

AUSTRALIAN PATENTS

SCOPE OF PROTECTION

A patent is a monopoly right granted by the Crown to encourage invention and commercial exploitation of inventions. A granted patent gives the owner the exclusive right to commercially exploit the patented invention subject to the existence of prior conflicting rights. In Australia, there are two forms of patent protection; namely Standard Patents and Innovation Patents.

REQUIREMENTS FOR A VALID PATENT

In order to constitute patentable subject matter for a Standard Patent, an invention must be novel and inventive (i.e. non-obvious) when compared to the existing "prior art" in the relevant field. In order to qualify for an Innovation Patent, an invention must be novel and possess an innovative step when compared to the prior art. An innovative step is deemed to be a difference in comparison to the prior art which makes a substantial contribution to the working of the invention. The intention of the Patents Act is that the threshold for obtaining an Innovation Patent is somewhat lower than for obtaining a Standard Patent.

It is essential for a written specification to be filed with the Australian Patent Office in order to establish a "priority date" which is the date at which the novelty of the invention is assessed. Subject to certain exceptions, the invention must not have been used in a commercial context or published before that date. Otherwise, any patent subsequently granted may be invalid and unenforceable. "Publication" of the invention includes public use or non-confidential disclosure to at least one person in Australia and documents publicly available anywhere in the world.

Accordingly, if patent protection is to be pursued it is imperative for secrecy to be maintained and any commercial dealings in the invention deferred until an application has been filed.

SEARCHES

It is possible, although not obligatory, to conduct searches with a view to determining whether the use of an invention would infringe any existing patent rights and/or whether an invention is sufficiently novel and inventive to confer patentability. There are numerous search strategies available at varying cost, each with inherent advantages and limitations. The options and merits of searches in any particular case should therefore be discussed with us in advance. As a guide, a straightforward novelty or infringement search would typically involve costs of the order of **\$3,000** to **\$5,000**. Regardless of the strategy adopted, however, no search can ever be considered entirely conclusive.

WHO MAY APPLY

Any person may apply for a patent. However, a patent can only be granted to the inventor or a person or company deriving title from the inventor. In cases where the applicant is not the inventor, it is our usual practice to prepare a suitable assignment document to help guard against potential ownership disputes.

APPLICATION PROCEDURES AND COSTS

An Australian patent application is usually initiated by the filing of a patent "request" accompanied by a "provisional" specification. The provisional specification is usually prepared by a patent attorney and is required to fully describe the invention, with reference to detailed drawings where appropriate. The cost of preparing and lodging a provisional specification is typically of the order of **\$5,000** to **\$8,000** depending upon a number of factors such as the complexity of the technology and the actual amount of work involved.

Within 12 months from the date of filing of the provisional specification, it is necessary to file an associated "complete" specification with the Australian Patent Office accompanied by a request for either a Standard patent or an Innovation Patent. There is no extension of this deadline and if the complete specification is not filed within the prescribed time, the application will lapse.

The complete specification is generally more detailed in its description of the invention and incorporates any modifications, which may have been made to the invention over the preceding 12 months. Most importantly, however, it concludes with a set of "claims" defining in precise terms the scope of protection sought. The cost of preparing and filing the complete specification is typically of the order of **\$5,000** to **\$8,000**, again depending largely upon the actual amount of work involved.

For Standard Patent applications, once 18 months have elapsed from the earliest priority date (generally the date of filing of the provisional specification) the patent application and specification become open to public inspection (OPI). This means that any person can then view the contents of those documents. For Innovation Patent applications, publication occurs upon grant of the patent.

EXAMINATION (STANDARD PATENTS)

For Standard Patent applications the next step in the procedure is usually the issuing of a direction to request examination by the Australian Patent Office. This normally occurs about 12 months from the date of filing of the complete specification but the exact timing varies according to the workload at the Patent Office. The direction to request examination allows a period of 6 months within which to file the necessary documentation and pay the appropriate fees. Charges for this stage, inclusive of official fees, are currently around **\$2,000**.

Following lodgement of a request for examination, a full official examination of the application takes place, usually within a further period of about 12 months. This examination includes a reasonably comprehensive search of earlier patent literature with a view to assessing the novelty and inventive merit of the invention.

In the event that no objections are raised by the Examiner, the application then proceeds to acceptance. In the majority of cases, however, objections are raised. These may range from relatively minor matters relating to particular forms of expression, through to substantive novelty objections based on previously published patents or other documents. In more complex cases, several iterations of argument and/or amendment may be required in order to overcome all the objections. This process, known as "prosecution", typically involves costs of the order of **\$3,000** to **\$5,000**, depending upon the nature of the objections raised and the number of examination reports issued.

ACCEPTANCE AND GRANT (STANDARD PATENTS)

Once an application for a Standard Patent is accepted, it is advertised in the Official Patent Office Journal, giving interested third parties the opportunity to oppose grant on certain specified grounds. In the absence of any opposition within 3 months, the application then

proceeds to grant. This process involves additional costs of around **\$1,000**.

Thus, for a Standard Patent the whole procedure from the filing of the initial application to the ultimate grant of Letters Patent typically takes between around 3 to 5 years to complete, although this can sometimes be accelerated if necessary. The cumulative costs to this point, for Australia only, usually amount to around **\$20,000** for a relatively straightforward case, exclusive of any initial searching costs.

FORMALITIES CHECK, ACCEPTANCE AND GRANT (INNOVATION PATENTS)

Upon the filing of an application for an Innovation Patent, the application undergoes a formalities check by the Australian Patent Office. Upon passing the formalities check, the application automatically proceeds to acceptance and grant whereupon the Deed of Letters Patent is issued and the patent specification is published.

This is a relatively quick procedure, with the timeframe between the filing of the application and the subsequent grant of the patent being of the order of one month or less.

However, it is to be noted that infringement proceedings in respect of an Innovation Patent cannot be commenced until such time as the patent has been examined and Certified.

EXAMINATION (INNOVATION PATENTS)

A request for examination of an Innovation Patent can be made at any time and any person can request the examination.

Upon the filing of a request for examination, the Australian Patent Office conducts a search of earlier patent literature with a view to assessing the novelty and innovative step of the invention.

As with Standard Patent applications, the Examiner may raise objections ranging from relatively minor matters through to more substantive novelty and/or innovative step issues. Again, the prosecution costs will depend upon the nature of the objections raised and the number of examination reports issued, but may be of the order of **\$2,000** to **\$5,000**.

If the Innovation Patent successfully passes examination and is accepted by the examiner, a Certificate of Examination is issued and the patent will be deemed to be Certified. Certification is necessary in order for a patentee to commence infringement proceedings.

RENEWAL FEES AND TERM OF PATENT

For Standard Patents, renewal fees commence on the fifth anniversary after the filing of the complete specification and are payable each anniversary. These fees, inclusive of our charges, commence at around **\$500** and increase progressively up to about **\$1,500** for the final year.

For Innovation Patents, renewal fees commence on the second anniversary after the filing of the complete specification and are payable each anniversary. These fees, inclusive of our charges, commence at around **\$300** and increase progressively up to about **\$500** for the final year.

Subject to the payment of the annual renewal fees, the maximum term of a Standard Patent is 20 years, whilst the maximum term of an Innovation Patent is eight years.

INFRINGEMENT

An Australian Patent is infringed by the unauthorised exploitation of the invention within Australia. For Standard Patents no action can be taken against a potential infringer until the patent is actually granted. For Innovation Patents, no action can be taken until the application has been Certified. However, from the date of grant, all rights conferred by the patent are generally retrospective to the date on which the complete specification became open to public inspection (OPI). It follows that if infringement of a patent is established, the patentee is normally entitled to claim damages or an account of profits calculated from the publication (OPI) date.

FOREIGN APPLICATIONS

An Australian patent only has effect in Australia and consequently, if patent protection is sought in any foreign countries, separate applications will be required. However, in most (but not all) cases such applications need not be filed immediately, because the priority date of an Australian application is recognised under various international agreements for a period of 12 months. Thus, foreign applications filed in most countries within 12 months from the earliest filing date in Australia will be effectively back-dated and accorded the priority of the Australian application. Overseas applications filed after that time may be invalid or subject to an increasing risk of invalidity as time progresses, depending upon the particular countries concerned and the circumstances surrounding any prior disclosure or use of the invention.

In practice, this means that a decision on whether to proceed in foreign countries can, for most countries, be deferred until about 10 months after the date on which the **provisional** application is lodged. However, there are some countries, which do **not** recognise Australian priority claims, so that applications must be lodged before publication or use of the invention takes place. Consequently, if you are considering foreign applications, this should be discussed in detail with us at the outset, so that a suitable foreign filing strategy can be devised to suit your particular requirements.

GENERAL COMMENTS

We emphasise that the costs mentioned above are **estimates** only. The final charges will be subject to a number of indeterminate factors such as inflation and increases in official fees. The costs will also vary from case to case according to complexity and the actual amount of work involved, which cannot always be predicted accurately in advance. Please note that all indicative cost estimates are exclusive of Goods and Services Tax (GST), which would be charged in addition where applicable.

We also emphasise that this summary is intended simply to provide a brief overview of general patent procedures, and should not be regarded in any way as advice or as an exhaustive treatise on Australian Patent Law. There is no substitute for detailed advice from a Patent Attorney aware of the relevant factual scenario and experienced in the appropriate area of technology. Accordingly, if you have any questions or require any further information or clarification, please do not hesitate to contact us.

INFORMATION REQUIRED TO PREPARE PATENT SPECIFICATIONS

(1) GENERAL FILING DETAILS

- (a) Please provide the **full name and address** of the company or individual in whose name the application is to be made. If the applicant is a company the A.C.N. must also be provided.
- (b) Please provide the **full names and addresses** of all persons that have contributed to the development of the invention, and their positions within the company or the nature of their relationship with the applicant, eg employee, contractor, etc.
- (c) Was the invention developed entirely by the company or individual specified or has there been co-operation or collaboration with any outside parties? Please give full details of any such co-operations.

(2) DETAILS OF THE INVENTION

Please provide as much information as possible in answer to the following.

- (a) Why was the invention developed?
- (b) Is the invention a device or a method/process?
- (c) Please provide a general statement describing the technical field that the invention concerns. For example, "the present invention relates to a new method of producing conductive polymers".
- (d) Please describe what you believe to be the present state of the art in this field, identifying all its associated problems and failings. Please also provide, any relevant prior art references such as patents, technical documents, conference papers etc.
- (e) Which of these problems identified does the invention attempt to overcome?
- (f) What additional advantages does the invention have?
- (g) Which specific features of the present invention are considered novel over the prior art?
- (h) What is the present state of the development of your invention? If not yet fully developed, please describe the nature of any further developments, that are currently envisaged
- (i) Are there other areas to which the invention may be applied other than the specific application in question?
- (j) Please provide a full description of how the new invention is performed, including any simple numbered schematic diagrams or formulae which may assist in understanding how the invention works. Clean copies of unmarked drawings should also be included, together with a brief and simple explanation of any special terms of art used in the above text or diagrams.

(3) TIME CONSTRAINTS

- (a) When is the first public (non-confidential) disclosure of the invention scheduled to take place?

Note: *Use of the invention other than for reasonable trial and experiment, or entering commercial transactions regarding the invention such as taking orders or even offering for sale etc, may all be considered non-confidential disclosures even if the actual workings of the invention are not disclosed. We strongly recommend that you seek our advice prior to planning any trial or entering any agreements concerning the invention.*