

IT Law Exam Notes

Contents

Patents – An Introduction	2
Issue 1: what sort of requirements/hurdles do you need to meet to get a patent?	2
Requirement 1: Manner of Manufacturing	2
Issue 2: what is the limit/definition of manner of manufacturing?.....	2
Requirement 2: Novelty	3
Requirement 3: inventive step	4
Requirement 4: practical use.....	5
Requirement 4: not secretly used	5
Infringement	5
Remedy	6
Copyright – An Introduction	6
Categories of Protection	6
S 10 of Copyright Act.....	6
Ownership of copyright.....	7
Ensuing Rights	7
Violation of Copyright	7
Remedy and Reliefs	8
Trade Secrets	8
Assessing breach.....	9
Circuit Layout.....	9
Issue 1: what is a circuit layout?	9
Issue 2: When would protection arise? What is the nature of EL rights?.....	10
Copyright – Additional Notes.....	Error! Bookmark not defined.
Subsistence of copyright.....	Error! Bookmark not defined.
Infringing of Copyright	Error! Bookmark not defined.
Exceptions to Infringement.....	Error! Bookmark not defined.
Remedies	Error! Bookmark not defined.
Offences in Criminal Code.....	Error! Bookmark not defined.
S 477.1.....	Error! Bookmark not defined.
S477.2.....	Error! Bookmark not defined.
S 477.3.....	Error! Bookmark not defined.
Restricted Data.....	Error! Bookmark not defined.
S 478.2 – preparatory offence	Error! Bookmark not defined.
S 478.3 – <i>Preparatory Offence</i>	Error! Bookmark not defined.
S 478.4 – <i>Preparatory Offence</i>	Error! Bookmark not defined.
Terrorism Offences	Error! Bookmark not defined.
Offence 1: Dishonesty in relation to carriage services	Error! Bookmark not defined.

Offence 2: Interference with Telecommunication.....	Error! Bookmark not defined.
Using Network for Serious Offence	Error! Bookmark not defined.
Using Carriage Service to make a Threat	Error! Bookmark not defined.
Child abuse and pornography	Error! Bookmark not defined.
Suicide Prevention:	Error! Bookmark not defined.
Evidence Act 1995	Error! Bookmark not defined.
Expanded Police Power	Error! Bookmark not defined.
Cases in Cybercrime	Error! Bookmark not defined.
Salter v DPP.....	Error! Bookmark not defined.
Gilmour v DPP.....	Error! Bookmark not defined.
Larkin v R.....	Error! Bookmark not defined.

Patents

Patents – An Introduction

- Getting a patent is usually the appropriate/conventional method of protecting IP right in functional work.
- Unlike copyright, patents can protect the underlying ideas, rather than just the form and expression. However, patents do not arise automatically, there are ensuing application and examination stages
- Once a patent has been granted, it confers a monopoly on the holder for a limited period of time

Patents Act 1990

- A right to commercially exploit a novel/inventive/useful device/substance/method/process
- Exclusive right lasting up to 20 years
 - o Innovation patents are shorter/easier
- Patent holder can prevent others from applying the knowledge that is protected by the patent
- Can sell the patent or grant licenses

Issue 1: what sort of requirements/hurdles do you need to meet to get a patent?

S 18 patents Act

- 1). Subject to subsection (2) [about human beings, genes] an invention is a patentable invention for the purpose of a standard patent if the invention, so far as claimed in any claim:
 - o a). is a manner of manufacture within the meaning of s6 of the Statute of Monopolies; and
 - o b). when compared with the prior art base as it existed before the priority date of that claim:
 - i). is novel; and
 - ii). involves an inventive step and
 - o c). is useful; and
 - o d). was not secretly used in the patent area before the priority date of that claim by, or on behalf of, or with the authority of, the patentee or nominated person or te patentee’s or nominated person’s predecessor in title to the invention

Requirement 1: Manner of Manufacturing

Issue 2: what is the limit/definition of manner of manufacturing?

- What is excluded?
 - o Methods of calculation/maths operations are not patentable (i.e. cannot patent a ‘law of nature)
 - o Artistic creations cannot be patented
 - o Plans, schemes or purely method methods may not be patented (exceptions exist)

- ‘phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work’ -> longstanding proposition stated in *IBM v Commissioner of Patents*
- What is patentable, in the field of manner of manufacturing?
 - *Re: GEC’s Application*: ‘a method or process is a manner of manufacture if it (a) results in the production of some vendible product, or b). improves or restores to its former condition a vendible product or c). has the effect of preserving from deterioration some vendible product to which it is applied’
 - *Can software be manufactured to meet this requirement?*
 - *NRDC v Commissioner of Patents*: Australian law no longer required the manner of manufacture in itself result in a vendible product; this lead to a more open concept of an ‘artificial state of affairs’ with a practical (i.e. economic effect)
 - *IBM v Commissioner of patent*: affirmed and applied NRDC
 - *Welcome Real-Time SA v Catuity*: further affirmed NRDC; business methods can also be patented
 - *Can an algorithms be patented?*
 - Algorithm: series of repeatable steps; historically, algorithms are not patentable
 - *Parker v Flook*: referred to the ‘long-standing rule that ‘an idea of itself is not apatentable’’ -> NO LONGER THE CASE!!
 - *IBM v Commissioner of Patents*: ‘the use of algorithm is not different conceptually from the compounds involved in NRDC’...the application of selected mathematic methods to computer and the steps used are foreign to normal use of the computer

CASES – meaning of manufacturing

Case Name	Fact	Decision
<p><i>National Research Development Corporation v Commissioner of Patents</i></p> <p>(NRDC v Commissioner of Patents)</p>	<ul style="list-style-type: none"> - S6 defines letter patent to mean an ‘invention’, and ‘invention’ means ‘any manner of new manufacture the subject of letters patent and grant of privilege within s 6 of the Statute of Monopolies - NRDC proposed a new method for weed eradication and control - The examiner objected on the ground that the active substances of the invention are known; so, the claims are not directed to any manner of manufacture, as the claim is merely use of known substance, and thus does not result in any vendible product 	<p><u>Key issue</u>: can a process that claims to fall within the category of inventions, of the Patents Act, be confined.</p> <ul style="list-style-type: none"> - <i>Held</i>: interpreting the requirement as ‘is this a manner (or kind) of manufacture’ is incorrect - <i>Noted</i>: in <i>Maeder v Busch</i>, that the meaning of manufacture extends to ‘any new results of principles carried into practice...new processes in any art producing effects useful to public’ <p><u>Application</u></p> <ul style="list-style-type: none"> - ‘it is a ‘product’ because it consists in an artificially created state of affairs, discernible by observing over a period the growth of weed and crops respectively on sown land’ using the method proposed - ‘And the significance of the product is economic; for it provided a remarkable advantage...’ - ‘the method cannot be classed as a variant of ancient procedures. It is additional to cultivation’ <p><u>Final decision</u></p> <ul style="list-style-type: none"> - NRDC has a patentable invention <p><u>Key Requirement</u></p> <ul style="list-style-type: none"> - ‘a mode or manner of achieving an end result which is an artificially created state of affairs of utility in the field of economic endeavour’

Requirement 2: Novelty

- Issue 1: what does novelty mean?
 - Must be different from preceding inventions, when compared to the ‘prior art base’; note that the ‘prior art base’ is broadened under the raising the bar legislation
 - Novel combination of two existing methods is sufficient to be treated as novel
 - Can not demonstrate, sell or discuss your invention in public before filing application

- Disclosure to third parties must have been governed by confidentiality agreements
- Grace period (up to 12 months) provided where disclosure to non-confidential parties
- Issue 2: what are the examiners looking for?
 - Essentially applying the ‘reverse infringement test’ (*Werner v Bailey Aluminium*)
 - *Meyers Taylor v Vicarr*: ‘the basic test for anticipation or want of novelty is the same as that for infringement and generally one can properly ask oneself whether the alleged anticipation would, if the patent were valid, constitute an infringement’
 - *Furthermore, infringement of a claim occurs where ‘each and every one of the essential integers’ of that claim have been taken (Rodi and Wienerberger AG v Henry Showell)*
- Issue 3: what is considered a ‘prior art’?

S 7 Patent Act

"... an invention is to be taken to be novel when compared with the prior art base unless it is not novel in the light of any one of the following kinds of information, each of which must be considered separately:

- a. prior art information (other than that mentioned in paragraph (c)) ***made publicly available*** in a single document or through doing a single act;
- b. prior art information (other than that mentioned in paragraph (c)) made publicly available in 2 or more related ***documents***, or through doing 2 or more related acts, if the relationship between the documents or acts is such that a person skilled in the relevant art would treat them as a single source of that information;
- c. prior art information contained in a single specification of the kind mentioned in subparagraph (b) (ii) of the definition of "prior art base" in Schedule 1."

- But also, what is a document?

S 25 Acts Interpretation Act 1901

- a. any paper or other material on which there is writing;
- b. any paper or other material on which there are marks, figures, symbols or perforations having a meaning for persons qualified to interpret them; and
- c. any article or material from which sounds, images or writings are capable of being reproduced with or without the aid of any other article or device.

Examples of documents: tape recordings, CDs, floppy disks, computer data-banks and photographs

Information that is ‘publicly available’ refers to information that the public has, or can acquire by consulting a source open to it. More specifically, it means materials that can be inspected ‘as of right’ by the public. It is sufficient that the information is available to a single person, provided that person is able to use the information freely without an obligation of confidence. (*Gadd v Mayor of Manchester*)

Requirement 3: inventive step

- General test: examiners must consider the issue of inventive step in the context of the person skilled in the relevant art, considering the common general knowledge, trying to solve a predetermined problem
- ***For an inventive step objection to apply, it must be established that 1). the prior art information would be relied upon by a person, and 2). That any consideration of the common general knowledge with that prior art information would be obvious to that person***
 - Note: the objection also arises if there is no difference between claimed invention, and prior art information -> note that in this circumstance, a novelty objection will always apply
- What does obvious mean?
 - ...[there is no need] to go beyond the primary dictionary meaning of ‘very plain’ (*General Tire & Rubber Company v Firestone Tyre and Rubber Company*)

- Section 7 provides that:

S 7 Patents Act

- "(2) ... an invention is taken to involve an inventive step when compared with the prior art base ***unless the invention would have been obvious to a person skilled in the relevant art in the light of the common general knowledge as it existed*** (whether in or out of the patent area) before the priority date of the relevant claim, whether that knowledge is considered separately or together with the information mentioned in subsection (3).
- (3) The information for the purposes of subsection (2) is:
 - (a) any single piece of prior art information; or
 - (b) a combination of any 2 or more pieces of prior art information that the skilled person mentioned in subsection (2) could, before the priority date

- o *What is meant by obvious - Applying it to software/algorithm*
 - *Still the same test*, but, in the software field, this generally means a skilled software engineer, but note that Cloud computing is broadening this
 - *Note* in IBM and CCOM, the algorithm involved was not widely known within the software engineering field
 - Algorithms more commonly used in software *may* not so easily be protected by patents
- o *Innovation patents*
 - Designed to provide local industry with relatively cheap patent right
 - Has a 'lower inventive threshold'

Requirement 4: practical use

- o Invention must do what it says it will do

Requirement 4: not secretly used

- o Can't use patent application as strategic means to lengthen protection where previously it was a trade secret

Infringement

- What constitutes infringement?
 - o Generally, to establish infringement under the *Patents Act 1990*, a plaintiff must first prove that they are the proprietor or exclusive licensee currently in force
 - o Then, it must be shown that the defendant has *without authority, performed an action* within the 'patent area' in relation to the invention
 - o And the act was within one of the exclusive rights granted to the patentee to make, use or otherwise exploit
- What are the exclusive rights of the patent holder?
 - o 'make, use, exercise and vend' the invention, so that the patentee should 'have and enjoy the whole profit and advantage accruing by reason of the invention during the term of the patent'
 - o 'exploit the invention and to authorise another person to exploit the invention' (s 13(1) *Patent Act*)
- The essential integer requirement
 - o 'the essential features of the product or process for which it claims a monopoly are to be determined not as a matter of abstract uninformed construction but by a common sense assessment
- Exemptions?
 - o Crown use
 - o Lapsed and restored patents
 - o Prior use: The *Patent Act* provided that any secret use of the information whereby the patentee or a third party, before the priority date was a ground for revocation
 - Equally, a person who has disclosed an invention to the public by patenting it should not be deprived of the benefit of protection by secret acts of a third party

Remedy

- S 122 – *interlocutory injunction*
 - o One of the most dominant form of redress in IP cases
 - o Plaintiff will wish to obtain relief from the effect of the defendant's activities pending determination of the parties' disputes
- Anton Piller Order: search and seize infringing goods/related documents
 - o Usually granted on the shortest of notice after an *ex parte* application
 - o This permits the plaintiff to enter that person's premises to search for and seize infringing articles, or other evidence relevant to the plaintiff's claim
 - o Refusal to allow an inspection is usually treated as a contempt of court
- John Doe Order: order against a recognisable class of defendants allowing goods to be seized
- Mareva injunction: prevent disposal of assets to defeat a judgment
- Injunction: to maintain status quo pending decision

Copyright

Copyright – An Introduction

- o Governed by the *Copyright Act 1968 (Cth)*
- o Protection is free, subsists when a work is created
- o Does not need to be registered (in Australia)
- o However, note that it is applied only to specific types of work. It does not protect information, style, techniques or idea; only the expression is protected
 - *What is not protected*
 - Ideas, concepts, styles, techniques, information
 - Name, titles, slogans
 - Likeness (if you really want protection, go check Defamation, Passing off, Trade Practices Act)
- o Has a limited period
- o No exemptions, not even for non-profit organisations or personal use

Categories of Protection

- o Literary work: e.g. novels, poems, **computer programs**, compilation of literary works
- o Artistic work: e.g. paintings, drawings, sculptures, photographs, maps, plans etc. etc.
- o Dramatic works: e.g. plays, choreography, mime etc.
- o Musical works: the music as distinct from the lyrics or recording
- o Cinematograph films: visual images and sounds, as distinct from underlying copyrighted works
- o Broadcasts: broadcast signal, as distinct from underlying copyrighted works
- o Published editions: copyrights subsists in typographical arrangement as distinct from underlying copyrighted works

S 10 of Copyright Act

- o *Literary work* includes:
 - a). a table, or compilation, expressed in words, figures or symbols; and

- b). a computer program or compilation of computer programs
- *computer program* means a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result

Ownership of copyright

- Copyright is automatic
- No requirement to publish, or a need to put a copyright notice on work
- Duration: from the creation until 70 years after the death of the creator
- On expiration, anyone can use the work without permission
- Generally, the first owner is the creator of the work; if co-authored, both creators have ownership
 - Employee produces a work as part of the job, ownership subsists with the employer (but exemptions apply for journalists)
 - Freelancers retain ownership, but grants an implicit licence for use by the person commissioning the work for the purposes for which it was created
 - Government bodies own copyright in work created under their control/direction

Ensuing Rights

- Reproduce the work (make any copy): s31(1)(a)(i), (b)(i) *Copyright Act 1968 (Cth)*
- Make the work public for the first time: s31(1)(a)(ii), b(ii) *Copyright Act 1968 (Cth)*
- Communicate the work to the public: s31(1)(a)(iv), (b)(iii) *Copyright Act 1968 (Cth)*

Violation of Copyright

General Consideration

- Occurs if one of the stipulated rights reserved for the copyright owner is used without permission (s36(1) *Copyright Act 1968 (Cth)*)
- Must take into account infringer person had power to prevent infringing act, relationship between person and person performing infringing act, whether person took reasonable steps to prevent/avoid infringing act (s 36(1A))
- Substantial refers to substance, not relative size or proportion

Type 1 - Substantial Part

- S 14 *Copyright Act*: Acts done in relation to substantial part of work or other subject-matter deemed to be done in relation to the whole
 - 1). In this act, unless the contrary intention appears:
 - A). a reference to the doing of an act in relation to a work or other subject-matter shall be read as including a reference to the doing of that act in relation to a substantial part of the work or other subject-matter; and
 - B). a reference to a reproduction, adaptation or copy of a work shall be read as including a reference to a reproduction, adaptation or copy of a substantial part of the work, as the case may be
- *Autodesk v Dyason*
- *Data Access Corporation v Powerflex Services*

Type 2 - Reproduction

- S 21 *Copyright Act*: Reproduction and copying of works and other subject-matter
 - 5). For the purpose of this Act, a computer program is taken to have been reproduced if:
 - A). an object code version of the program is deriving from the program in source code by any process, including compilation; or
 - B). a source code version of the program is derived from the program in object code by any process, including decompilation
 - And any such version is taken to be a reproduction of the program

What is a software/computer program?

S 47AB: Meaning of computer program

In this division:

Computer program includes any literary work that is:

- a). incorporated in, or associated with, a computer program; and
- b). essential to the effective operation of a function of that computer program

Defence :

Legitimate Means of Use

1. Assignment and licensing
 - a. Copyright owner may sell or licence all, or some rights over work.
 - b. Note, the extent of such licence may be limited, and the owner may stipulate conditions (e.g. payments)
 - c. Assignment and exclusive licenses **must be in writing** (s 196(3), s10(1) *Copyright Act 1968 (Cth)*)
2. There is no exemption for non-profit use
3. Fair dealings will not constitute an infringement for:
 - Research/study (s40 *Copyright Act 1968 (Cth)*)
 - Criticism/review (s41 *Copyright Act 1968 (Cth)*)
 - Reporting the news (s42 *Copyright Act 1968 (Cth)*)
 - Judicial proceedings/professional advice (s43 *Copyright Act 1968 (Cth)*)
 - **Note, fair dealing is to be judged by the criterion of a fair minded and honest person** (*TCN Channel Nine Pty Ltd v Network Ten Pty Ltd*)
 - **Consequently, the court will look at if:**
 - **The person is genuine in using the material for one of the purposes set out in the act**
 - That use is fair within that context

Remedy and Reliefs

Interlocutory Relief

- S 115 – *interlocutory relief*
- Anton piller Order: search and seize infringing goods/related documents
- John Doe Order: order against a recognisable class of defendants allowing goods to be seized
- Mareva injunction: prevent disposal of assets to defeat a judgment
- Injunction: to maintain status quo pending decision

Final Relief

- Damages
- Accounts of profit
- Delivery of infringing Articles
- Injunction

Trade Secrets

Trade Secrets

This is not a registerable right per se, but it can mean two things: a). tort for breach of confidence, b). making everyone sign confidentiality agreements

- Breach of confidence, in common definition means:
 - Maintaining it in confidence
 - Must be used in a trade or business
 - Afford the proprietor a competitive advantage
 - Most important criterion for computer software – secrecy
- Why trade secrets though?
 - Owner wants to retain exclusive use beyond the term of a patent

- It is quite appropriate when it is difficult to reverse engineering or figuring out from scratch is difficult.
- What drawbacks are associated with trade secrets?
 - It does not prevent anyone else from independently inventing and then commercially exploiting it
 - No exclusive rights, so it is compromised when employees with knowledge leaves
 - Difficult to maintain over longer periods of time, or when larger number of people are privy to secret
 - Proving a breach of confidentiality under common law is complex, and probably costlier than defending registered rights
- What should you do to protect your trade secrets?
 - Make people sign confidentiality agreements
 - Ensure that the trade secret is known to very few people

Assessing breach

- Apply the *Coco v AN Clark (Engineers)*

Fact	Decision
<p>Plaintiff designed a moped engine; he also sought co-operation of the defendants in its manufacturing</p> <p>Then the operation fell apart, and the defendant decided to manufacture their own engine</p> <p>Plaintiff alleged that the defendants had deliberately broken the partnership in order to use his designs without compensation</p> <p>The defendants denied that any confidential information had been supplied to them, or used by them in their engines</p>	<p>Three elements are essential to a cause of action for breach of confidence, namely</p> <p>a). that the information was of a confidential nature,</p> <p>b). that it was communicated in circumstances importing an obligation of confidence, and</p> <p>c). that there was an unauthorised use of the information</p> <p><i>Commentary on the elements</i></p> <ul style="list-style-type: none"> - First element: ‘something which is public property and public knowledge’ cannot <i>per se</i> provide any foundation for proceedings for breach of confidence <ul style="list-style-type: none"> ○ ‘I think there must be some product of the human brain which suffices to confer a confidential nature upon the information’ - Second element: information must have been communicated in circumstances importing an obligation of confidence <ul style="list-style-type: none"> ○ ‘there can be no binding obligation of confidence if that information is blurted out in public...’ ○ ‘it seems to me that the circumstances are such that any reasonable man standing in the shoes of the recipient of the information would have realised that upon reasonable grounds the information was being given to him in confidence, then this should suffice to impose upon him the equitable obligation of confidence’ - Third element: unauthorised use of the information <ul style="list-style-type: none"> ○ ‘at first sight...detriment ought to be present’ ○ However, there exist other cases where the plaintiff might have a substantial motives for seeking equity aid and yet suffering nothing, as when confidential information shows him in a favourable light but gravely injures some relation...’

Circuit Layouts

Circuit Layout

Issue 1: what is a circuit layout?

- Circuit layouts refer to the layout designs or plans of integrated circuits used in computer-generated equipment; occasionally referred to as computer chip or semi-computer chip design
- A circuit layout is a 2D representation of the 3D location of electronic component in an integrated circuits

Legislation + Section	Statement of Law
<i>Circuit Layouts Act 1989 s5</i>	Circuit layout means a representation, fixed in any material form, of the three-dimensional location of the active and passive elements and interconnections making up an integrated circuit

Issue 2: When would protection arise? What is the nature of EL rights?

- Automatically protected; note that this right is a derivative of copyright law principle, but they are a separate and unique form of protection
- As the owner of a layout design, it is not required that you register it to be granted rights; you have the exclusive right to:
 - o Copy the layout in a material form
 - o Make integrated circuits from the layout
 - o Exploit it commercially
 - i.e. importation, sale, hire or distribution of a layout

Legislation + Section	Statement of Law
<i>Circuit Layouts Act 1989 s17</i>	The owner of the EL rights in an eligible layout has, during the protection period of the layout, the following exclusive rights: <ul style="list-style-type: none"> a). to copy the layout, directly or indirectly, in a material form b). to make an integrated circuit in accordance with the layout or a copy of the layout c). to exploit the commercially in Australia

- what is the duration of protection?
 - o From the first commercial exploitation, rights continue for 10 years
 - o The first commercial exploitation must occur within 10 years of creation of the layout
 - o Thus, max possible protection period: 20 years from the year of making an eligible layout

Legislation + Section	Statement of Law
<i>Circuit Layouts Act 1989 s5</i>	'protection period' , in relation to an eligible layout, means the period beginning on the day on which the layout was made and ending: <ul style="list-style-type: none"> a). if the layout is first commercially exploited within 10 calendar years after the calendar year in which the layout was made – at the end of the tenth calendar year after the calendar year in which the layout was first commercially exploited; and b). in any other case – at the end of the period of 10 calendar years after the calendar year in which the layout was made

- What constitutes infringement of EL rights?
 - o The infringement must satisfy the following elements: the act
 - Occurred during the protection period of the layout
 - Did not have permission from the owner
 - Copied, authorised the copying of the layout, or made, or authorised the making of a circuit, or
 - commercially exploited, or authorised the commercial exploitation of the layout, if the person knows or ought reasonably to know, that he or she is not licensed to do so

Legislation + Section	Statement of Law
<i>Circuit Layouts Act 1989 s19</i>	Infringement

- | | |
|--|--|
| | <p>(1) Subject to this Act, the EL right in an eligible layout, being the right referred to in paragraph 17(a), is infringed by a person who, during the protection period of the layout and without the licence of the owner of that right, copies, or authorises the copying, of the layout in a material form.</p> <p>(2) Subject to this Act, the EL right in an eligible layout, being the right referred to in paragraph 17(b), is infringed by a person who, during the protection period of the layout and without the licence of the owner of that right, makes, or authorises the making of, an integrated circuit made in accordance with the layout.</p> <p>(3) Subject to this Act, the EL right in an eligible layout, being the right referred to in paragraph 17(c), is infringed by a person who, during the protection period of the layout, without the licence of the owner, commercially exploits, or authorises the commercial exploitation of, the layout in Australia if the person knows or ought reasonably to know, that he or she is not licensed by the owner of that right to do so.</p> |
|--|--|