

Guide to intellectual property law

A guide for community organisations in Australia on creating and protecting intellectual property

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Overview

**Why is intellectual property
important?**

Why is intellectual property important?

This guide aims to give a broad overview of intellectual property and some of the key issues community organisations face regarding their intellectual property.

What is intellectual property?

Intellectual property (IP) is property that results from intellectual and creative efforts. Ownership rights attach to IP.

Why is intellectual property important?

Your community organisation's IP is an **asset** and **identifier** and also **protects** the organisation's rights:

asset	<ul style="list-style-type: none">• IP can be a financial asset to be exploited to raise funds for your community organisation and help it achieve its purposes
identifier	<ul style="list-style-type: none">• Members of the public refer to your IP to identify and differentiate your organisation (and its services) from other organisations (and their services).
protection	<ul style="list-style-type: none">• IP also plays a critical role in your organisation's ability to protect its reputation, goodwill and creative endeavours

Your organisation must take care not to infringe the IP rights of others – even unintentionally. If you infringe another's IP rights, there are likely to be undesirable consequences, including legal action against your organisation.

How will intellectual property be created in my organisation?

If you are setting up a new community organisation, some of the first things you are likely to think about are choosing a name, a slogan and a logo to represent your organisation.

You might also plan to design a website, create advertising and marketing materials, or produce training materials for your volunteers.



If you work with a community organisation, you might revamp the organisation's fundraising merchandise, write a software program for the organisation's financial records, develop an action plan or report on the organisation's activities, or create photographic images for the organisation's use.

IP may be created by many of your organisation's activities, including:

- the choice and use of a name and logo for your organisation as well as the names or logos of individual programs, campaigns or services
- creating original publications, brochures, manuals, reports, fact sheets, action plans, annual reports and posters
- creating original promotional and advertising materials, including photographs, social media posts, merchandising, jingles and videos
- website design, content and potentially some elements of the layout
- original computer applications, programs or databases, and
- any patentable innovations and inventions

Always consider IP issues when doing these kinds of activities to make sure:

- your organisation doesn't make the mistake of infringing someone else's existing IP rights, and
- your organisation's IP is properly protected so it can stop others taking advantage of the goodwill and value in the IP



Note

IP is important at the start of every project and continues to be important.

How is intellectual property protected?

In Australia, IP rights are protected under Commonwealth legislation, as well as by common law (law developed by judges' decisions, rather than through legislation passed by parliament).

Types of intellectual property

The most common types of IP are summarised in the table below:

IP type	What does this IP type cover?
Copyright	Original forms of expression resulting from an author's effort (ie. not simply ideas). This includes literary, dramatic, musical or artistic works. Sound recordings, films, published editions and broadcasts are also copyright protected.
Trade marks	A trade mark may be a word, phrase, logo, sound, smell, shape, picture or any combination of these. They are usually brands, service or product marks and logos.
Patents	Inventions and innovations
Designs	Shapes, configurations, patterns and ornamentation of products



Confidential information	Information which the law recognises as being confidential in nature due to the circumstances of its creation and disclosure
Moral rights	Personal rights of the author or performer of a work to be attributed, not to have their authorship or performership falsely attributed, and to have the integrity of their authorship or performership maintained.

Different types of IP differ in terms of:

- what they protect
- how they are protected, enforced and exploited, and
- how long protection lasts

For example, in some instances IP protection is automatic and doesn't require any formal registration (such as copyright).

In other cases, you must formally register your IP and pay statutory application, registration and renewal fees (such as patents) to get protection.

We discuss these differences in further detail in this guide.

What about Indigenous Cultural Intellectual Property?

Indigenous Cultural Intellectual Property (**ICIP**) refers to the intellectual property rights of Aboriginal and Torres Strait Islander peoples in Australia. These are the rights that Aboriginal and Torres Strait Islander peoples have in their traditional arts and culture.

Australian intellectual property laws only protect some forms of ICIP.



For more information, see:

- The Arts Law Centre of Australia's webpage '[Indigenous Cultural and Intellectual Property \(ICIP\)](#)'

[IP Australia](#) (the Australian Government agency that administers IP rights and legislation for patents, trade marks and design rights) uses the term '[Indigenous Knowledge](#)' to refer to traditional knowledge and traditional cultural expressions of Aboriginal and Torres Strait Islander peoples.



For more information, including on how IP can protect Indigenous Knowledge, see:

- IP Australia's webpage '[Indigenous Knowledge](#)'

[Creative Australia](#) (previous called the Australia Council), the Australian Government's principle arts investment and advisory body, has developed [Protocols for using First Nations Cultural and Intellectual Property in the Arts \(Protocols\)](#).

While works by individual artists may be protected by copyright, Australian intellectual property laws often don't address broader issues relevant to ICIP – such as communal ownership or the protection of traditional symbols, songs, dances, performances or rituals.



The Protocols, which set out guidelines for responsible use of Indigenous cultural knowledge and expression, are relevant to organisations who engage with Indigenous peoples, communities and their cultural heritage.

**Note**

Artists who engage with work Indigenous peoples in projects that are funded by Creative Australia are required to comply with the Protocols as a condition of funding.



Part 1

Copyright



Copyright

Copyright protects original literary, artistic, dramatic and musical 'works' to the extent that these works are the original expression of the author.

It doesn't protect the underlying idea or concept of a work.

Once an original work has been fixed in material form (for example, written down, recorded or saved on a computer), copyright protection is likely to apply. In addition, recordings of sound and film, published editions (for example, books) and broadcasts are also protected.

The table below provides examples of common types of copyright material that may be created or used by not-for-profit community organisations:

Copyright materials	Examples
Literary works (text based material)	Books, software source code, letters, emails, written case studies, training materials, reports, fact sheets, articles, music lyrics, written website content and some types of databases
Artistic works	Logos, paintings, drawings, sketches, photographs, cartoons, graphic design work and computer-generated graphics
Musical works	Musical score for a song
Dramatic works	Plays and dance choreography
Cinematograph films	Videos, commercials and other moving images (such as on websites and social media channels like YouTube)
Sound recordings	Advertising jingles and podcasts
Broadcasts	A television or radio broadcast (not an on demand podcast or video)



Tip

Sometimes, an item may be the subject of more than one type of copyright. For example, a TV commercial may include separate copyright in the script, musical score, lyrics, sound recording and the cinematographic recording.

How does copyright arise?

In Australia, copyright protection is free and applies automatically when an original work or other material in which copyright vests (such as sound recordings, films, broadcasts and published editions) is created.

It's not necessary (nor possible) to register a work for copyright protection in Australia. This means that you don't need to do anything to get copyright, and legal protection exists from the moment the copyrighted material is created.

The *Copyright Act 1968 (Cth)* (**Copyright Act**) sets out the criteria for copyright to exist:

- there must be a **sufficient connection to Australia**
- the work must be **original**, and
- the work must be in **material form** (it must be in writing or some other 'hard copy' form)

The **connection to Australia** depends on what the copyright subject matter is.

For example, the connection to Australia can include that:

- the person who created the copyrighted material was a citizen or resident of Australia (or a country connected with Australia via an international treaty),
- the work was published for the first time in Australia (or a country connected with Australia via an international treaty), or
- the item was made in Australia (for sounds recordings, films and broadcast)

For the work to be **original**, the expression of the work must be the result of the author's choices, skill, labour or expertise. The work must not be merely copied from pre-existing material.

'**Material form**' includes modern versions of 'hard copies' such as documents or images stored in computer memory or other electronic devices.

Without a formal registration system for copyright, it can sometimes be difficult to determine whether published material is protected by copyright, and if it's protected, who owns the copyright. Organisations can maintain documents or other records showing how particular works were created, to prove this if required.

Copyright notice

To alert people to the existence of copyright, many copyright owners use the © symbol and an accompanying statement (like you might find in the opening pages of a novel, or at the bottom of a webpage).

In Australia, it's not compulsory to use the © symbol or copyright notices on material to claim copyright. However, it's often a good idea as it:

- clearly notifies others of your copyright ownership
- it may dissuade others from attempting to use your work, and
- can affect the consequences when infringements do take place



Examples of basic copyright notices

© XYZ Community Organisation 2019. All rights reserved.

or

© XYZ Community Organisation 2019. This material may be printed in hard copy by users for their own personal use, but must not be otherwise reproduced, published, performed, communicated to the public or adapted without prior written permission.

In the above examples, the reference to the year '2019' is the year of first publication of the material which is included so that others can determine whether the work is still protected by copyright.

In the first example, the words 'all rights reserved' mean that the organisation intends to protect all its rights under copyright law. In the second example, the organisation is granting a licence to users to print the material in hard copy (without them needing to obtain further permission).

Who owns copyright?

When material subject to copyright is created for your organisation, or by people in your organisation, you should consider who owns the copyright in that material. There is a potential for misunderstanding about whether copyright is owned by the organisation as a whole, or by the person in the organisation who created it. This is a common issue faced by community organisations and we discuss this in greater detail in [part 7 of this guide: Ownership of IP](#).

As a general rule, copyright is owned by the creator of the material. There are exceptions to this rule.

Exceptions

For example, employers will generally own copyright in works produced by employees in the capacity of their employment. Another example is where works are subject to an agreement with a federal, state or territory government department. Unless the agreement specifies otherwise, there is a presumption that the copyright in any work produced under the agreement belongs to the government department. This rule applies even where the government department is not the creator of the material.

Assignment

It's possible for a copyright owner to agree (by clear written agreement) to transfer ownership of copyright in a work to another person or organisation. This is called an assignment of copyright, and can be executed before or after the creation of copyrighted material. This may be relevant where work is created on commission for your organisation (for example, a logo or website design).

If your organisation wants to own the copyright in material it commissions, or material created on a pro bono basis for them (for example by a volunteer), it should enter into a written agreement with the creator that expressly states that the copyright in the material created will be assigned to your organisation. The agreement should be signed by the creator and your organisation.

Licence

It's also possible for one person to retain the copyright ownership in a work but to grant another person a licence to use the work in particular ways.



Example

Your organisation commissions a researcher to produce a report on behalf of your organisation. Your organisation may enter into an agreement with the researcher that provides that your organisation owns the copyright in the report, but the researcher may be given a licence to use the work on certain terms – such as publishing the report within a broader academic study.



As with transfers of copyright ownership, any agreement to grant a licence should be made in writing. The type of information you should include in a licence is covered in greater detail in [part 9 of this guide: 'Selling and Licencing IP'](#).

What rights does copyright protection give the owner?

Subject to some exceptions, the owner of copyright has the exclusive right to do certain things with the material. This includes:

- making copies or reproductions of the copyright material (for example, making a scan or print of a photograph or drawing, or creating copies of a film or sound recording)
- for works, being the first to publish the work in Australia (for example, in hardcopy or electronic form)
- performing the material in public (for example, presenting at a conference or training session, playing a sound recording in restaurant, or showing a film at a cinema)
- for literary, dramatic or musical works, making an adaptation of the material (for example, translating a book into a different language)
- communicating the material to the public (for example, making it available via the internet, or transmitting it electronically)
- for sound recordings and computer programs, to rent out copies of these commercially



Tip

It is important to remember that copyright only protects the way material is expressed.

It doesn't protect the ideas in copyrighted material. This means, for example, that while the actual text of an organisation's training materials will be protected by copyright, the ideas in the materials are not.

How long does copyright protection last?

The duration of copyright protection depends on the subject matter of the work, when it was created, when it was made public, and whether the creator's identity is known.

For most material, copyright protection will last for at least 70 years.

How is copyright infringed?

Copyright is generally infringed if someone, who is not the owner of copyright, exercises one of the copyright owner's exclusive rights (such as making copies of the material) without the owner's permission.

Even if only part of the material is used, infringement will still occur if it is an important and substantial part (such as a short paragraph that summarises the entire text).

A person may also be liable for copyright infringement if they are found to have authorised another person's infringing conduct. 'Authorising' can mean requesting or directing someone to carry out an infringing act, or allowing someone working under your supervision or employment to infringe copyright.

Examples of uses of material that may infringe copyright include:

- photocopying, emailing, broadcasting or printing material
- recording a video that incorporates music that is subject to copyright protection, or
- communicating material to the public by making it available on a website

There are a limited number of exceptions to copyright infringement, including fair dealing for the purpose of research and study, parody and satire, or reporting the news. However, there is no general exception for not-for-profit community organisations. Therefore, if your organisation wants to use the copyright material of



another person or organisation, it should first seek and obtain permission from the copyright owner before doing so.

If your organisation is concerned that its copyright has been infringed by someone who has used its material without permission, there are a number of options to address the problem. These include:

- asking the infringer to stop using the material
- asking the infringer to properly acknowledge the source of the material (for example by attributing the material to your organisation) or pay your organisation a fee equivalent to a licence fee your organisation would have charged if it had authorised the use of the material by the infringer, or
- taking legal action to seek remedies such as damages to compensate for loss resulting from the infringement of your organisation's copyright

When choosing between the different options, it's important that your organisation is clear about what it wants to achieve. This could range from wanting the infringer to simply stop using the copyrighted material without properly acknowledging the real owner, or requesting that compensation be paid as a result of the breach.

If there has been no real 'loss' to your organisation, the best course of action may be to simply write to the infringing party directly and ask them to stop the infringing activity, by either properly acknowledging your organisation or removing the material.

If you are not able to resolve the matter this way, your organisation can engage a lawyer to write a formal letter of demand to the infringing party which sets out the basis for the infringement claim, the action that should be taken by the other party, and the timeframe for taking that action.

Finally, if the matter is still not resolved, the organisation could consider court proceedings. Organisations should be aware that as a general rule they have six years from the time the infringement occurred to bring an action for breach of copyright.



Caution

Court action is generally expensive and time consuming, so you should always consider whether taking court action will be worth the time and cost involved.



Part 2

Moral rights

Moral rights

Moral rights are personal rights that belong to the individual author or performer of copyright material. They are separate to copyright and cannot be waived or assigned, although the person who has the moral rights can consent to certain uses of their material.

Moral rights comprise the right to:

- be properly attributed as the author or performer of material
- not have material falsely attributed to someone else, and
- not have material treated in a 'derogatory' way

In practice, the moral rights provisions of the Copyright Act mean that your organisation must, in addition to not infringing the copyright in materials:

- correctly acknowledge the person who created the copyright material if it's reproduced (in addition to seeking permission to use copyright material, or even if you own copyright), and
- not use that material in a derogatory way

'Derogatory' is generally taken to mean that material is treated in a way which would be damaging to the creator's reputation or honour.

However – there is a defence of reasonableness – and the Copyright Act sets out a range of matters to be taken into account in determining what is reasonable in the circumstances.

To be safe, your organisation should always try to contact the author of material before using it for its own purposes. Your organisation should explain how and for what purpose the material is intended to be used (this is in addition to any actions it may need to take to ensure it is not infringing copyright) and seek written consent from the author or performer for its use or alterations of copyright material.

Your organisation should also try to secure consent from the creators of copyright material it commissions or uses, so that your organisation may use the copyright material in any way which might otherwise infringe the creator's moral rights. If you don't secure a consent of this nature, your organisation may find it's not able to amend, publish or otherwise use the copyright material to meet its business needs.

This consent should be included in contracts with employees and volunteers and contracts entered into by your organisation to commission the creation of copyright material or secure an assignment of copyright material to it.



Part 3

Trade marks

Trade marks

A trade mark is a mark or sign which is used to distinguish goods or services of one person or organisation from those of another.

A trade mark may be a word, phrase, logo, sound, smell, shape, picture or any combination of these.

Trade marks can be registered to secure exclusive rights and prevent others from using the same or a similar trade mark in respect of particular goods or services.

Trade marks are often confused with business and company names or domain names. Although these names can include a trade mark, it's important to understand that the registration of a business, company or domain name does not of itself confer any exclusive rights in the name, while registration of a trade mark with IP Australia does.

How are trade marks protected?

Registration of a trade mark affords the strongest form of protection as this provides the owner with the exclusive rights to use the trade mark for particular goods or services. Where an organisation has used a trade mark but has not registered it, it's much more difficult to establish that the organisation has any rights in the mark. Whether the organisation will have rights in the mark depends on the organisation being able to show that it has a reputation in the trade mark from its use of the mark.

Unregistered trade marks - passing off and Australian Consumer Law rights

Trade marks used by organisations that have not been registered don't provide organisations with any exclusive rights.

However, where the organisation can show that it has an existing reputation in a particular mark, the law may step in and prevent others from carrying out particular conduct relating to the use of that mark.

This is by operation of the tort of 'passing off' and certain actions available under the Australian Consumer Law (which is set out in Schedule 2 to the *Competition and Consumer Act 2010 (Cth)*) (**Competition Act**) that relate to misleading and deceptive conduct or false representations.

However, these types of claims can be difficult to prove, and are typically more expensive and time consuming than claims arising from the infringement of a registered trade mark.

Registered trade marks

Trade marks are registered under the regime set out in the *Trade Marks Act 1995 (Cth)* (**Trade Marks Act**). The registration process is administered by an Australian Government agency called IP Australia. Its website is at www.ipaustralia.gov.au.

A registered trade mark gives the owner the right to:

- exclusive use of the trade mark throughout Australia in relation to the goods or services for which it is registered, and



- indefinite protection (there is no time limit), provided the trade mark is used consistently and the periodic government renewal fees are paid

Unless a trade mark is considered to lack distinctiveness or be too similar to an existing trade mark application or registration, there is no need to prove an existing reputation in the brand in order to get the mark registered. Therefore, an organisation can often register a trade mark even before it has started using it.

What can be registered as a trade mark?

Essentially, any mark or sign used or intended to be used to distinguish a brand or product can be registered as a trade mark under the Trade Marks Act. This can be a logo, shape, word, or even a colour or sound.

A mark might distinguish a brand or product because:

- it is 'inherently adapted' to distinguish the owner's goods or services (this means the mark is unique or distinctive – like APPLE for computers)
- the owner has established a sufficient reputation in its trade mark, by virtue of its use of the mark in respect of the claimed goods or services (which can be a useful argument if the mark is not otherwise unique or distinguishable), or
- the trade mark is extremely 'well known' generally, even if it has not been used for the claimed goods or services – such as MCDONALD'S

If any one of the above points can be satisfied for a class (or classes) of products or services, a mark will generally be registrable as a trade mark, provided that the mark is not:

- scandalous or contrary to law
- the same as or similar to an earlier filed mark on the Australian Trade Marks Register or, if the application is opposed by a third party, an unregistered mark currently being used in the market place, or
- likely to deceive or cause confusion (for example, if McDonald's was using a 'golden arch' logo that was not registered, and another fast food brand tried to register a very similar 'golden arch' logo, McDonald's would be able to oppose the registration based on McDonald's prior use of the 'golden arch' logo).

Generally, it's not possible to register a mark that is generic, or descriptive of the quality or characteristic of goods or services to which it relates. For example, it's likely that in the absence of a significant market reputation, a mark containing one of the following would be difficult to register (and possibly protect) as a trade mark:

- words that describe the aim or purpose of an organisation (for example, 'Charitable Organisation' for a charitable organisation)
- words that describe the quality of goods or services (for example, 'Best Services')
- words that describe an intended purpose (for example, 'Research Organisation'), and
- common surnames or geographical place names (for example, 'Smith' or 'Tasmania')

Trade mark registration

A trade mark application must be filed with IP Australia. IP Australia will examine the application to determine whether the trade mark is available for registration and complies with the Trade Marks Act.

When applying to register a trade mark, an applicant must specify a class or classes of goods or services that the protection relates to and also identify the particular goods and services. Goods and services are divided into 45 classes – the [full list of classes](#) is available on IP Australia's website.

Registration will only protect use of the trade mark for the registered goods or services and similar goods and services. A mark can be registered in multiple classes.

Choosing classes

The choice of class for registration will depend on the nature of your organisation and the goods or services your organisation offers. More than one class can be chosen for a trade mark registration, however the

costs increase with each class you include. For example, a trade mark used by a not-for-profit organisation that wishes to retail branded merchandise including clothing could be registered in the following classes to get relevant protection:

- Class 25: Clothing, footwear, headgear, and
- Class 35: Retail services.

But – before using or applying to register a trade mark, an organisation should:



Trade mark searches

It's necessary to conduct a thorough search of the Australian Trade Marks Register and market enquiries for the following reasons:

- As trade mark registrations grant exclusive rights, an earlier trade mark application or registration for a mark which is the same or similar to your organisation's proposed trade mark may be a barrier to registration. IP Australia provides a paid 'TM Head Start' service that can assist with this process, or you may consult an independent IP professional.
- Your use of a trade mark that is the same as or similar to a mark already in use may be 'passing off' or misleading or deceptive conduct in contravention of the Australian Consumer Law. Market enquiries may include searches of the internet, directories, media searches, trade journals and business, company and domain name registers. Again, an IP professional can assist with this process.

Once you are satisfied that your trade mark is distinctive and unique compared to other brands, the next step is to file an application with IP Australia in the relevant class or classes of goods or services.

The application will then be examined by IP Australia. If the application is accepted by IP Australia, it will be advertised to give third parties an opportunity to oppose registration of the trade mark on certain grounds (for example, the trade mark is too similar to the opponent's mark or is not distinctive of the goods or services claimed).

Cost of registration

The costs to register a trade mark will depend on the nature of the trade mark, how you want to register it, and the number of classes to be covered by the application.

A statutory application fee is payable for each class (see IP Australia's website for details). If you engage an IP professional they will be able to help you maximise the chances of a smooth registration.



How long does an Australian trade mark registration last?

The time that it takes to achieve registration of a trade mark can vary, from a little under a year to over two years. Once registered, registration rights are backdated to the 'priority date', which is usually the date the application was filed with IP Australia. The initial registration period is 10 years from the date the application was filed.

At the end of that 10 year period, the registration can be renewed every 10 years for an indefinite period (a statutory renewal fee is payable).

Maintaining trade marks

Registered trade marks

To make sure a registered trade mark keeps its exclusive rights it must be used regularly and consistently. It should be used in substantially the same form or style in which it has been registered on the register. The way your organisation uses its trade marks might change over time. For example, your organisation may rebrand or decide to change its colours or update its logo. Your organisation should periodically check that its use of its trade mark reflects the mark as registered.

If your organisation has started to use an updated trade mark it may be necessary to file a new application for the updated version.

Registered trade marks can be challenged by a third party who wants to use the mark. A basis for challenging a mark could be that the mark has not been used for a period of three years in respect of the registered goods or services (or some of them), or is being used in a generic or confusing manner.



Tip

Once your trade mark has been registered, your organisation must be prepared to 'use it or lose it'.

This means the trade mark should be used regularly in its registered form for the registered goods or services.

Registered trade marks should be used with the ® symbol. A suitable footnote that describes the ownership of the trade mark can also be used. For trade marks that are not yet registered, the ™ symbol can be used to indicate that the mark is being used as a trade mark. However, you should not use the ® symbol or the ™ symbol unless you have registered, or applied to register, your trade mark.



Examples

XYZ Communities®

XYZ Communities® is a registered trade mark of XYZ Communities Inc.

ABC Communities ™

If a third party uses your trade mark for the same or similar goods or services as those listed in your registration, you can take legal action against them. See part 8 of this guide for more information.

When are trade mark rights infringed?

Registered trade marks are infringed if the same or a similar mark is used without the trade mark owner's permission in relation to the same or similar goods or services for which the mark is registered.

Action can then be taken under the Trade Marks Act (which is the easiest course of action), but action could also be taken under common law (for 'passing off') or under the Australian Consumer Law (which is set out in the *Competition and Consumer Act 2010 (Cth)*) for misleading and deceptive conduct, or false and misleading representations.



For more information, see [IP Australia's Trade Marks Manual of Practice and Procedure](#).



Part 4

Patents

Patents

What is a patent?

An approved patent protects new, inventive or innovative products or processes once registered.

In Australia, the *Patents Act 1990 (Cth)* (**Patents Act**) provides for the registration of standard patents, which generally provide 20 years of protection.

To be patentable, a product or process must:

- be new or novel, in the sense that it doesn't already exist anywhere in the world and has not been publicly disclosed anywhere in the world
- involve an inventive step, in the sense that it must not be obvious to a person skilled in the same technological field as the invention, and
- be useful in the sense that it does what you say it does

If successfully registered, a patent provides the owner with the exclusive right to commercially exploit the invention or innovation in Australia, for the duration of the patent.

How is patent protection obtained?

Patent protection is not automatic. The Patents Act requires an application for a patent to be made with the responsible government agency, IP Australia. IP Australia assesses applications to determine whether your idea or invention satisfies all the criteria for registration.

The patenting process can be very complex. We recommend that you seek the expert assistance of an IP professional to prepare and file your application. The IP professional can also advise on overseas protection for the invention, and if appropriate, will arrange searches of the Australian Patent Register to determine whether your invention is similar to an existing patent or application.

Patent rights are granted on a country-by-country basis.

Cost of patent protection?

Patenting can be expensive, and this level of protection is generally only used for inventions or innovations that could potentially generate significant revenue.

Depending on the complexity of the application, the total cost of an Australian standard patent could well exceed \$10,000. Maintenance fees over the 20 year term are also substantial. Details of current fees are published on [IP Australia's website](#).



Patenting and confidentiality

It's critical to keep details of a new invention confidential, until a patent application has been considered and, if appropriate, filed. Public disclosure of the invention before this time may mean it is no longer 'new' and therefore can't be patented. If you wish to discuss your invention with another person (for example, a commercial partner, supplier, volunteer or financial backer), it's important to have them sign a confidentiality agreement before any discussions take place.

It's also important that you don't secretly use the invention before an application has been filed. Again, if the invention is disclosed or commercially used in any way, it may not meet the registration requirements and your patent application may be rejected. An IP professional can assist you with these issues.

Patent infringement

Generally, a patent is infringed by someone who uses the patent in the protected period without the consent of the patent owner.

Patent infringement is an extremely complex area. If you believe that your organisation's patent rights are being infringed, or if you are concerned that your organisation may be infringing someone else's patent rights, you should immediately consult an IP specialist.



For more information, see [IP Australia's webpage 'How to apply for a standard patent'](#).



Part 5

Designs

Designs

Design registration protects the overall appearance of a particular product. Protection is available for the shape of a three dimensional article or even a pattern on a two dimensional article.

Generally, the product must have a physical and tangible form, be manufactured or handmade, and be produced on a commercial scale.

A design registration does not, however, protect how a product actually works – it simply protects how the object looks.

To be registrable, a design must be 'new' and 'distinctive'.

'New' means that the same or a very similar design must not have been publicly used in Australia, and must not have been published in a document anywhere in the world. A design is 'distinctive' unless it is substantially similar in overall appearance to other designs already in the public domain, whether registered or not.

The initial period of design registration is five years from the date of filing. A design registration may be renewed for one further period of five years (making a total of 10 years' registration).

Design registration

Under the *Designs Act 2003 (Cth)* (**Designs Act**), applications for a design need to be filed with the responsible government agency, IP Australia.

Design applications only undergo a 'formalities check' before they are registered. After registration, there is an examination process where the substance of the design is assessed. This happens at the request of the design owner (not automatically) and often doesn't take place until the owner suspects its design has been infringed. The design owner may only enforce its design if examination has been completed and IP Australia has certified that the design is 'new and distinctive' in accordance with the requirements of the Designs Act.

Design protection can be very complex. We recommend that you seek the expert assistance of an IP professional to prepare and file an application. The IP professional can provide advice about overseas protection for the design and, if appropriate, will arrange searches of the Australian Designs Register to determine whether your design is similar to an existing design or application.

Cost of design registration

There are statutory fees payable for filing a design application as well as for requesting the design to be examined and renewing the design registration. These [statutory fees are published on IP Australia's website](#), and are in addition to any legal fees which may be incurred if you engage an IP professional to assist with the application process.



Design infringement

A registered design may be infringed when someone, without the authorisation of the registered owner, makes or deals in products that embody the design.

If you believe that your organisation's rights in respect of a registered design are being infringed, or if you are concerned that your organisation may be infringing someone else's design rights, you should immediately consult an IP specialist for further advice.

IP Australia has published a [Designs Guide](#) on its website.



For more information, see [IP Australia's webpage 'What are design rights?'](#).



Part 6

Confidential information

Confidential information

Confidential information is information that is confidential or secret to an organisation or person. To be considered ‘confidential’, the information must not be available in the public domain.

Examples of confidential information may include:

- an organisation’s client and contact lists
- internal pricing and funding information
- internal business processes
- marketing or business strategies
- recipes
- trade secrets
- other processes or strategies such as special maintenance or advertising processes
- inventions, or
- private personal information

Strictly speaking, confidential information is not property, although materials containing the information may be the subject of separate IP rights such as copyright.

If confidential information is passed on in particular circumstances, there may be obligations to maintain the confidentiality of that information. For example, employers often reveal confidential information to employees so that they can perform activities as part of their employment. The employee will be legally obliged not to use or disclose the information in a way that was not intended by the employer. Confidentiality obligations can also be set out explicitly in employment or engagement contracts.

Protection of confidential information lasts for as long as the information stays confidential. However, once confidential information has been disclosed (that is, made public) it will no longer be confidential and can’t be confidential again. Organisations should therefore make sure they have strict protocols in place to maintain the confidentiality of information.

How is confidential information protected?

As long as confidential information is stored and communicated in a particular way, the law may provide remedies (such as injunctions and financial compensation) if a person who receives confidential information breaches their duty of confidence.

This could happen if a person who receives confidential information discloses the information to others in circumstances where:

- the information is confidential (and is treated as confidential information). For example, where confidential documents are marked ‘confidential’ and access to them is restricted and secured



- the information was disclosed to the recipient in circumstances which indicate that the information is confidential and must be treated in confidence, and
- the use or disclosure of the information was not authorised



Tip

It may be appropriate to include a notice, such as the following example, on particularly sensitive material to demonstrate there is no intention to disclose the material publicly, and to remind recipients of the information of its confidential nature:

Important notice:

The information contained in this document is confidential information of XYZ Community Organisation and all copyright subsisting in any copyright works in this document is owned by XYZ Community Organisation. The information in this document is provided only for the purposes of **[insert authorised purpose]** and must not be disclosed, reproduced, published, performed, communicated to the public or adapted by any person for any other purpose, except with the prior written consent of XYZ Community Organisation. This notice must be retained on any copies or adaptations of all or any part of this document.

In some situations the law will assume that particular information must be treated confidentially by particular people. For example, this may arise regarding an organisation's employees, officers, or directors (or committee of management members) in respect of the organisation's internal confidential, commercially sensitive information.

Note that obligations to treat information in confidence don't necessarily extend to volunteers, students or contractors who may be involved in your organisation unless the confidentiality of the information is made very clear, or a confidentiality agreement is executed.

The best way to make sure people understand they are receiving confidential information is to mark the information as confidential or make sure the intended recipients of confidential information sign a confidentiality agreement.



Tip

A confidentiality agreement should:

- define the information that is considered confidential
- oblige the recipient to keep the confidential information confidential, and
- clearly define the limited purposes for which the confidential information may be used. For example, try to avoid general statements such as 'providing advice to the organisation' which is not as clear as 'providing advice to the organisation in relation to its options for the purchase of widgets'.

Confidentiality agreements

While organisations or individuals may be subject to legal obligations in respect of confidentiality arising from their transactions or dealings with other parties, a confidentiality agreement provides a more direct and immediate way to protect your rights in respect of confidential information.

A confidentiality agreement is an agreement between parties which sets out the terms and obligations applicable to confidential information which is received or shared between parties.



It is a good idea to ask people (like employees, volunteers or contractors) who may have access to sensitive information in your organisation to sign a confidentiality agreement before they start working with you. The confidentiality agreement may be a separate agreement (or deed poll) or a set of clauses in a larger agreement. For example, a contract to engage a contractor to do work on a database may include a clause or paragraph about the confidential nature of the information the contractor receives.

Even if all steps are taken to protect the confidentiality of information, there are circumstances in which disclosure can be required by law. For example, courts can impose an obligation that information (including confidential information) be produced to the court through a request known as a subpoena, where the disclosure of that information is considered to be in the interests of justice.



Part 7

Ownership of intellectual property

Ownership of intellectual property

To own any intellectual property that your organisation has developed, the organisation must have legal capacity to own the intellectual property.

Legal capacity to own intellectual property

Intellectual property rights are a form of property (similar to land, plant and equipment or shares). Only individuals and organisations which are recognised in law as having 'legal personality' (the capacity to enter into binding contracts) can own property directly.

Incorporated organisations

If your organisation is incorporated (such as an incorporated association or a company limited by guarantee) it can be the legal owner of IP rights. For example, your organisation can apply to register a trade mark using its own name. Even if the membership base of the organisation changes, the trade mark will remain the property of the organisation.

An organisation that is incorporated can also enter into a contract that requires another party (for example, a contractor or volunteer) to assign IP rights in work they create for the organisation to it.



For more information on incorporation, go to our webpage [What does incorporation mean, and should you incorporate?](#)

Unincorporated organisations

If your organisation is unincorporated, it can't legally own intellectual property in its own name. In this case, intellectual property must be held by a person or legal entity, on trust for the organisation.

One key disadvantage of not being able to own IP in the organisation's name (as an unincorporated association) is that over time it can become unclear who owns the IP rights. This is because membership of the organisation is subject to change, and the individuals who hold IP on trust may move on or die.



Tip

It's a good idea to designate someone in the organisation as a responsible person for maintaining a register of intellectual property owned by your organisation, including details of when it was created, by who, and any assignments of IP rights by creators to the organisation, or to someone who holds the property on trust for the organisation (if the organisation is unincorporated).

Ownership of copyright

As a starting point, the law generally provides that the creator of a work will own copyright in that work, even if the creator is paid to create the work for an organisation.

Some key **exceptions** to this general principle include:

- work created by an employee for an employer in the course of their employment by an organisation – in these circumstances the employer organisation will generally own copyright in the work
- a commissioned photograph, sound recording or film – in these circumstances, if the person creating the work is paid, the organisation commissioning the material will own copyright
- work that is made or first published, by or under the direction or control of, the Crown – in these circumstances, unless there is a contract providing otherwise, the Crown (the relevant state, territory, or Commonwealth department) retains the copyright, or
- where there is a written agreement in which the creator has expressly agreed to give (assign) all the copyright they may create to the organisation

Examples of common ownership scenarios for community organisations

Creator or author	Who owns the copyright?
An employee	<p>Under the Copyright Act, an employer owns copyright in materials created by the employee 'in the course of their employment'. Your organisation should be clear whether it is hiring someone as an employee or as an independent contractor (in the case of a contractor, a written assignment is required).</p> <p>Make sure all employees and contractors sign a written agreement that:</p> <ul style="list-style-type: none"> • clearly defines their status (employee or contractor) • defines the scope of their employment or engagement, and • provides that the organisation will own copyright in all materials created in the course of the employment or engagement (unless otherwise agreed)
A contractor (for example, a consultant) or volunteer	<p>If a contractor or volunteer creates copyright material for your organisation, they will continue to own the copyright in the material unless there is a written agreement to the contrary.</p> <p>It's important to reach an agreement with contractors and volunteers about copyright ownership before they begin creating material for your organisation, and to record this in a written document that is signed by that person.</p>



Students on work experience

Students on work experience are unlikely to be considered employees, so, unless ownership is assigned in writing, copyright material created by students during work experience will not be owned by the organisation.

Your organisation should:

- discuss copyright with the student and their institution, before the student joins your organisation, and
- arrange for a written agreement assigning copyright to your organisation if you wish to retain the rights to any work created by that student

Moral rights consents

As referred to above, moral rights are the rights of the author of a work and can't be assigned to another person or organisation. To avoid infringing the moral rights of employees, contractors or volunteers in works they may create for your organisation, make sure your organisation has written consent from authors and performers of material to use the material as your organisation requires.

This consent should allow your organisation to do certain things that might otherwise infringe the person's moral rights. For example, your organisation may not wish to identify the other person (for example, a volunteer) as an individual author of the work, or may wish to modify the work in future. In the absence of the author's consent, failing to identify the author may infringe the author's moral rights.

Ownership of trade marks, patents and designs

Trade marks

Generally the first person to use a trade mark, or the first person to apply to register a trade mark with IP Australia, will be the owner of IP rights in the trade mark.

Therefore, if your organisation has developed a new brand name, logo or slogan, it's advisable to conduct searches and carefully document when your mark is first used and lodge a formal trade mark application.

If another organisation uses or applies to register the same or a similar trade mark before your organisation in respect of the same or similar classes of goods or services, you may find that your organisation can't use its preferred mark or is liable for trade mark infringement.

Patents and designs

A patent or design, or the right to apply to register rights for such, may be owned by:

- the inventor or designer
- a person who has taken an assignment of the inventor's or designer's rights, or
- the employer of the inventor or designer, where the item was created in the course of employment.

In Australia, the first person to file a patent or design application with IP Australia for a particular patent or design will be considered to have first rights in that item, but the registered right will only be valid if the person who filed the application was legally entitled to do so. This position may differ in some other countries.

Again, it's important to document the creation process and if appropriate, to file a patent or design application as soon as possible, to make sure your application is not second in time to someone else's application for a similar invention or design.

Joint ownership of intellectual property

If more than one person creates material, then IP rights in the material may be jointly owned by the creators. Joint ownership of IP is complex and will vary depending on the type of IP right created. For example, joint owners of copyright are not entitled to exercise the rights of copyright ownership without the consent of all the owners. These issues can be avoided by having the entire interest in particular IP rights assigned to one party.

If you are concerned about how jointly owned IP rights can be legally exploited, we suggest you consult an IP lawyer.



Part 8

**Protection and infringement of
intellectual property**

Protection and infringement of intellectual property

Different types of IP are protected in different ways. If someone is using your organisation's IP without permission, consider acting quickly, as a delay could prejudice your organisation's rights.

However, you must also be careful that you are justified in taking action. Protection of IP rights is a difficult area and your organisation may wish to seek advice from an IP professional.

Essentially, a person or an organisation infringes the IP rights of another person or organisation if they use that person or organisation's IP without the owner's consent. Ignorance is not a defence to infringement.

Your organisation should take the steps covered in this part of the guide to make sure it doesn't infringe the IP rights of others.

Enforcing your organisation's IP rights

Gather information

If you suspect that your IP rights are being infringed, quickly find as much information as possible about the alleged infringement and gather evidence of this, including details and documents showing:

- where, when and what infringing activity took place, and
- who was involved in the infringing activity, including company names, ACNs and other contact information, and any evidence of the infringement (for example, webpage printouts, photographs of use of IP, trap purchases of infringing goods)

Seek legal advice

Once you have gathered this information, seek legal advice. An IP professional will be able to review your IP rights, together with the alleged infringing activity, and assess whether your IP rights are being infringed.

Note – if unjustified threats of infringement proceedings are made, the person on the receiving end of those threats could take court action against the organisation.

Following confirmation by your IP professional that there is evidence that your IP rights are being infringed, you may consider taking actions, including:

- sending a letter to the alleged infringer asking them to stop the infringing activity (a letter of demand)
- out of court negotiations, or
- court proceedings



Caution

It's very important that you follow the advice of your IP professional. There can be serious financial and legal consequences if you make an 'unjustified threat' of legal proceedings against an alleged infringer.

Remedies

If you successfully enforce your IP rights in a court action, remedies that may be available include:

- an injunction (an order that the infringer stop the infringing activity)
- damages (compensation for the loss you suffered because of the infringing activity) or an account of profits (the profit the infringer made from carrying out the infringing activity). The owner of the IP must choose between damages or an account of profits, or
- delivery up (the infringing party must either give you all infringing material or destroy it)

Avoiding intellectual property infringement

Steps to minimise risk

Defending an infringement claim is a costly process, so your organisation should take steps to avoid infringing another person or organisation's IP.

Steps your organisation can take to minimise this risk include:

- before using a name or logo, conduct searches of the '[Trade Mark Register](#)' and other public sources to make sure your proposed trade mark doesn't infringe someone else's trade mark or engage an IP professional to do this
- look for copyright and trade mark notices to identify IP rights and the owners of those rights
- make sure your employees, contractors and volunteers understand their basic responsibilities under IP law and assign any IP rights they may have in material they create for you to you
- seek permission in writing before using another person or organisation's material. It's not a defence to say the organisation didn't know that a particular person owned the IP in particular material, and
- keep records of the permissions received



Tip

The internet is a high risk area. When designing and populating your website and creating content for social media, be very careful that you don't inadvertently infringe someone else's IP. In particular, don't:

- use another person's trade mark, logo or graphic as a link symbol, or
- take material from another website to use on your website without permission (including photos and other artistic works, and text)

As noted above, to avoid infringing moral rights, consider entering into written agreements with relevant people that provides consent to your organisation doing certain things that might otherwise infringe moral rights.

If your organisation is accused of intellectual property infringement:

- seek legal advice, and
- if you consider the accusation has substance, stop the allegedly infringing activity as soon as possible



Part 9

Selling and licensing intellectual property

Selling and licensing intellectual property

Intellectual property rights are ‘property’ that can be gifted, sold or licensed to another person or organisation.

If your organisation owns IP, it’s generally able to:

- sell the IP rights to another person or organisation (transfer for payment), and
- license the IP rights to another person (allow them to use the IP for free or for payment)

Your organisation can also purchase and license IP rights from third parties.

There may be tax and stamp duty consequences which flow from the assignment or licence of IP rights, including GST, CGT, transfer pricing and withholding tax. You should discuss these issues with an appropriate adviser before entering into an arrangement.

Assigning or licensing your intellectual property

An agreement to assign or license IP is a legally binding contract. An assignment or licence should be in writing and signed by both parties.

The types of issues you may wish to include in an assignment include:

- a definition of the IP to be assigned
- the amount to be paid for the assignment (the consideration)
- the duration of any trade out or hand over period, and
- warranties and indemnities as to ownership of the IP and confirmation that the IP does not infringe third party rights

The types of issues you may wish to address in a licence include:

- the permitted uses of the material (for example, in the case of copyrighted material, the licence may permit copying but not broadcasting, and the copying may be limited to copying for a particular purpose)



• the term or duration of the licence	<input type="checkbox"/>
• whether the licence is exclusive or non-exclusive	<input type="checkbox"/>
• whether the licence is transferable (if you don't want the licensee to be able to allow other people to use your IP, the licence should stipulate that it is 'non-transferable' and the right to sub-licence should be excluded)	<input type="checkbox"/>
• the territory in which the licence will operate (for example, the licence may be limited to Australia and may be exclusive in one part of Australia but non-exclusive in another part)	<input type="checkbox"/>
• a dispute resolution process, in case there is a dispute between you and the licensee	<input type="checkbox"/>
• details of any payments, including royalties payable	<input type="checkbox"/>
• grounds for terminating the licence	<input type="checkbox"/>
• performance obligations or key performance indicators of the licensee, if appropriate, and	<input type="checkbox"/>
• confidentiality obligations, if appropriate	<input type="checkbox"/>



An **exclusive licence** allows only the licensee to use your IP and excludes you (the licensor), from using your own IP during the term of the licence and granting other parties the rights to use the IP.

A **non-exclusive licence** allows both you (licensor) and the licensee to use the IP, and means you can grant multiple (non-exclusive) licences at once.



Tip

Your organisation should make sure it keeps proper records of all licences and that someone is responsible for checking, from time to time, that the licensee is complying with its obligations.



For more information on signing agreements see our webpage [Entering into contracts](#)

