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Technology | Intellectual Property | Brand

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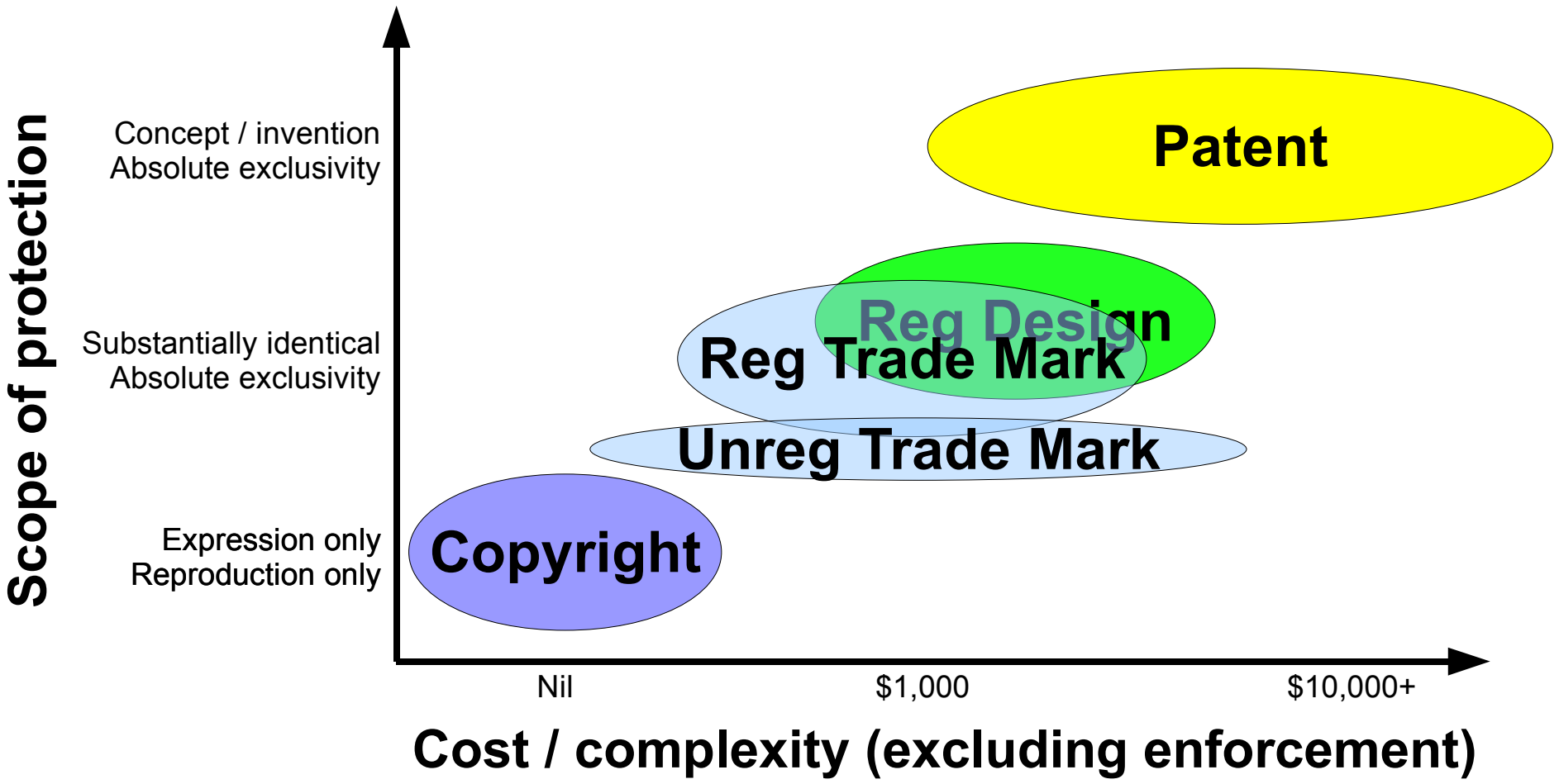
IP, software & databases

- Ten things that IT people should know about IP
- New/recent IP law:
  - databases (*IceTV v Nine*)
  - ownership (*UWA v Gray*)
- Software and business method patents in Australia (*Bilski*, *Szabo*, *Grant*)
- Questions / discussion

Ten Things – #10

- **There is no such thing as “IP”**
  - There is copyright, moral rights, patent rights, registered & unregistered trade mark rights, registered industrial design rights, trade secrets, and confidential information, know-how, and plant variety rights
  - “IP” used as a catch-all when we’re not being specific
  - But ultimately (ie, in court) you need to be specific

Ten Things – #9: Cost & Scope



Ten Things – #8

- **There are no "worldwide" IP rights**
  - IP rights are granted, administered and enforced on a national basis
  - International arrangements mean that most jurisdictions recognise *some* overseas IP
  - Solution: You can contract for "worldwide rights," but you have to say what you mean

Ten Things – #7

- **Many of the "default settings" in IP law are unhelpful**
  - eg, you engage a contractor to develop software for you, you specify it, you direct & manage the development, you pay for it, it is delivered to you. Default setting: **you don't own the copyright**.
  - eg, you (a university) employ someone to research, you pay them a salary and provide a lab Default setting: **you don't own the patent rights**.
  - Solution: Reach an agreement and *write it down*

Ten Things – #6

- **IP law has "nuclear weapons"**
  - *Anton Piller* orders (also called civil search orders)
    - Order to allow another party to enter & search premises
    - Applied for in secret ("*ex parte*")
    - The first the alleged infringer knows about it is a knock at the door...
    - Entitled to a short period to seek advice, otherwise must comply under risk of contempt of court
  - *Mareva* orders
    - Order to freeze funds to prevent removal from jurisdiction

Ten Things – #5

- **Usually the Courts understand the technology. Sometimes they don't. You take your chances.**
  - Expert evidence often advocates one side's view
  - Judges do not usually have technical backgrounds, and rarely seek independent guidance
  - The law itself lags technical developments, forces technical concepts to fit within legacy frameworks
    eg, software as a "literary work" with one author
    eg, patent law's "person skilled in the art"

Ten Things – #4

- **You can be personally liable for something done in the course of your employment**
  - *Cooper v Universal Music & Ors* – mp3s4free.net
  - Liability (as an accessory) of Chris Takoushis, a help-desk employee at Cooper's ISP
  - Takoushis liable for infringement at first instance
  - (Just) reversed on appeal: Takoushis had no *personal* power to prevent infringement

Ten Things – #3

- **Copyright only protects expression not idea / concept / functionality**
  - in the context of software, would need to be some reproduction of actual code or code structure
  - not just reproducing ideas, concepts, functionality, interface, “look and feel”
  - eg *StatusCard v Rotondo*: specific UI layout & colouring not protected
  - eg *Data Access v PowerFlex*: programming language keywords not protected

Ten Things – #2

- **IP law is intended to provide a balance**
  - rewarding creativity and innovation
    vs conferring a monopoly
  - eg, limited terms (patent 20yrs, copyright 50+yrs)
  - eg, fair dealing defences, but *only* for:
    - research and study (10%, 1 chapter, 1 article)
    - criticism and review
    - reporting news
    - parody or satire (Dec 2006)
  - eg, time- and format-shifting exceptions (Dec 2006)

Ten Things – #1

- **The value of getting IP in shape sometimes becomes apparent only in hindsight**
  - Commercialisation
  - Due diligence on sale / investment / capital raising
  - Pursuing an infringer
  - Defending against infringement allegation
- It's far better to have your IP in order *before* any of these things happen

Copyright in databases – new law

- *IceTV Pty Ltd v Nine Network Australia*
  - High Court, April 2009
  - Main question: can you breach copyright by copying non-creative/non-original parts of a database
  - Previously, had *Desktop Marketing v Telstra* (2002):
    - CD versions of White & Yellow Pages
    - Desktop: no originality/creativity in lists of phone no's
    - Telstra: it takes a lot of time & effort to collect them
    - Held: infringement
  - So question is: do you have to have originality / creativity, or is "sweat-of-the-brow" sufficient?

IceTV v Nine – background facts

Nine maintains program database

... communicates weekly schedules (time, title, format, classification, synopses) to aggregators

...who use that information to publish weekly aggregated guides for all channels

Ice maintains own database, initially from broadcast TV. Copies time & title information from aggregated guides, on a "check & change" basis

IceTV v Nine – result

- IceTV won
  - The material it copied was only “slivers” of not-very-original program information
  - Limited originality → limited protection
    - copyright does not protect facts, only original expression
    - less originality → more required to infringe
  - Australia now consistent with US: *originality* is at the heart of copyright, not sweat-of-the-brow
    - *Desktop Marketing v Telstra* was probably wrong

Ownership – new law

- **An employer may not own IP developed by its employees *even if* employed to research**
  - Dr Bruce Gray was employed by UWA as researcher (professor of surgery)
  - Dr Gray's area of research was microspheres
    - filed patent applications in his own name
    - formed company to commercialise (later floated: Sirtex)
  - UWA claimed ownership of the tech & patents
    - on the basis that Dr Gray's was paid to research *for the university*, not for himself
    - but had poor documentation, had to argue implied term

UWA v Gray: what was decided?

- Held by Fed Ct (French J) and confirmed by Full Federal Ct on 3 September:
  - Research and invention are different: a university researcher does not have a duty to invent (!)
  - Without duty / express agreement, university researchers own the rights to their inventions
  - May be different in commercial / industrial context
- Has caused huge uncertainty
  - How to resolve? Have an (employment) contract and make sure IP is addressed

Software / business method patents

- Last decade: patent “land rush”
- “Patent thickets” around promising technologies
- But some recent decisions in US and Australia have suggested a more cautious & consistent approach to patentability

Software / business method patents

- *In re Bilski* (US Federal Appeals Ct, 2008)
  - method of hedging risk in commodities trading
  - not patentable under “machine or transformation test”: no transformation of a physical object
- *Re Peter Szabo and Associates* (Australian Commissioner of Patents, 2006)
  - method for providing a rebate for a mortgagee in the event of early termination of mortgage
  - not patentable: no material application of science or technology

Current position in Australia

- *Grant v Commissioner of Patents* (FCAFC 2006)
  - asset protection method involving a trustee using the asset as security for a “loan” to the asset owner
  - in Australia, a patentable invention must be a “manner of manufacture” (product or process)
  - Grant’s invention not patentable:
    - does not produce any artificial state of affairs
    - no concrete, tangible, physical, observable effect
    - results in an abstract, intangible situation

Current position in Australia

- Indicators of patentable subject matter
  - Manner of manufacture
  - New and useful effect produced / observed
  - Practical and useful result
  - Artificial state of affairs
  - Concrete, tangible, physical, observable effect
  - Concrete effect or phenomenon or manifestation or transformation
  - Useful product, physical phenomenon or effect resulting from the working of the method
- Indicators of non-patentable subject matter
  - Mere intellectual information
  - Abstract, intangible situations
  - Mere scheme
  - Abstract idea
  - No physical consequence
  - Mere mathematical algorithm
  - Mere working directions
  - Mere scheme without effect

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Thank you.

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