in memory or a slot for an external memory card on which copies of games could be stored. The devices also contained circuitry, software and data which allowed them to circumvent Nintendo's security measures which purported to ensure that the game card inserted was genuine. Nintendo brought a claim of copyright infringement, arguing that the defendants were in breach by authorising the commission of infringing acts by others as well as by way of secondary infringement. The defendants raised three defences in relation to the claims, namely that (a) they did not know that the accused devices would be used to make infringing copies, (b) there are lawful uses for the accused devices, and (c) no legitimate reliance can be placed in relation to the actions of the British customs officials in seizing the goods. The Court found that none of these defences had a realistic prospect of success that Nintendo was entitled to summary judgment. However, in relation to a claim made by Nintendo that its copyright in the source code was being infringed, the Court was not prepared to find that the defendants had no answer to the allegation and was unwilling to grant summary judgment on this aspect.

Click [here](#) to access the case.

Trade Marks

Australia

Lleyton Hewitt's 'Come-on' challenge fails to be a Grand Slam

Australian professional tennis player, Lleyton Hewitt, has been unsuccessful in challenging the registration of a 'COME-ON' logo owned by John Patrick Shiels (**Sheils**). The COME-ON logo registered by Shiels includes an arm posed in a fist-pumping gesture. The exclusive licensee of the Lleyton Hewitt brand, Lleyton Hewitt Marketing Pty Ltd (**LHM**), applied for two 'C'MON' logos. Mr Shiels requested that LHM withdraw the applications given his COME-ON logo registration. LHM's C'MON logos were registered without opposition. LHM argued that the registration of the 'COME-ON' logo should be removed on the basis of non-use. LHM argued that the public associated Lleyton Hewitt with the catchphrase 'come on' / 'c'mon' and the fist pump salute, and that Hewitt had acquired a substantial reputation from his continuous use of both. Shiels' evidence included that he sold 'about 10 shirts' which had the COME-ON logo. The Hearing Officer refused to remove the registration because she found that although the volume of sales was limited, Shiels' evidence was sufficient to establish a 'genuine intention' and 'genuine commercial use' of the mark.

Click [here](#) to access the decision.

International

Credit card service providers not immune for counterfeit dealings

Following the US District Court's earlier decision that Gucci be paid \$5.2 million by Laurette Co (**Laurette**) for selling counterfeit Gucci products on its website, the Court has now held that credit card companies and similar funds transaction providers do not avoid liability even if they play a merely indirect role in the trade mark infringement. After its win against Laurette, Gucci took action against Durango Merchant Services, Frontline Processing Corporation and Woodforest National Bank (**defendants**), claiming they had enabled Laurette to sell counterfeit merchandise by providing credit card processing services. The Court held that Durango was not absolved from liability by helping Laurette to set up a purchasing system which required customers to check a box that said 'I understand these are replicas'. Further, both Frontline and Woodforest would have known from information provided by Laurette that the relevant products infringed Gucci trade marks, and so the Court denied the defendants' motion to dismiss the claim. It is now clear that credit card companies are not immune from liability if they process funds connected to counterfeit products and intentionally induce others to engage in the infringement, or supply their services knowing of the infringing conduct or wilfully ignoring that conduct, while having sufficient control over the conduct.

Click [here](#) to access the US ruling.

Patents

Australia

Inability to prove 'inventorship' fatal to patent opposition

A delegate of the Commissioner of Patents has held that David Leigh Wake (**Wake**) was not an inventor, either alone or jointly, in respect of an apparatus and method for cleaning the internal chambers of barrels, in particular using high powered ultrasonics. The innovation patent had been lodged by Soniclean Pty Ltd (**Soniclean**), and Wake filed a notice of opposition to the innovation patent alleging that he alone was entitled to the patent. The *Patents Act 1990* (Cth) provides that a patent for an invention may only be granted to a person who is the inventor or is in another way entitled. The delegate stated that the primary issue to be resolved was whether Wake had made any contribution to the conception of the invention which had a 'material impact or led to a result or advantage not originally contemplated, in contrast to a better way of physically implementing the invention'; in other words, would the invention have come to fruition without Wake's contributions? Ultimately, the delegate found that the only inventive contribution attributable to Wake was the idea of cleaning the barrels by injecting a sonotode through the bung hole of a barrel. As this could not be described as a material contribution to the invention, Wake was not entitled as a sole or joint inventor.

Click [here](#) to access the case.

Patent Office narrows test for patentability of business methods

The Australian Patent Office has refused to grant a patent for a method for commercialising inventions, which involved the establishment of a timetable (with checklists and reminders) for completion of prescribed commercialisation steps (including preparing an R&D plan, conducting prototype testing and considering product positioning) within 30 months of the earliest priority date of a patent application. The significance of the 30 month period was to ensure that commercialisation of an invention was significantly advanced by the time an international PCT application entered national phase. The Examiner's first objection was that the claimed invention was not a manner of manufacture. Applying *Grant v Commissioner of Patents* (2006) FCAFC 120, the Deputy Commissioner observed that a method may only be patentable if it creates an 'artificial state of affairs' being a 'concrete effect or phenomenon or manifestation or transformation'. He qualified this test by stating that the physical effect must be 'central to the purpose or operation of the claimed process' or 'otherwise aris[ing] from... the method in a substantial way', holding that the invention failed this test because its physical effect was 'peripheral and subordinate to the substance of the claimed method which is a scheme for the commercialisation of inventions'. The second objection raised by the Examiner was that the invention did not involve an inventive step. The Deputy Commissioner agreed, finding that the patent was invalid for obviousness on the basis that a 'person skilled in the art ... would be led as a matter of routine to the claimed invention'. Having upheld both of the Examiner's objections, the Deputy Commissioner refused to grant the patent.

Click [here](#) to access the case.

Policy Update

Australia

Federal Government launches Intellectual Property Explorer

The Federal Government has established Intellectual Property Explorer, a website designed to assist businesses in identifying and protecting their intellectual property assets. Intellectual Property Explorer was developed by the Governments of Australia, Hong Kong and Singapore in order to help businesses profit from their ingenuity by enabling them to identify and safeguard the various forms of their intellectual property. The site offers a step-by-step guide to reviewing intellectual property assets, including copyrights, trade marks and patents.

Click [here](#) to access the site.

New alcohol provisions affect trade mark laws

The *Australian Wine and Brandy Corporation Amendment Act 2010* (Cth) (**AWBCA Act**) has recently been passed which amends the *Trade Marks Act 1995* (Cth) (**Act**). The AWBCA Act was implemented primarily in order to bring into force the Australia – European Community (EC) Agreement on Trade in Wine, with the amendments coming into force on 1 September 2010. As part of the amendments, the definition of 'geographical indication' in section 6 of the Act has been changed to mean 'a sign that identifies the goods as originating in a country, or in a region or locality in that country, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin'. Section 6 has also been altered to include World Trade Organization members as 'countries' for the purposes of the Act. Another substantial change is the insertion of subsection 61(4) of the Act, which provides that an opposition to a trade mark under section 61 fails if the applicant establishes that the geographical indication is a common English word and it is not being used in a manner likely to deceive or confuse members of the public as to the origin of the relevant goods. Also captured by this change will be the use of the word 'Port', with its common English reference to a harbour. Australia has recently agreed that it will no longer use 'Port' to describe a style of fortified wine. However, trade mark owners will be able to use 'Port' in its common English meaning, for example 'Port Jackson shark', where consumers would not be confused as to the origin of the goods.

Click [here](#) to access the amended AWBCA Act.

Further information

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