

SUBMISSION

TO

THE ADVISORY COUNCIL ON INTELLECTUAL PROPERTY

**THE REVIEW OF CROWN USE PROVISIONS IN PATENTS AND
DESIGNS LEGISLATION (DECEMBER 2003)**

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SUBMISSION

THE REVIEW OF CROWN USE PROVISIONS IN PATENTS AND DESIGNS LEGISLATION (THE 'PAPER')

Introduction

The Paper raises a number of significant issues. The concern common to most issues in the Paper, is the applicability of the Crown use provisions in an environment where there is developing, a “wide spread exponential rate of corporatisation of Government services”ⁱ. This situation gives rise to an argument that the Crown use provisions may be misused to leverage in favour of publicly owned entities engaging in competitive businesses alone or with privately owned “joint venture” partners.

Overview of Crown Use

Broadly speaking, the patent, designs and copyright regimes have a commonality in their respective treatments of this area:

- They provide a statutory monopoly for a term in respect of certain rights they each grant;
- They make provision for the interference of those rights in circumstances where the
 - Patent is exploited;ⁱⁱ
 - Design has been used,ⁱⁱⁱ and
 - Acts comprised in copyright are done,^{iv}

for the services of the Commonwealth or State. The patent and design regimes attempt to narrow the scope of the term “for the services of the Commonwealth or State”, by providing that the invention is taken to be exploited in the case of patents and used in the case of designs, if the exploitation or use was “necessary for the proper provision of those services within Australia.”^v

The copyright regime, inserts however an element that by-passes the mechanism for remuneration to the intellectual property owner, which does not exist in the patent and design regimes. I shall refer to this later in the submission, but relates to the creation of copyright under the direction and control of the Commonwealth or State. Relevantly, the *Copyright Act* provides:

“176(2)

The Commonwealth or a State is, subject to this Part and to Part X, the owner of the copyright in an original literary, dramatic, musical or artistic work made by, or under the direction or control of, The Commonwealth or the State, as the case may be.”

Format

The Paper has identified that the Crown use provisions are “rarely used”^{vi} and invites guidance in respect of future cases.^{vii} As instances of the application of the provisions to circumstances are not common, I have considered the matter of *Stack v Brisbane City Council*^{viii}, which is referred to in the Paper in the context of:

- The definition of the Crown, in particular the width of the term “an authority of the State” within the meaning of Chapter 17^{ix}; and
- The methodology behind the calculation of the remuneration under the chapter, where the parties have failed to come to an agreement.^x

Background

In *Stack* there were two petty patents filed as divisional applications. I will refer to these as the “first petty patent” and “second petty patent”. These were both in relation to a claimed invention entitled “water meter assemblies” and largely in similar terms.

The Stack interests,^{xi} commenced proceedings:

- In 1994 against the Brisbane City Council (BCC) and two associated companies with respect to the sale and supply of some 60,000 water meters, seeking a declaration that the BCC was an authority of the State and that it exploited the first petty patent and sought orders fixing terms of remuneration;
- In 1996 against the State of Queensland and the Commissioner of Patents in respect of the second petty patent and sought to fix remuneration pursuant to s.165 of the *Patents Act (Cth) 1990* (the Act).

Parties to whom the Stack interests alleged, the BCC contracted with for the manufacture and supply of the water meters, opposed the application for extension of the term of the first petty patent, which gave rise to appeals from both sides. It will be recalled that the now defunct petty patent system provided for a term of 12 months and thereafter application (which could be opposed), could be made for a further term.^{xii}

The various appeals and the original action as well as the proceeding in respect the second petty patent were ordered to be heard together.^{xiii}

Cooper J determined that:

- The claimed invention in the first petty patent was:
 - Novel when compared with the prior art base at the priority date of the claims;
 - Not obvious when compared with the prior art base as it existed at the priority date of the claims.
 - A "manner of manufacture" within the meaning of s 6 of the Statute of Monopolies.
 - Complied with the requirements of s 40(2) and s 40(3) of the Act as to clarity and fair basing of the specifications.

- The Act did not permit the granting of a patent to one of two co-inventors as one of two co-inventors did not come within any of the categories of persons who were entitled to a grant of a patent as set out in s 15 of the Act.^{xiv}

As a consequence of that decision the first petty patent was revoked, on the ground of entitlement, and recently the second petty patent was revoked on the ground of an issue estoppel created by the ventilation of relevant issues in the litigation involving the first petty patent.^{xv}

Issues arising

The case raises two issues relevant to the Paper on which I would like to comment:

- The exploitation by the Commonwealth, State or an authority of the State;

- Whether there should be some limitation on the provisions given the expanding reach of the Crown by the changing scope of its activities or the changing methods government adopts to fulfill the obligations of government.

Exploitation

The BCC as an authority of the State exploited the claimed invention from approximately 1994 to 2000, without payment or remuneration for the claimed invention.^{xvi}

Understandably, one could anticipate that the payment of remuneration was or could not be made for a number of valid reasons:

- There was no assessment of the remuneration that would be paid;
- The mere granting of a patent, does not guarantee the validity of the patent in Australia or anywhere else and if payment were made and the patent were subsequently revoked difficulties might arise recovering monies;^{xvii}
- The monies paid to a patentee could be used as a fighting fund to resist opposition or revocation proceedings.

Utilizing, where appropriate, the *Stack* case as an example, I wish to give some consideration to these sub-issues:

- There was no assessment of the remuneration that would be paid;

Could not a preliminary assessment of the amounts to be paid be undertaken?

The principles upon which damages are assessed for patent infringement would not vary greatly from the task of assessing an appropriate remuneration as a preliminary assessment only. As stated by Hill J:

“So it is the task of the Judge charged with assessing damages to do the best he or she can with the evidence at hand and to come up with a figure which compensates, but not over- compensates, Advanced for the loss it suffered.”^{xviii}

I submit that the remuneration under the Crown use provisions bears some relationship to the amount to be assessed for damages, being a figure which compensates, but not over- compensates the patentee.

The reference to “over-compensates” related to an issue peculiar to the *Advanced* case. In that case there was difficulty in showing what sales were taken by the respondent because of the infringing conduct and what customers went to the respondent in the normal course of trading. Damages were to be assessed by Hill J after a successful appeal by the patentee on the question of infringement. The full court returned the matter to his Honour for the calculation of damages.

In *Advanced* his Honour identified a number of difficulties with the assessment, in particular the inability on the evidence not only to show loss of sales but to attribute that loss to the conduct of the respondent. His Honour said:

“I expressed the view that the calculation of damages was an impossible task because I was of the opinion that Ramset had not established that even if it made a loss that loss arose from the misleading and deceptive conduct complained of. For example, it was not possible, on the evidence, to determine just how many persons who acquired clutches from Ramset (“Ramset customers”) would have acquired clutches from Advanced had Ramset given a warning; which Ramset customers used the clutches supplied with extended lever arms or themselves added an extension; or which Ramset customers used the clutches in a non-infringing way. I said at 39,202 (and I repeat what I said only because it is still part of the Ramset case despite being rejected by the Full Court):

“All one can say on the evidence is that it is possible that an unquantifiable number of purchasers would have switched to purchase some, at least, of their supplies from Ramset. However, I am wholly unable on the evidence before me to make any finding as to how many would, on the balance of probability, have done so, or indeed if any would more probably than not have done so.”

In so writing I noted that, as a matter of principle, the calculation of damages was not an exercise required to be undertaken with mathematical precision and that the Court must do its best on the evidence before it.”^{xix}

Even in these difficult circumstances, which involved a trading competitor and infringement, his Honour recognised that assessment of damages did not require to be undertaken with mathematical precision.

An assessment for remuneration under the Crown use provisions should not involve these complications, particularly if a preliminary assessment is made **before** the Crown or an authority of the State exploits the invention. Evidence could be put to the judge on quantum of the remuneration only, in the same way issues of liability and quantum are presently separated in some IP cases. This could be done on the basis that it did not shut the door for either party at a later time to raise new material, which that party claimed more accurately reflected the amount of remuneration.

Of course, the later evidence may relate to separate proceedings for the revocation of the patent or rectification of the register, in which case the assessment of remuneration is no longer an issue. If the patent was not revoked, the additional material would go to the question of the accuracy and/or the relevance of initial assessment.

I am of the view that even if there were proceedings on foot attacking the validity of the patent or design, the obligation to pay in accordance with the preliminary assessment should continue until the patent is revoked or design registration expunged or the proceedings challenging the rights end.

- The mere granting of a patent, does not guarantee the validity of the patent in Australia or anywhere else and if payment were made and the patent were subsequently revoked difficulties might arise recovering monies;

As stated, there would be difficult issues arising if monies were to be paid to the patentee based on a preliminary assessment. Recovery of public funds paid for a patent that was subsequently found to be invalid creates its own headaches.

In this regard, the record of enforced patents in the 10 years from 1990 to 2000 indicates that the prospect of enforcing a patent in Australia approximately 20%.^{xx}

- The monies paid to a patentee could be used as a fighting fund to resist revocation proceedings.

This strategic consideration would ensure the dissipation of funds and increase the risk that the remuneration paid by the Crown, would not be recovered from the patentee if the patent were challenged successfully, as in *Stack's* case.

SUGGESTION:

1. A preliminary assessment:

- (a) could be made by a the Federal Magistrates Service (FMS). The ACIP has noted:

“The general flavour of [these] submissions considered that the operation of the FMS in respect of its current role in Federal and Family Law has significantly reduced the time and cost to parties applying to have a matter settled.”^{xxi}

In this regard the remuneration is more in the nature of a mediation than a litigation. An assessment could still be done even where the parties are “wildly apart”.^{xxii}

A quicker cheaper method of assessment would:

- give the parties an indication of the remuneration they might pay/receive;
- provide a basis for calculation of damages if as in *Stack*, proceedings ensued challenging the patent;
- generally inform the parties of the amount payable to the patentee and allow parties to assess risk;
- allow the Crown to make its decision whether to utilize the provisions. Presumably, the Crown will not be involving itself in speculative arrangements so this might not be an issue;

- (b) could be made “at any time after a patent application has been made”.

The Act envisages that an application under s 163 can be made, not upon grant but after patent application, presumably to allow the Crown immediate use of the claimed invention.^{xxiii}

- (c) could be paid into court pursuant to a specific entitlement to do so contained in the Act. Application to the court could thereafter be made regarding such orders and directions as considered necessary.^{xxiv}

This has a number of benefits.

Firstly, any imbalance in the bargaining power of the patentee with the Crown is substantially removed. In this way the FMS could provide what the Paper describes is the effect of the Copyright Tribunal:

“It is arguable that the lower costs of the Copyright Tribunal have the effect of giving an aggrieved IP owner greater bargaining power in negotiating terms for remuneration.”^{xxv}

Secondly, payment of the monies would avoid lengthy and difficult calculations which would span retrospectively many years. If for example, in *Stack, Stack* had been successful, the BCC and necessarily the court, would have a huge task in examining the historic of use of the claimed invention over the 6 year period.

Thirdly, it provides an equitable arrangement if the patent is in suit. As stated the BCC was able to exploit the claimed invention from 1994 to 2000 without remuneration paid to the patentee before the patent’s revocation.

Some would say, that as the patentee was eventually held not to have a valid patent, how could the patentee complain? My response is, that it is more preferable that a patentee be able to access monies paid into court almost immediately after it is found that the patent in suit is valid, rather than having the validity and infringement issues dealt with and then have to wait for a further proceeding to fix remuneration, which could take months if not years to be received.

It must be remembered that all this time the patent would have expended considerable monies to prosecute infringement and resist revocation.

From the Crown's perspective, it would not lose as it would be repaid the monies paid into court if the patent was ultimately held to be invalid. Conversely, if the patent was valid, it would not be up for a large lump sum payment.

It seems out of place to put these scenarios in a context of a challenge to the validity of the patent because the Crown use provisions do not envisage such an attack. Rather, what is envisaged is:

- a patent is applied for;
- it is exploited by the Crown for the services of the Crown;
- Remuneration and terms of exploitation are on terms agreed or as determined by a prescribed court.

There is no facility for the Crown to challenge the patent, but *Stack* has taught that in substance a challenge on validity by the intervention of private interests can effect the protocol of the Crown use provisions and ultimately the obligation to pay.

- (d) could be undertaken before any litigation could commence by the patentee for infringement or by an opponent to grant.

Section 163 deems the exploitation not to be an infringement.^{xxvi} The calculation of remuneration commences from a time of exploitation regardless of grant,^{xxvii} in a vacuum, without the intervention of third parties. This I would respectfully submit is intended by the provision.

Increasing commercialization and corporatisation of “Government” services

Historic justification

The Paper identifies the historic justification for the Crown use provisions, namely:

- The ability of the Crown to access patents without interference in the public’s interest;
- The fact that the Crown, unlike private traders, is engaged in public services rather than private commercial activities, and therefore should be in a special position in relation to patented inventions.

This balance or preferred position rests on the premise that the ultimate benefit to the public is paramount. The patent system after all can be viewed as a trade off for a term in order to get a detailed disclosure of an invention which will ultimately be for the benefit of the public.

Lord Mansfield said:

“The law relative to patents requires as a price the individual should pay the people for his monopoly, that he should enrol, to the very best of his knowledge and judgment, the fullest and most sufficient description of all the particulars on which the effect depended, that he was at the time able to do.”^{xxviii}

The Crown use provisions sat well with the concept that the grant of a patent was an indulgence of the Crown. It was the Crown that granted those exclusive rights and they could stipulate circumstances where those rights could be withdrawn or varied.

If there was, for example, some ambiguity which could render the patent invalid, the ambiguity should be determined in favour of the public and not in favour of extending the monopoly. As stated by Murphy J of the High Court in the case *Australian Paper Manufacturers Limited v C.I.L. Inc.*, his Honour stated:

“It is a reasonable principle of interpretation that where an Act which grants monopoly rights is ambiguous, the ambiguity (whether relating to substance or procedure) should be resolved in favour of the public and against the extension of monopoly”.^{xxix}

In contrast some countries considered these rights were an inherent right of the individual, such as the United States of America where this right is embedded in the Constitution.^{xxx}

The New Order

The potential for abuse of the Crown use provisions is obviously arguable if there is an expansion of the Crown into the private arena.

The *Stack* case is instructive to identify the roles in broad terms. If the BCC represents the ready willing and able Crown, happy to pay remuneration once agreed or assessed, the opponents to the extension of the term of the first petty patent represent the competitive elements of private enterprise, who see the patent as an obstacle to their own company’s growth or market share.

If the BCC were a co-venturer with the private enterprise interests it is indeed arguable (assuming the patent were valid), that the Crown use provisions could be utilized to provide a market advantage under the guise of a subsumed innovation for the benefit of the public. Commercial activities have evolved in such a manner that an activity that has historically been the responsibility of the government is now privately run or is run by a combination of public sector and private sector influences.

Of course there should be some limitation on the ability to use the provisions in these circumstances. I am in agreement with the suggestion that the use of the Crown use provisions be made subject to Ministerial approval. The question is whether this is enough protection.

Consideration has been given to restrictions that should be imposed on these “hybrid” formations and government departments entering into commercial arenas, but there is an additional implication. The utilisation of the Crown use provisions should in the normal course convert to a remuneration to the patentee. These funds are public funds dispersed under a general obligation

of government to utilize them efficiently. They should not pay for rights, which may ultimately prove to be invalid.

I have referred to my 2001 paper “Intellectual Property – What Went Wrong!”, in which I stated that there was historically in Australia a 1 in 5 chance of succeeding to uphold validity and proceed to a finding of infringement. In a paper addressing this very issue, his Honour Drummond J, the former Federal Court judge, proposed that the low level of enforcements was in part attributed to the scrutiny level of the Patents Office.^{xxxii}

Whether the cause is the absence of a strong scrutiny level on acceptance (as suggested by Drummond J), so that the court is actually flushing out weak patents, or some other reason, is it not appropriate that the “hybrid” corporatisations should have the same ability as private enterprises to challenge the validity of the patent.

There is a tension here. On the one hand the Crown encourages the public through IP Australia, to protect its innovations by applying for patents. It would be an incredible situation to have the government as a co-venturer for example, with a privately owned company, stand back and watch its co-venturer challenge the validity of a patent and thereby delay and possibly remove the need to utilise the Crown use provisions.

However, one must consider competition principles such as competitive neutrality. These commend an even playing field in all respects. If there is a limitation to subsume patents for “pure” government functions, would that entitle those endeavours in which government enters the competitive arena to utilize the mechanisms used by private companies. Such activities include the circumvention of a patent, which has been regarded as expected and even acceptable behavior in the commercial world.

This view seems to be recognized by the court:

- In *Elconnex Pty Ltd v Gerard Industries Pty Ltd*^{xxxiii} Burchett J said:

“The concept of the Elconnex Connector clearly had considerable appeal. On the day after it was exhibited, the respondent, Gerard (which is the largest supplier of electrical fittings in Australia) set about the production

of a copy. The evidence of that is conclusive. An Elconnex Connector was dismembered in order to use a vital part of it in the fabrication of a prototype. Some changes were made and one of the questions that had to be decided by the Court was whether the changes were sufficient to avoid liability in respect of the applicant's registered design^{xxxiii};

And is even encouraged:

- In *MJA Scientifics International Pty Ltd v S C Johnson & Son Pty Ltd*^{xxxiv} Sundberg J said in the context of considering additional damages for copyright infringement:

"I was referred to internal SCJ memoranda and communications with its patent attorneys and other advisers disclosing SCJ's discovery of MJA's success with its Dead End product, SCJ's decision to enter the cockroach mat market, SCJ's concern about possible patent difficulties, and its patent attorney's advice about manufacturing an SCJ product which would not infringe the patent. None of the documents relied on relates to the copyright issues. They disclose an interest in developing a rival product in what appeared to be a developing market, a realisation that the patent meant that SCJ could not just copy MJA's product but would need to manufacture its own product in a different way so as not to infringe the patent, and a belief based on expert advice, correct as it turned out, that this could be done. That seems to me to be legitimate commercial behaviour."^{xxxv}

I cannot reconcile the position of the Crown as grantor of letters patent obliged to pay remuneration if it chooses to exploit a patent and a private party seeking to circumvent or challenge the very validity of the grant.

The Crown use provisions display a naivety in the light of current trends. These trends include:

- The potential abuse of the provisions to gain competitive advantage; and
- a growing confidence by competitors that patentees face great difficulties to enforce their patents.

In relation to the latter point, I attach a more recent paper I delivered which makes the observation that private enterprise is becoming more aggressive in challenging patents and that this confidence results from a growing realisation, that patents are difficult to enforce. In this environment, it would seem the government could only be confident to pay remuneration on what are regarded as “strong patents”.

The recent overhaul of the Designs Act was stirred in part by the difficulties design holders had enforcing their rights. The terms of reference stated:

“A major impetus for this review is the strong concern, clearly expressed during the Commission's consultations, about the narrow scope of protection given to designs by the courts' interpretation of the Act. These concerns escalated as a result of the decision in Firmagroup.”^{xxxvi}

The difficulties in enforcement are clear from the recent decision of the full court of the Federal Court of Australia in *K-Aire Pty Ltd v Polyaire Pty Ltd*^{xxxvii} There the full court reversed the trial judge's finding of infringement. The reversal in large measure was attributed to the fact that although the alleged infringer had access to the design model, it had not been addressed whether or not the differences that the trial judge found, which were sufficient to avoid a conclusion of **obvious** copying of the design, were made **merely to disguise** the imitation of the Design, for the purposes of establishing fraudulent imitation.

Time will tell whether the new design infringement provisions will give rise to such difficult task as crawling into the mind of the respondent to ascertain intention.

The relevance of the historic difficulties with enforcement of designs and patents to the Crown use issue, is that there would seem little point in paying remuneration under these provisions when there may be a willing competitor in the private field who will utilise reverse engineering practices to circumvent the rights that have been granted or possibly seek to dislodge the monopoly.

COMMENT

I have considered for some time that there is a disparity between the invitation of government through IP Australia for Australians to seek to protect their rights by registration of their designs and grants of patent rights on the one hand and the enforcement of these rights through the courts on the other.

I encourage any movement that acknowledges the rights of the intellectual property owners and I believe the treatment of the interaction between owner and Crown is dealt with more equitably dealt with in Article 31 in the Patents section of the TRIPS agreement.

At present in general terms, the hurdle is that the invention must be necessary for the proper provision of services of the Commonwealth or State within Australia. There is no categorization of those services. With the growing trend of government to enter into the commercial arena alone or with partners, there is a risk of even greater inroads into the rights of patent and design owners.

The treatment in the TRIPS agreement which limits the taking of the rights without efforts to negotiate reasonable commercial terms with the owner to cases of national emergency or other circumstances of extreme urgency or in cases of public non-commercial use”, is to be preferred. This is moreso in a climate where inventions can be subsumed for public commercial uses.

As I have outlined above, the difficulty will be that if the government has commercial equality for these public commercial purposes, should it not have the balance of the indicia of private enterprise as outlined by Sundberg J in *MJA Scientific*. Is not the government like an animal raised in a domestic environ and thrown out to fend in the wild? As stated I do not believe government can undermine these rights by a sideways shift to circumvent the design but slight aesthetic changes to the design or by deleting an essential integer of a patent.

Perhaps the government can act responsibly to patent owners, the community and amongst competitors if it undertook to do what the design and patent systems were intended to do – encourage developments not of products and methods which do not advance the state of prior art, but actually utilize existing patents and designs to improve on the known prior art. If there is no improvement they should pay like the others.

As to the trend seen at least since 1990, there should be enquiry into the enforcement of the IP rights in question. If there were more teeth to the infringement provisions of these Acts and those rights were enforced quickly and more economically, perhaps competitors would not see the circumvention of these rights by reverse engineering so attractive. In this environment the government treatment of public services in a commercial environment would create less tension and be more harmonious with the encouragements through IP Australia and the international community.

Direction or control

As stated on page 1 of this submission, the patent and design regimes do not contain an equivalent to the “direction or control” provision contained in the copyright legislation (s 176).

It has been said that:

“The meaning of ‘by or under the direction or control of’ the Commonwealth or a State in ss. 176(2) of the Copyright Act 1968 is uncertain in the absence of judicial decision”. ^{xxxviii}

Some illumination of the term was given in the *British Broadcasting Company v Wireless League Gazette Publishing Company*, ^{xxxix} where it was determined that the work of the broadcasting station was not under the direction or control of the Postmaster General, notwithstanding that the station:

- could only broadcast matter to the reasonable satisfaction of the Postmaster General.
- was required to transmit a program of broadcast matter every day to the reasonable satisfaction of the Postmaster-General addition fees were payable to the Postmaster General ;
- paid a licence fee and any surplus income over 7.5% to the landlord; and
- was prohibited from amending its memorandum without the Postmaster General’s consent.

What is the relevance of this section in the copyright legislation to Crown use provisions?

The Crown use provisions establish a regime in patents and designs whereby remuneration is paid to the owner of the rights. As stated similar provisions are in the copyright regime. However, no

payment is due to be made to the inventor or designer in circumstances where the person/s was employed by the Crown to develop the technology that has lead to the invention or design.

Presently, this area is governed by common law with regard to patents, such law reflected in the designs regime in the recent *Designs Act 2003*.^{x1}

The recent case of *Victoria University of Technology v Wilson & Ors*,^{xii} highlights the difficulties a large institution has in order to ascertain whether in fact persons in their employ, who have patented a claimed invention arrived at the invention in the course of their employment. The mechanism of working under the “direction or control” of the Crown may be an additional layer that would calcify the rights of the Crown in respect of this issue.

In the *Victoria University* case, two employed staff were working on a particular project through the university. At one point they determined that the project was not going to progress as a project for the University and determined that they would form a venture with a third person and develop the products which were two related computer programmes related to online education.

It was determined by Nettle J that their endeavours were not in the course of their employment, although their conduct was in breach of fiduciary duties to the university. If the government funds internally research and development which leads to a patentable invention, it should be in a position to be granted the rights because they were developed under its development and control. The inventor or designer is at liberty to contract away from the provision if they feel that the work was outside the scope of their employment.

I acknowledge that this was not an issue raised in the Paper, but could be considered ancillary to the matters considered.

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ⁱ Page 6 of the Paper.

ⁱⁱ s 163 in Chapter 17 Part 2 of the *Patents Act 1990*;

ⁱⁱⁱ s 40A of the *Designs Act 1906* (s 96(1) of the *Designs Act 2003*);

^{iv} s 183 of the *Copyright Act* (Cth) 1968;

^v s 163(3) of the *Patents Act* and s 96(3) of the *Designs Act* (Cth) 2003. This clarification was added to the 2003 designs legislation as it was not a provision of the 1906 Act;

^{vi} Paragraph 3.4 at page 9.

^{vii} Paragraph 3.4 at page 10.

^{viii} The Paper refers to the citation [1999] FCA 1279, which relates to the main hearing of the infringement proceeding of a particular petty patent for the claimed invention. The issue of whether the Brisbane City Council was an authority of the State was determined in 1995 as one of a number of preliminary issues for determination by his Honour Cooper J. His reasons are found at (1995) 131 ALR 333 (decision 4 August 1995);

^{ix} Page 5 of the Paper;

^x Page 10 of the Paper;

^{xi} I will refer to Stack and the registered patentee by assignment, G S Technologies Pty Ltd as “the Stack interests” for convenience;

^{xii} Repealed s 68 of the *Patents Act* (Cth) 1990.

^{xiii} Order made by Kiefel J 24 April 1996 (see statement of facts in reasons Cooper J [1999] FCA 1279 at [9]).

^{xiv} *Stack v Brisbane City Council* (includes corrigenda of 9 May 2000) [1999] FCA 1279 (15 September 1999) the entitlement issue upheld on appeal by the full court Whitlam, Sundberg, Dowsett JJ in *Davies Shephard Pty Ltd And Others v Stack And Others* (No Q243 of 1999) — 51 IPR 513

^{xv} *Stack v Brisbane City Council* [2004] FCA 354 (30 March 2004) Cooper J.

^{xvi} An order for the revocation of the first petty patent was made by Cooper J on 10 May 2000: *Stack v Brisbane City Council* [2000] FCA 598 (10 May 2000).

^{xvii} s 20 of the Act.

^{xviii} *Advanced Building Systems Pty Ltd v Ramset Fasteners(Aust) Pty Ltd* (includes corrigendum dated 31 October 2001) [2001] FCA 1098 (13 August 2001).

^{xix} At [29].

^{xx} My paper delivered to the Queensland Law Society as part of its CLE programme May 2001 entitle “Intellectual Property – What Went Wrong!” (copy attached to the submission).

^{xxi} “Should the jurisdiction of the Federal Magistrates Service be extended to include patent, trade mark and design matters?” Advisory Council on Intellectual Property, November 2003.

^{xxii} *Advanced* at [3].

^{xxiii} The design provisions are also activated “At any time after a design application disclosing the design has been filed...” (s 96(1) of the *Designs Act* 2003.

^{xxiv} Order 44 r 7A of the Federal Court Rules.

^{xxv} The Paper paragraph 2.5 at page 5.

^{xxvi} S 163(1) of the Act.

^{xxvii} S 164 of the Act.

^{xxviii} *Liardet v Johnson (1778) 1 WPC 53.*

^{xxix} (1981) 1 48 CLR 551 at 559.

^{xxx} Clause 8 Constitution.

^{xxxi} His Honour Mr Justice Drummond of the Federal Court: “*Are the Courts Down Under Properly Handling Patent Disputes?*” delivered to the 14th IPANZ Conference in July 2000.

^{xxxii} 22 IPR 551 – first instance; 25 IPR 173 – appeal.

^{xxxiii} At 556.

^{xxxiv} 43 IPR 287.

^{xxxv} at 283.

^{xxxvi} ALRC 74 at paragraph 6.3; *Firmagroup Australia Pty Ltd v Byrne & Davidson Doors (Vic) Pty Ltd* (1987) 9 IPR 353.

^{xxxvii} [2003] FCAFC 310 (Mansfield, Emmett & Bennett JJ, 22 December 2003).

^{xxxviii} Laws of Australia at [434]

^{xxxix} (1925) 1 Ch 443.

^{xl} s 13 of the 2003 *Designs Act* relevantly provides:

“A person mentioned in any of the following paragraphs is entitled to be entered on the Register as the registered owner of a design that has not yet been registered:

(a) the person who created the design (the *designer*);

(b) if the designer created the design in the course of employment, or under a contract, with another person—the other person, unless the designer and the other person have agreed to the contrary; “

^{xli} [2004] VSC 33 (Nettle J, 18 February 2004)