

An easy guide to  
**Australian patent law  
for all Australians**

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# General overview

## What is a patent?

A patent is a monopoly granted by the government of a country to the owner of an invention for a limited term, usually 20 years. It is granted in exchange for public disclosure of the invention. The rationale behind the patents system is that the scientific and general community will benefit if inventions are put into the public domain, rather than being kept secret. An invention is publicly disclosed in a document called a patent specification. A patent specification must describe the invention in sufficient detail to enable a person skilled in the field to perform the invention without an undue amount of experimentation.

## How does the patents system work?

Briefly, in Australia the system to grant patents is run by the Patent Office in Canberra which calls itself 'IP Australia'. An application for a patent is made to the Patent Office, which has a body of patent examiners who examine patent applications and decide, based on preset criteria, whether or not a patent should be granted. Freehills patent attorneys can act on your behalf before the Patent Office to write and lodge the application and to argue with the patent examiner to obtain your patent.

Once a patent is granted, the patent owner has the power to sue those who infringe the patent in a court of law to stop the infringement and receive monetary compensation. Therefore the threat of a court action is often enough to deter competitors from copying the invention. Freehills litigation lawyers are able to run patent litigation, should the need arise.

Patents are regarded as personal property and may be bought and sold (assigned) or certain rights in the patent may be licensed to another under specific terms set out in a legal agreement called a licence agreement. Freehills commercial IP lawyers are able to give specialist advice on licensing as well as prepare and draft licence agreements.

The grant of a patent does not provide its owner with a right to market or use the invention. For example, there may be patents held by other parties that would be infringed by these activities. In addition, a patent owner wishing to exploit a patented invention should also comply with any applicable laws or regulations, for example safety regulations or labelling laws.

Foreign countries have similar patent systems. Usually, Australian applicants first make an application in Australia, and by virtue of an international convention (Paris Convention), foreign applications can be deferred for up to 12 months, whilst still retaining the priority of the first application filed in Australia. Another international convention (PCT), allows the filing of an international application to reserve patent rights in over 100 countries for a limited period. Freehills patent attorneys can provide strategic advice about securing protection in foreign countries.

## **Are there different types of patents?**

In Australia, there are two different types of patents, namely standard patents and innovation patents. A standard patent is intended to cover inventions whereas an innovation patent is intended to cover innovations or 'second tier inventions' which are not considered to possess full inventive merit but still make a substantial contribution over what is currently known or used. Because inventions covered by standard patents have a greater degree of inventiveness than innovations covered by innovation patents, standard patents are awarded a longer term than innovation patents. Applications for each type of protection involve different procedures as discussed below.

Most other countries also have a standard patent system. Only selected countries have a system to protect second tier inventions. Generally, in other countries these forms of second tier protection are called *utility models*.

Separate to the patent system is the system for registration of designs to protect the appearance of a product. An invention for a product may also have protectable design aspects and registered design protection can be obtained concurrently with patent protection. Registered designs will not be covered in this booklet. For further information, please ask for our guide: Registered Designs in Australia.

## How long does a patent last?

The monopoly term of a patent is intended to give its owner the ability to at least recoup the cost of the research and development that has gone into the invention. In Australia (and most other countries) standard patents have a maximum term of 20 years, provided periodic fees are paid to the Patent Office. In Australia and some other countries, patents for pharmaceutical substances can obtain an extension to account for the delays in obtaining regulatory approval. Innovation patents have a maximum term of eight years.

At Freehills Patent and Trade Mark Attorneys, we run a reminder system to advise you about payment of renewal fees throughout the term of your patent.

Once a patent expires, anyone is free to use the invention covered by that patent. However, where there is a commercial product embodying that invention, the expiry of the patent does not necessarily mean that someone else can freely copy that commercial product. The commercial product may embody other inventions covered by other patents.

Freehills patent attorneys can conduct 'free to market' searches and advise in relation to patent infringement.

## Criteria for a valid patent

### What type of things can I patent?

Patents are granted for inventions in many fields of scientific and engineering endeavour for both products (for example machines, pharmaceuticals) and processes (for example, methods of manufacture, methods of pest control). Generally, patents are granted for those inventions which relate to the useful arts as distinct from the fine arts. Mere mental processes or discoveries are not patentable. To be patentable, the mental process or discovery must be embodied in a product or process which relates to the useful arts. For example, the discovery of a chemical phenomenon may not be patentable whereas a chemical process embodying the phenomenon is more likely to be patentable. A mathematical algorithm is not patentable in itself.

On the other hand, a computer program employing an algorithm, for example, for air traffic control, would be patentable in Australia. Computer programs are patentable in some countries but not in others. Likewise, business systems and software implementing specific business processes lie on the edge of being patentable and are patentable in some countries but not in others. Australian patents law also expressly excludes human beings and processes for generating human beings from being patented. In each case, Freehills patent attorneys can provide specific advice as to whether an invention is patentable and can highlight any potential difficulties in foreign countries.

## **Do I need a new idea to get a patent?**

Yes. Generally, to obtain a valid patent, an invention must meet two criteria. Firstly, the invention must be novel (new) and secondly, the invention must possess an inventive step in the case of a standard patent, or an innovative step in the case of an innovation patent. The filing date of the earliest application for a patent is called the 'priority date'. Novelty, inventive step and innovative step are judged in the light of things that were known or used before this priority date. Therefore, obtaining the earliest possible priority date for an invention, by filing an application at the earliest opportunity can be of paramount importance.

In Australia, to be novel, the invention must not have been published in a document or sold or publicly used anywhere in the world, before the priority date. Also relevant for determining novelty is any Australian patent application that was not published until after the priority date of the patent being assessed, but which claims an earlier priority date of its own. Other countries judge novelty against similar criteria. This relevant material is called 'prior art'.



There are some exceptions to the novelty rules. In Australia, there is a 12 month grace period which enables a valid application to be filed up to 12 months after the first authorised public disclosure of the invention. We recommend against relying on the grace period for two reasons. Firstly, another person could see your invention and file an application before you. While that person may have obtained their idea from you thus making their application invalid, this could be difficult to prove. Secondly, grace periods are not available in most other countries so your disclosure of the invention in Australia could invalidate your rights in other major countries including Europe, Japan and China to name a few.

There are a number of other limited exceptions to the novelty rules including unauthorised publications by others, presentations to learned societies, certain recognised exhibitions, and reasonable trials necessary to be performed in public. It may be necessary to file an application within a certain time limit of the disclosure.

## **What is an inventive step?**

Patentable inventions must also possess an inventive step. For a standard patent, the test is as follows:

- whether the invention is obvious from the point of view of a person skilled in the field in Australia
- that person is equipped with the common general knowledge of a skilled person in the field, and
- that skilled person may consider a disclosure which was material under the novelty rules above, provided that disclosure would have been found by him, understood and regarded as relevant.

Combinations of prior art documents, for example two prior patent specifications, are only permissible if the skilled person could reasonably be expected to make the combination.

## What is an innovative step?

For a valid innovation patent, the innovation must possess an 'innovative step'. That is, the innovation must differ from the prior art in ways that make a substantial contribution to the working of the invention.

The test has two aspects, one being the information to which the innovation is compared and the second being the degree of difference over that information. On the one hand, the test is thought to set a lower level of inventive merit to obtain a valid innovation patent compared to that required to obtain a valid standard patent. On the other hand, the test gives consideration to a wider pool of prior art than for the inventive step test set out above. This makes innovation patents easier to obtain on the one hand and more difficult to obtain on the other so specific advice should always be obtained before a decision is made to proceed with one type of patent over the other.

## How and when are these patentability criteria assessed?

The criteria of patentable subject matter, novelty and inventive step which are set out above may be assessed at various times throughout the life of a patent application or patent. Firstly, we can provide preliminary advice as to whether an invention satisfies these criteria before filing a patent application. Such an assessment may be based on information at hand which may include prior art obtained through optional prior art searches as discussed below.

Secondly, during examination of a patent application, the examiner may do his own search to find relevant prior art and raise objections based on that prior art. If the objections are overcome, the examiner may accept the application (acceptance) and allow the application to be granted. For most patents, that is usually the end of the assessment. However, the mere fact of the Patent Office granting the patent does not mean that the patent is actually valid. For example, there may be further relevant prior art that the examiner is not aware of. Other parties may attack the validity of the patent as discussed below.

After acceptance, another person may object to the granting of the patent in a process called opposition (see 'What happens if the application is opposed?'), which occurs on only a small percentage of applications. During opposition, further prior art may come to light or the opponent may lodge evidence from persons skilled in the field. This material would probably not have been available to the patent examiner. The Patent Office can revoke a patent following opposition if the patentability criteria are not met.

A person may also seek revocation of a patent in a court. This may occur in response to a patent infringement action from the patent owner. The courts have the final say in opposition and revocation proceedings as to whether the patentability criteria are met and thus whether or not the patent is valid.

## **How and when is a prior art (novelty) search done?**

A search of patent documents and technical literature is desirable to assess novelty and inventive step.

Searching is not an exact science because a consideration of all documents published everywhere in the world before the date of a patent application is physically impossible. Freehills patent attorneys have access to international databases that contain abstracts of prior art documents. These databases are searchable by key words and by using an established technology classification system. A basic search using these databases can provide a good guide to patentability. However, no search, no matter how wide, can be considered definitive.

A search may be performed before the first application for protection is filed, or, depending on the state of knowledge of the inventor in the relevant area of technology, it can be deferred until later in the process. At the very least, it is recommended that a search be conducted before a decision is made to proceed with the high cost step of foreign patent protection. If a search reveals that an invention lacks novelty then the high cost of foreign patent applications will be saved.

Unless instructed to do so, we do not routinely perform prior art searches before filing a patent application.

A prior art search may also reveal patents which should be assessed to check for infringement. However, for a more comprehensive check of potential infringements, a 'free to market' search is recommended.

For further information about searches, please ask for our supplement *Guide to patent and design costs* (Doc ID 5094517).

## **Who can obtain a patent?**

A patent may be granted to the inventor of an invention. However, if the invention is made in the normal course of employment with a company then the company may own the invention and therefore be entitled to the patent. In that case, the application is usually filed in the company name. In other cases, the inventor may assign the rights to another person, making that person entitled to the patent. Where the inventor is deceased then their legal representative may be entitled to the patent.

A person who wrongfully obtains an invention from the inventor is not entitled to the patent. The rightful owner can contest the grant of the patent at the patent office in an opposition or in court and if successful, have the patent awarded to them.

# Typical patenting procedure

Please refer to the flowchart for obtaining standard and innovation patents in Australia.

## Starting the application process

A patent applicant in Australia will usually start the patenting process by filing a provisional patent application accompanied by a provisional specification at the Australian Patent Office. Freehills patent attorneys can prepare and file the application on your behalf and in fact, only registered patent attorneys are authorised under Australian law to prepare and amend patent specifications for clients.

The specification for a provisional patent application must describe the invention. A provisional application is not examined at the patent office but serves to secure a priority date and remains in force for 12 months. Thus, the provisional application lapses after 12 months.

It is not necessary to commence with a provisional application. Instead the process may be commenced with a complete application for either a standard patent or an innovation patent (or even an international application). However, starting with a provisional application is generally desirable where an invention is still under development or at the prototype stage. If further developments are made during the first 12 months, these can be protected by way of one or more supplementary provisional applications.

If patent protection in Australia is to be continued, a complete application associated with the one or more provisional applications must be filed within 12 months of the earliest provisional application, in order to retain the earliest priority date. This complete application may be an application for a standard patent or an innovation patent. Alternatively, an international application may be filed at this point (see 'Overseas Patent Protection'). An international application will also cover Australia and claim priority from the one or more provisional applications.

The specification for a complete application must fully describe the invention, including the best method of performing the invention known to the applicant at the time the application was filed. It ends with a series of numbered statements called 'claims' which define the scope of the monopoly sought (see 'What are 'claims'?').

A provisional patent application is not published unless it is followed by a complete application or an international application. Therefore, instead of filing a complete application, the applicant has the option of withdrawing the provisional specification and re-filing the same or an updated specification. This new application will obtain a new priority date and will therefore lose the original priority date of the filing date of the first provisional application. Because patentability is assessed according to events which occur before the priority date, it is important to check first that there has been no intervening publication or disclosure of the invention between the old priority date and the new priority date.

## **Materials required from you**

To assist us in the process of preparing a provisional or complete specification, we require the following materials from you:

- a brief explanation of your invention (this may be given verbally in a meeting)
- where appropriate, sufficient drawings to show all features of the invention
- in the case of computer programs or processes, flow charts as well as a schematic diagram depicting the system on which the software operates
- where the invention involves a micro-organism, a sample of the micro-organism may be deposited at a recognised depository institution, such as the Australian Government Analytical Laboratory
- the name of the inventor(s): all persons and only those persons who made a qualitative contribution to the inventive subject matter should be named as inventors. Complying with this requirement may be crucial to the validity of the patent rights. The nationality of the inventor(s) should also be provided.

- the name and address of the patent applicant if different from the inventor(s)
- if the applicant is not the inventor(s), information as to the relationship between the inventors and the company e.g. employee invention, consultant invention. An assignment of rights may be required before the application is filed to ensure the applicant has a valid entitlement to the patent, and
- the name to whom we should address correspondence and invoices (if different than the applicant) and their address.

## What are ‘claims’?

In a complete application, the claims are the numbered paragraphs at the end of a patent specification. The claims set out in words the scope of monopoly sought by the patent applicant for the invention. If an infringer makes a product which falls within the words of at least one claim of the patent then the infringer will infringe the patent. Thus, a claim tries to cover in broad language the various forms which the invention could take. This will enable the patent owner to sue all others who try to take the essence of the invention. On the other hand, a claim cannot be so broad that it covers things which are already known i.e. in the prior art. The claim is also not allowed to be so broad that it covers things quite unrelated to the inventive concept. Patent attorneys are skilled at balancing these competing objectives to draft patent claims and that is why they are the only people authorised under Australian law to draft patent specifications on behalf of clients.

Generally, claims are arranged in tiered sets. Where the invention relates to a method or process, the claims may commence with a method claim in the form of an independent claim. An independent claim reads by itself. Appended to an independent claim is a series of dependent claims. Each dependent claim reads along the lines ‘The method as claimed in claim 1...’. The dependent claims progressively introduce more features. Dependent claims are less likely to be infringed by infringers because infringers can design around these claims in some instances. However, if the independent claim is held invalid because of prior art, the new feature added by the dependent claim might give rise to a novel claim. Thus each dependent claim serves as a fall back position.

There may be more than one independent claim in an application, for example the above invention may also include an independent claim to a product which is produced by the inventive method. Commonly, the number of claims falls into the range of 10 to 50.

In reviewing a claim set prepared by us, you should let us know if you are aware of a possible embodiment of your invention which is not covered by the wording of the claims.

In the section ‘How and when are these patentability criteria assessed?’, we discussed how the claims of a patent application or patent may be assessed for novelty and inventive step at different times during the lifespan of the patent. Therefore, the usual approach is to start the process of preparing a patent specification with independent claims which cover as much territory as possible. When relevant prior art comes to light, it may be necessary to amend the claims to adopt one of the limitations of a dependent claim. The claims are therefore gradually refined after their initial preparation through to grant and possibly beyond. A strong set of claims prepared by a competent patent attorney will stand you in good stead for the rigours of patent examination.

## **When will the application be published?**

A complete patent application for a standard patent is usually published automatically by the Patent Office at approximately 18 months after the priority date. However, publication can occur earlier if the application is accepted for grant earlier than this. The applicant may also request early publication and this might be desirable where a competitor has brought an infringing product onto the market. Although a patent applicant cannot sue for infringement until grant, monetary damages may be accrued from the time the complete specification is published and the competitor is able to review the published specification.

If the applicant no longer wishes to proceed with patent protection and wants to withdraw his application without publication then an application to withdraw must be made at least three weeks prior to the anticipated publication date.

An innovation patent is published typically a month or two after filing.



# Standard patent applications

## When will my application be examined?

In Australia, an application for a standard patent is not examined automatically. In order to have the application examined, a request for examination must be filed, usually within six months of receiving a direction from the Patent Office.

Due to present backlogs at the Patent Office, directions to request examination are currently issuing at around four to five years after the priority date. If a request for examination is not filed by the due date, the application lapses.

If speedy grant of a patent is desirable, for example for commercial reasons or in the case of infringement, the applicant may ask for expedited examination at any time. However, in the normal course of things it is preferable to wait the usual time for examination. Firstly, this is because speeding up the examination process compresses the time frame for costs to be incurred. Secondly, where there are corresponding foreign applications, particularly in Europe or the United States of America, it may be desirable to await the outcome of the foreign search and examination before finalising the Australian application.

## What happens during examination?

If the patent examiner believes that there are lawful grounds of objection (for example the invention lacks novelty or inventive step), he will issue an examination report. The report is sent to us and we refer it to you with advice on how we might overcome the objections or alternatively we may seek additional input from you. Additional reports can issue, to which additional responses can be filed. The period to overcome all the objections is 21 months from the date of the first report. However, late response fees apply to any response filed after the first 12 months so early instructions from you are desirable.

## What happens if the application is opposed?

Please see the flow chart setting out the opposition procedure in Australia.

After a complete application for a standard patent is accepted and advertised by the Australian Patent Office, the grant of a patent on the application can be opposed by others. This happens on a small percentage of applications. The opposition process is initiated by filing a notice of opposition, which must be lodged at the Patent Office within three months of the advertised acceptance. The opponent must then serve on the patent applicant a statement setting out the basis for the opposition, for example details of material prior art.

The opponent then has an opportunity to file evidence in support of the opposition. The evidence usually takes the form of statutory declarations by experts suitably qualified in the relevant field. These experts provide evidence on the state of common general knowledge or may provide their interpretation of the prior art so that the hearing officer will be in a position to assess inventive step.

Once the evidence in support is served, the patent applicant has an opportunity to serve evidence in answer to the opponent's evidence. Such evidence may comprise another expert's contrary views to those of the opponent's experts. After that, the opponent has a final opportunity to serve evidence in reply to the applicant's evidence. Extensions can be obtained for most of the time periods indicated in the flowchart and thus the process can be quite drawn out. It is not uncommon for the process of evidence preparation and collection to exceed two or three years.

When the evidence is complete, the case will be heard by the Patent Office before a hearing officer, usually in Canberra. The hearing is usually based on the written evidence and it is unusual for experts to appear and give oral evidence at the hearing. The hearing officer usually issues a written decision some months after the hearing. It is possible to appeal that decision to the Federal Court.

## Grant of the patent

If there is no opposition to the grant of a standard patent, or if following an opposition there is found to be patentable subject matter in the application, the Australian Patent Office will grant the patent by issuing a Deed of Letters Patent which will be sent to you.

The grant of a patent does not provide its owner with a right to market or use the invention. For example there might be patents held by other parties that would be infringed by these activities. In addition, a patent owner wishing to exploit a patented invention must also comply with any applicable laws or regulations.

## What are renewal fees?

It is necessary to pay periodic renewal or maintenance fees to the Patent Office to maintain an application for a standard patent and any patent granted on it. In Australia, annual fees are due on or before the fifth anniversary of the filing date of the complete application for a standard patent and annually thereafter. These annual fees increase each year, to discourage patent owners from retaining patents which are no longer of value to them. Other countries have similar renewal fee structures to maintain patents in force. At Freehills Patent Attorneys, we run a reminder system to advise you about payment of renewal fees throughout the term of your patent.

You should also be aware that there are bogus operators in existence who take details of published applications from the official registers and publications and send out invoices for unnecessary publications or fictitious services. You should ignore these publications and only respond to correspondence and invoices from us. The only exception to this is the European Patent Office (EPO) which occasionally sends correspondence directly to the applicant. If in doubt, please send any unsolicited material to us.

## Marking of patented articles

It is recommended that patented articles be marked to let other people know of the existence of the patent. The owner of a granted patent can mark articles covered by the patent, their packaging and associated promotional material, with the words 'Patented' or 'Australian Patent No.' and should include the patent number. However, until a patent is granted the applicant should not represent that an article is covered by a granted patent. Instead, the applicant should indicate that the article is the subject of a patent application. Suitable words are 'Australian Patent Application No.', 'Patent Applied For' or 'Patent Pending'. Again, the relevant application number should be included.

# Innovation patents

Please refer to the flowchart for obtaining standard and innovation patents in Australia.

Australian innovation patents differ from standard patents in that they have a maximum term of eight years as opposed to a maximum term of 20 years for standard patents. The choice of whether to file for a standard patent depends on the inventive merit of the invention and the state of the prior art (see above: What is an innovative step?).

Innovation patents can only include five claims, whereas standard patents can have any number of claims (see 'What are 'claims'?'). By limiting the number of claims to five, this potentially reduces the scope of the patent.

The section 'What type of things can I patent?' sets out the type of things that can be patented. In addition to these restrictions, an innovation patent cannot be granted for plants, animals, nor for the biological processes for the generation of plants and animals.

There are two important differences between standard patents and innovation patents. Firstly, for an innovation patent, the test for inventiveness is whether or not there is an innovative step, whereas for a standard patent the test is whether or not there is an inventive step. These are explained above in 'What is an inventive step?' and 'What is an innovative step?'

Secondly, innovation patents are granted without examination as to novelty and innovativeness. Hence, innovation patents are granted quickly after filing without the expense of examination costs. Examination can be optionally requested any time after grant, following which, the innovation patent is 'certified'. A patentee can only seek to enforce an innovation patent once the innovation patent has been certified and no rights (other than assignment and licensing) under an innovation patent can be exercised, until that time.

To maintain an innovation patent in force for the maximum term, annual renewal fees are payable from the second anniversary of the filing date. An innovation patent can be opposed in the Patent Office at any time during its term after certification.

# Overseas patent protection

## Individual applications

When an Australian patent is granted, the protection only has effect throughout Australia and Norfolk Island. To obtain patent protection outside Australia, it is necessary to file foreign patent applications within a limited period. This can be achieved by filing patent applications in each individual country where patent protection is desired. Most countries have a patents system. Foreign patent applications generally follow a similar procedure as for Australian standard patent applications (see 'Standard patent applications' and flowchart). However, the timing for examination can vary widely from country to country depending on the backlogs at the various patent offices. Thus after the initial filing costs are incurred there will be downstream costs associated with examination before the various national patent offices.

Freehills patent attorneys have an international network of established and reputable foreign patent attorneys for handling your foreign patent applications and representing you before foreign patent offices. We liaise with the foreign attorneys to handle all requirements and deal with any objections raised by the foreign patent offices.

## Regional applications

Some countries are also grouped into regions which permit a single application to be filed and granted as a patent. One example is a European patent application which is examined by the European Patent Office. Once granted, the patent still has to be validated in the European countries of your choice. This involves assigning an agent in each country and may involve translations of claims into some of the various national languages. After grant, renewal fees are also payable in each country. Other regional patents include a Eurasian patent for most of the former Soviet states and regional African patents.

## Can I defer the filing of my foreign applications?

Yes. Australia and most other countries are members of the Paris Convention, an international agreement that allows overseas patent applications to be deferred for up to 12 months from your initial Australian application while still retaining the priority date of the initial Australian application. Like Australia, to assess novelty, most countries take into account any publication or use which occurred before the earliest priority date (see 'Criteria for a valid patent') so it can be important to rely on this convention and retain the earliest possible priority date for your overseas applications. A small number of countries are not members of this international convention. So if patent protection outside the principal industrialised countries is contemplated, this should be discussed with your patent attorney before there is any publication or non-confidential disclosure of the invention to others, even if an Australian patent application has already been filed.

At the 12 month anniversary of your initial Australian application, instead of filing individual national and regional applications, an international application can be filed instead under the provisions of the Patent Cooperation Treaty (PCT) as discussed below.

## What if I miss the 12 month deadline?

After the 12 month anniversary of the initial Australian application, it may still be possible to file foreign patent applications—it largely depends on the nature of the use and publication of the invention which has taken place up to that point. A few countries such as the United States of America and Canada have grace periods which can be relied on, even where full disclosure of the invention has already occurred. We can provide advice in any particular situation.

## What is an international application (PCT)?

One option for applying for foreign patents is to file a single international patent application at the Australian Patent Office under the provisions of the Patent Cooperation Treaty (PCT). The international application can designate all of the countries and regions that are members of the PCT, referred to as 'PCT contracting states'. A current list of PCT contracting states can be obtained by clicking on the hyperlink to 'Contracting States' at the bottom of the web page at [www.wipo.int/pct/en/treaty/about.htm](http://www.wipo.int/pct/en/treaty/about.htm).

If a country of interest is not on the list, then it will be necessary to file a separate application in that country. This applies in particular to some South-East Asian, Latin American and Middle Eastern countries. Freehills patent attorneys can provide further information about patent systems in countries of interest to you.

It is important to note that an international application will not result in an international patent. The international patent application merely provides a mechanism for preserving your rights in a large number of countries for a limited period, at the end of which it will still be necessary to file national and/or regional applications in the countries of interest to you. This filing of national or regional applications is called 'national phase entry' or 'regional phase entry'.

## What is the process for an international application?

See the flowchart for an international application (PCT) procedure.

The international application is usually filed before the 12 month anniversary of the initial Australian application to retain the priority date under the Paris Convention (see 'Can I defer the filing of my foreign applications?'). The international application reserves your rights in a large number of countries for an additional 18 months approximately, (30 months from the initial Australian application to be precise).

Thus the relatively high cost of overseas applications can be deferred for an additional 18 months.

As with an Australian complete application, an international application is published approximately 18 months from the initial Australian application.



Other advantages in filing an international application include an international search which is conducted automatically as well as the opportunity to amend the application to take account of any relevant prior art that is found by the search. For instance if relevant prior art comes to light then the international application can be amended once instead of having to amend a number of national applications in a like manner. Amendments can be made within two months of the international search report or during optional international preliminary examination.

The preliminary examination procedure does not remove the requirement for examination of the individual national phase applications before the respective national patent offices. However, such national examinations can be streamlined and be less costly if patentability issues are dealt with during the life of the international application.

## **Where should I file foreign patent applications?**

Decisions about where to seek patent protection should be carefully made since foreign patent applications are expensive. In general, a patent can be used to stop others from manufacturing, using or selling your invention in the country for which it is granted. So you can protect markets or protect places of manufacture. For instance if you believe that the product should sell well in the United States of America, United Kingdom, France and Germany, then you should consider filing patent applications in each of those countries (or instead the United States of America and Europe) to stop others from selling your invention in those countries. On the other hand, you can file patent applications in manufacturing countries to stop others from manufacturing the invention in those countries, for example China and South Korea.

Freehills patent attorneys can provide strategic advice about securing patent protection in foreign countries.

When selecting the countries of your choice for national and regional protection, you should also budget for downstream costs for examination and renewal fees. As a rule of thumb, for each country you should budget downstream costs as being at least as much as the initial filing cost for that country. For further information about costs, please ask for our supplement *Guide to patent and design costs* (Doc ID 5094517).

## **Examination before national patent offices**

Examination of foreign patent applications usually follows a similar procedure as that for Australia. However some countries examine the applications automatically, for example United States of America. Timeframes vary dramatically from country to country. The United States of America, New Zealand and China are usually the first to issue an examination report with Europe and Australia at the slower end of the spectrum. Japan and Canada take the longest to issue examination reports, generally because the deadline to request examination is a long time from the filing date.

In each case, our foreign patent agents forward the examination reports to us. We send these on to you, usually with recommendations as to how we can overcome any objections raised. Because we have prepared the application, we are usually in the best position to give advice as to how to overcome relevant prior art, in consultation with you. Our foreign patent agents are best placed to advise us on peculiarities of foreign law and to meet the requirements of foreign patent offices.

# Infringement of patents

## Rights given by a patent

Once a patent is granted, the patent owner has the power to sue those who infringe his patent in a court of law to stop the infringement and receive monetary compensation (damages). More specifically, a patent gives its owner the right to stop others from making, using or selling the invention in that country while the patent is in force. Thus, by way of example, a patent may protect against others from manufacturing in that country or from importing into that country. It is not necessary that there be actual copying of a patented invention: if someone else independently employs a patented invention, that person may still infringe the patent.

Prior to grant, a patent applicant cannot sue for infringement but monetary damages may be counted from the time the complete specification is published and the competitor is able to review the published specification. Additionally, there are ways of accelerating the grant of a patent on an application, should the need arise.

## How do I tell if someone is infringing my patent?

To tell whether a patent is infringed, reference is made to the claims of the granted patent (see 'What are 'claims'?'). The claims usually appear at the end of a patent specification in the form of numbered paragraphs. If an unauthorised person makes a product which falls within the words of at least one claim of the patent then that person will infringe the patent. Assessment of infringement can be a highly skilled process and Freehills patent attorneys are able to advise should the need arise.

## What happens in an infringement action?

The patentee is required to act on their patent rights within the latest of six years from the infringement occurring or, for an infringement occurring prior to grant, within three years from grant of the patent.

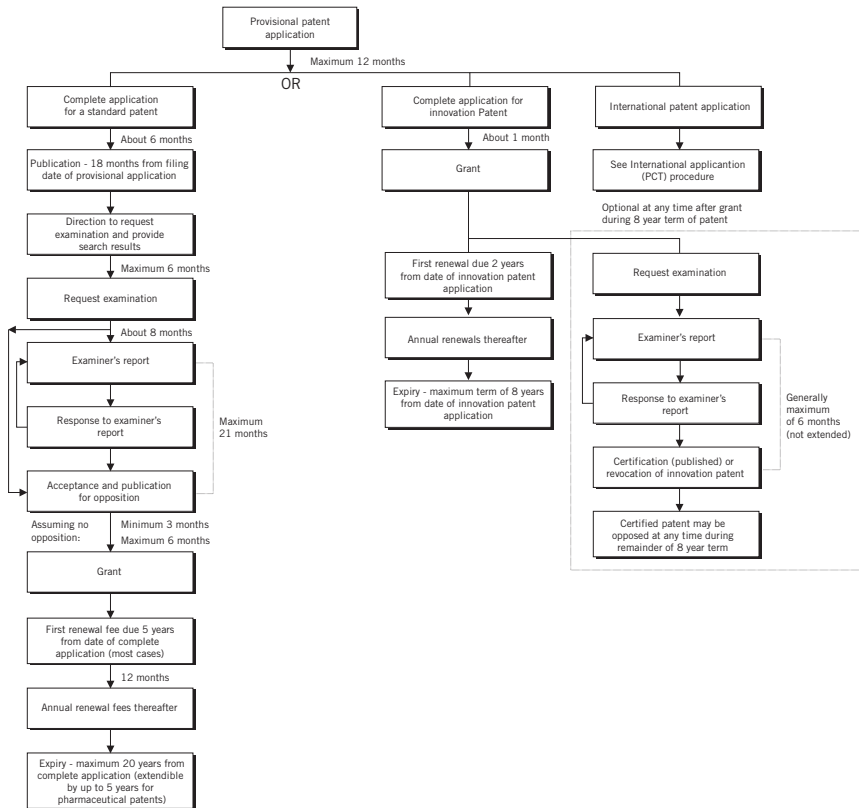
It is usual to send a warning letter to the alleged infringer before commencing any court action. If a satisfactory response is not received then a decision must be made whether or not to proceed with court action. Patent infringement actions are typically commenced in the Australian Federal Court. Infringement actions require the court to consider the patent claims to determine precisely the monopoly claimed by the patent and then determine whether the conduct of the alleged infringer infringes the patent.

The alleged infringer typically defends patent infringement proceedings by not only stating that they do not infringe the patent but also by filing a cross-claim in the court for revocation of the patent on the basis that the patent is invalid.

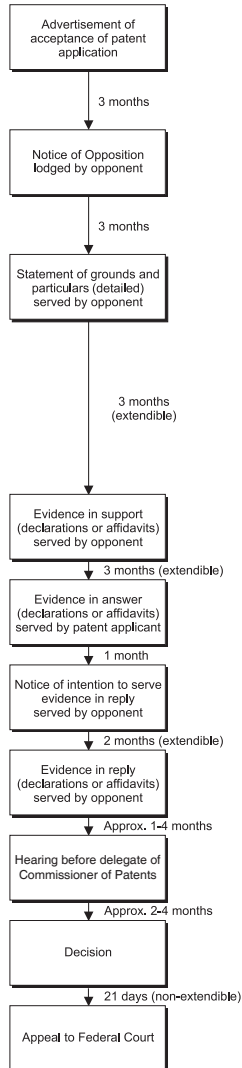
Patent infringement actions can be expensive. Litigation enforcement insurance is available from specialist insurance brokers to offset the high cost. Another type of insurance available is litigation defence insurance to protect against the cost of being sued for patent infringement.

# Standard and innovation patents

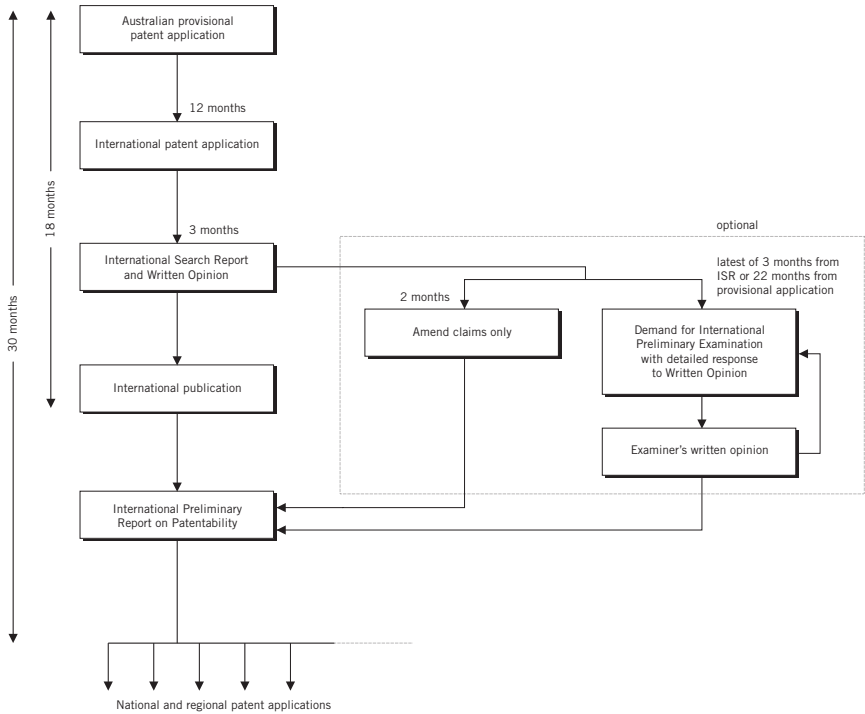
## Typical patenting procedure in Australia



# Opposition procedure in Australia



# International application (PCT) procedure



## Notes



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## Notes

## Notes