

# INTELLECTUAL PROPERTY



**MERITAS®**  
LAW FIRMS WORLDWIDE

## GUIDE TO DOING BUSINESS IN AUSTRALIA





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LAW FIRMS WORLDWIDE

# GUIDE TO DOING BUSINESS IN AUSTRALIA AND NEW ZEALAND

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PREPARED BY MERITAS LAWYERS  
IN AUSTRALIA AND NEW ZEALAND



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## Guide to Doing Business in Australia and New Zealand

This publication has been prepared to provide an overview to foreign investors and business people who have an interest in doing business in Australia and New Zealand. The material in this publication is intended to provide general information only and not legal advice. This information should not be acted upon without prior consultation with legal advisors.

Meritas firms offer clients the ability to access high-quality legal services throughout Australia, New Zealand and worldwide. With nearly 7,000 business lawyers in over 200 cities, Meritas gives your company access to local counsel around the world.

Meritas firms:

- Offer high-quality, worldwide legal services through a closely integrated group of full-service law firms
- Are subject to rigorous selection criteria, ongoing service monitoring and periodic recertification reviews
- Provide global reach and access to local knowledge at market rates
- Offer coordinated service across jurisdictions
- Can be found on [www.meritas.org](http://www.meritas.org) which enables direct access to member firms through a searchable database of lawyer skills and experience plus links to contacts at each Meritas firm

There are over 170 lawyers in six firms across Australia and New Zealand providing clients a local legal partner with deep international resources. Our lawyers are supported by knowledgeable and conscientious patent agents, trade mark agents, notaries, administrative legal assistants, real estate law clerks, corporate clerks and litigation support specialists. We are closely integrated and strategically placed to deliver coordinated, efficient legal services.

The following currency notations are used in this book:

AUD Australian Dollar

NZD New Zealand Dollar

*Please be aware that the information on legal, tax and other matters contained in this booklet is merely descriptive and therefore not exhaustive. As a result of changes in legislation and regulations as well as new interpretations of those currently existing, the situations as described in this publication are subject to change. Meritas cannot, and does not, guarantee the accuracy or the completeness of information given, nor the application and execution of laws as stated.*

This book is intended to provide practical and useful insights into the 10 most common questions facing foreign investors and businesses:

1. What role does the government play in approving and regulating foreign direct investment?
2. Can foreign investors conduct business without a local partner? If so, what corporate structure is most commonly used?
3. How does the government regulate commercial joint ventures between foreign investors and local firms?
4. What laws influence the relationship between local agents or distributors and foreign companies?
5. What steps does the government take to control mergers and acquisitions with foreign investors of its national companies or over its natural resources and key sectors (e.g., energy and telecommunications)?
6. How do labor statutes regulate the treatment of local employees and expatriate workers?
7. How do local banks and government regulators deal with the treatment and conversion of local currency, repatriation of funds overseas, letters of credit, and other basic financial transactions?
8. What types of taxes, duties and levies should a foreign investor expect to encounter?
9. How comprehensive are the intellectual property laws? Do local courts and tribunals enforce them objectively, regardless of the nationality of the parties?
10. If a commercial dispute arises, will local courts or arbitration offer a more beneficial forum for dispute resolution to foreign investors?

Contributing to this book are the law firm members of the Meritas alliance in Australia and New Zealand. Each firm is comprised of local lawyers who possess extensive experience in advising international clients on conducting business in their respective countries. The firms were presented with these 10 questions and asked to provide specifics about their jurisdiction along with timely insights and advice. In a very concise manner, the book should provide readers with a solid overview of the similarities and differences, strengths and weaknesses of the states and territories of Australia and New Zealand.

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With over 55 years' experience Snedden Hall & Gallop is Canberra's most established independent law firm, with the skills and experience necessary to provide a full range of legal services to corporate, government, associated bodies and individuals. Our lawyers are among the most experienced practitioners in the territory, with many having been in practice for several decades. For over 55 years, the firm has utilised its skills and knowledge to provide a full range of legal services to companies, small to medium businesses and individuals across the ACT and surrounding region.

Snedden Hall & Gallop is dedicated to achieving the best results for our clients. Many of Canberra's most prominent businesses choose us as their legal counsel and have done so for several years and often several decades. Our lawyers are there for our clients in the best of times and the worst of times.

Snedden Hall & Gallop offers a range of legal services to both private and corporate clients, and specialises in the areas of:

- Business Law
- Dispute Resolution
- Employment Law
- Superannuation Litigation
- Migration Services
- Wills and Estate Planning
- Property Law
- Compensation Law

Snedden Hall & Gallop is committed to providing an unparalleled quality of service. We pride ourselves on the personal attention we give to every client, including a high level of client-to-lawyer contact. Our lawyers are always available for face-to-face conferences, and we have a policy of promptly responding to phone calls and emails. Additionally, our team is in constant consultation with each other, resulting in the efficient delivery of advice that draws on the vast expertise within our firm.

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Swaab Attorneys is a multi-award winning, mid-sized commercial law firm offering legal services across a number of core practice areas and industry groups. We are based in Sydney; Australia's largest city, with a population in excess of 4.3 million people.

Our firm is shaped by our Swaab Brand of Service: a set of service standards we aspire to meet in all of our dealings, both with colleagues within our business and with our clients. In August 2014, Swaab Attorneys was named a finalist in the ALPMA Thought Leadership Awards for the development of the "USB separation survival kit." Swaab has also been a finalist in the BRW Client Choice Awards for seven consecutive years and have won three times, the most recent win being Best Law Firm (rev under AUD50m) and Best NSW Firm at the 2012 BRW Client Choice Awards. But it's not just our client service that has been awarded, we have also appeared for four consecutive years on the BRW Great Place to Work list.

We have strong capabilities in most areas of commercial and corporate law. We practice in corporate structuring and commercial transactions, intellectual property, franchise law and employment, property, planning and projects, real estate transactions and all areas of commercial litigation. We also have a large private client practice servicing family law, estate planning and other "high net worth" personal services.

We have a number of international clients for whom we act as attorneys and agents to assist them with their introduction to Australia's business landscape and the development of their business in Australia.

Our clients are medium sized, fast growing businesses and publicly listed companies in various retail, property, health, and insurance and not-for-profit industries as well as property trusts, state government departments and local government agencies. By way of example our client base includes; a major commercial property trust (Investa Funds Management), a Canadian mining



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group (Red Lion Management), a Chinese commercial glass manufacturer (Austech Group), a subsidiary of a US owned rail freight and logistics company (Freightliner Australia), a global online marketing and research provider (Pureprofile Inc), Australia's largest online auction house (GraysOnline), one of Australia's largest supermarket retailers and one of the world's largest private hospital providers.

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MacDonnells Law is one of Queensland's largest and longest established independent law firms with 100 personnel, including 10 partners and 40 legal staff.

MacDonnells Law is unique in that it is the only independent law firm in Queensland to have full service offices in three of Queensland's major geographical, demographic and commercial centres, namely Cairns, Townsville and Brisbane.

For more than 130 years, the firm has offered state-wide legal services to commercial, insurance, government and individual clients throughout Queensland. Our connected, state-wide network gives us the unique ability to provide personal, local support from our regional offices, respond to client needs no matter where they are in Queensland, and ability to respond promptly regardless of the nature, size, complexity or duration of a matter.

Our firm is structured into five state-wide practice groups, comprised of highly experienced legal practitioners from all areas of law, including:

- **Commercial and Corporate:** contracts, commercial advisory, corporate law, property, intellectual property and conveyancing;
- **Dispute Resolution and Litigation:** insurance, industrial relations and employment, workplace safety, commercial disputes, trade practices law, debt recovery and insolvency;
- **Government:** government advisory, planning and environmental law, development advisory, building and construction, native title and cultural heritage.
- **Personal Law:** family law, collaborative law, asset protection and wills and estates.

At state-level, the firm plays an integral part in both the legal profession and business communities with the firm's senior personnel holding influential positions in key industry advocacy groups including the Australian Institute of





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Company Directors, Tax Institute of Australia, Urban Development Institute and Property Council.

The MacDonnells Law team also has a strong understanding of government processes and policy that impact commercial organisations, as we are a platinum partner to the Local Government Managers Association (LGMA), a strong supporter of the Local Government Association of Queensland (LGAQ) and provide legal services to several state government entities.



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## MADGWICKS

*Lawyers*

Madgwicks is a progressive Australian business law firm servicing local, national and international clients. Our staff pride themselves on responsive

legal services driven by a passion for client success.

The firm develops close working relationships with clients, providing practical commercial advice, focusing on legal solutions to achieve our clients' goals. Our clients view us as a crucial business partner as we have an intimate knowledge of their business, industry and the specific project. We position ourselves as a key element to the success of a project, and our clients view us as such.

The relationship between client and law firm is of extreme importance. Madgwicks places great emphasis on establishing an open, trusting and strong relationship with our clients. The value the firm places on relationships is reflected in the internal culture of the firm which has many long term professional and support staff employees.

The firm's clients include private and listed corporations, financial institutions, professional firms, business and private individuals. Madgwicks has clients in a diverse range of industries, including manufacturing, retailing, business services, energy, information technology, financial services, superannuation, building and construction, property development, transport, agribusiness, marketing, tourism and hospitality.

Our lawyers are skilled in handling the needs of overseas companies wishing to invest in Australia and are familiar with the rules and procedures relating to foreign investment in Australia.

### **Establishing operations in Australia**

Australia is a great place to do business and a safe place to operate a business. With a strong economy, Australia represents an attractive proposition for offshore companies looking to grow their global operations.

While Australia's stable Government and well established legal system make it a low risk place to invest, companies looking to start operations face a myriad of registration and compliance issues. It is essential to get the right professional advice prior to commencing operations to give your business the best chance to flourish.

### **Madgwicks expertise for inbound clients**

The core advisor for businesses planning to start up operations in Australia is a legal firm. Madgwicks has a team of highly experienced lawyers who:

- Are experienced in establishing businesses from offshore
- Have specific industry experience and knowledge
- Are accessible and eager to establish a long term relationship with an in-bound company looking to start up operations in Australia
- Provide a comprehensive range of services covering every aspect of business start up
- Are well connected in business circles with the ability to source other specialist advisors as well as facilitate alliances, suppliers and relationships with potential clients

Our legal services for business start-ups include:

- Structuring of business
- Employment contracts and workplace relations compliance
- Tax structuring compliance
- Intellectual property
- Commercial advice

We can also assist clients in respect to migration law matters as well as finding and leasing property and identifying other key service providers such as accountants and business advisors.

Services offered to Meritas members and their clients

- Free 30 minute consultation
- Introduction to key contacts
- Use of meeting rooms
- Advice on accommodation
- Immigration and relocation assistance
- Assistance with tickets to Melbourne events

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Williams + Hughes is a Western Australian law firm specializing in commercial law and commercial litigation and dispute resolution. We have offices in Perth, the State capital city, and Geraldton, Western Australia's largest regional city.

The firm was established in 1986 as one of Perth's first boutique commercial law firms. The firm grew quickly and attracted a wide range of quality work. We now act for a wide range of clients, including small to large businesses, private companies, public listed companies, multi-national groups and high net worth individuals.

Our primary focus is on commercial work, providing services in the business and corporate law, resources, commercial litigation and dispute resolution fields. We regularly act on complex, large matters against national and international global legal firms, and these firms regularly refer work to us where they are conflicted from acting. We operate in all civil and commercial jurisdictions and are particularly active in the Federal and Supreme Courts

Apart from English, we have staff members that speak Cantonese, Mandarin, German, French, Italian and Indonesian (various levels of competency).

What makes our practice unique is the way we work to deliver a positive outcome for our clients. We are creative and precise in our thinking, pragmatic in our approach, responsive to our client's changing needs and understand the importance of achieving practical commercial solutions.

A key differentiator is that we work hard to understand our client's industries. Often we become trusted business advisers, and are involved in the early stages of developing transactions rather than being brought in later to document agreed deals.

Our philosophy, **working in your favour**, has helped our practice grow over the last 29 years into one of Western Australia's most respected commercial law firms.

## TOP 10 QUESTIONS

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### **1. WHAT ROLE DOES THE GOVERNMENT PLAY IN APPROVING AND REGULATING FOREIGN DIRECT INVESTMENT?**

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The government regulates foreign investment through the Foreign Investment Review Board (FIRB), which is a Board within the Commonwealth Department of Treasury. One of its roles is to examine proposals by foreign interests to undertake direct investment in Australia and to make recommendations to the government whether the proposals are suitable for approval under the Australian government's policy. The ultimate decision whether a proposal is approved lies with the Treasurer.

FIRB is also responsible for monitoring and ensuring compliance with foreign investment policy.

Different rules apply depending on the nature of the proposed foreign investment, for example, an investment in residential real estate or commercial real estate versus in an Australian business. Whether FIRB approval is required for a proposed foreign investment may also depend on whether the proposed investment exceeds certain set monetary thresholds.

The application process for obtaining FIRB approval is fairly rigorous but is generally determined within 30 days of lodgement of the application, although this period may be extended.

### **2. CAN FOREIGN INVESTORS CONDUCT BUSINESS WITHOUT A LOCAL PARTNER? IF SO, WHAT CORPORATE STRUCTURE IS MOST COMMONLY USED?**

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Yes, there is no general legal requirement for a foreign investor to conduct a business with a local partner.

The most common corporate structure used in conducting business in Australia is a company, although other structures such as joint ventures, partnerships and trusts may also be used.

Even with a local partner, FIRB approval may be required.

### **3. HOW DOES THE GOVERNMENT REGULATE COMMERCIAL JOINT VENTURES BETWEEN FOREIGN INVESTORS AND LOCAL FIRMS?**

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Generally, the government does not regulate commercial joint ventures between foreign investors and local firms; however, the government may regulate the foreign investor through FIRB and other laws such as the *Corporations Act* (which regulates companies generally) and taxation laws.

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### **4. WHAT LAWS INFLUENCE THE RELATIONSHIP BETWEEN LOCAL AGENTS OR DISTRIBUTORS AND FOREIGN COMPANIES?**

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Broadly speaking the relationship between an Australian agent or distributor and an overseas supplier would be a contractual one governed by the same principles of contract law as the UK and other English speaking jurisdictions.

Under Australian tax law, the pricing of goods and services supplied under contract between an Australian agent or distributor and an overseas supplier is expected to be set on an “arms-length” basis. There are comprehensive and complex tax laws dealing with transfer pricing of goods and services imported to or exported from Australia for the purposes of protecting the revenue.

Where the Commissioner of Taxation forms the opinion that cross-border transactions have not been priced on an arms-length basis, the Commissioner has power to make compensating adjustments and impose penalties.

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### **5. WHAT STEPS DOES THE GOVERNMENT TAKE TO CONTROL MERGERS AND ACQUISITIONS WITH FOREIGN INVESTORS OF ITS NATIONAL COMPANIES OR OVER ITS NATURAL RESOURCES AND KEY SECTORS (E.G., ENERGY AND TELECOMMUNICATIONS)?**

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FIRB controls whether a foreign investor may invest in certain sectors. There are certain sectors where foreign investment will be prohibited or restricted or otherwise restricted as being against the national interest or as being against Australia’s national security. These include residential real estate, media, telecommunications and military (albeit FIRB approval may be granted in these areas in certain circumstances).

Even if a proposed foreign investment does not fall within a sensitive sector, FIRB has an overriding policy where approval may be declined where the proposed investment is against the national interest or is against Australia's national security.

## 6. HOW DO LABOR STATUTES REGULATE THE TREATMENT OF LOCAL EMPLOYEES AND EXPATRIATE WORKERS?

### LOCAL EMPLOYEES

Australia's system is strongly regulated by state and federal legislation. Companies that are trading corporations fall within the federal system of industrial relations presently administered pursuant to the *Fair Work Act 2009*.

Most blue-collar and clerical workers have their employment terms and conditions determined by reference to the National Employment Standards, and various awards and collective agreements approved by Fair Work Australia, a third party tribunal.

Senior executives and management more commonly have their terms and conditions of employment determined by reference to common law agreements negotiated directly between the employer and the employee. The terms of such agreements must still exceed the statutory minimum standards.

Workplace health and safety, discrimination, and workers' compensation for workplace injury are regulated by state or territory legislation.

### EXPATRIATE WORKERS

The terms and conditions for expatriate workers will greatly depend upon the type of visa arrangements approved by the Australian immigration authorities. Business people visiting from overseas can continue to enjoy the benefits of their home-based employment arrangements while undertaking short-term business activities in Australia. However, where visas are required, the employees will most commonly be required to be engaged as if they were employees fully covered by the Australian industrial relations regime and legislation referred to above. In any event, key legislation covering such issues as workplace health and safety and worker's compensation will apply to any person working in Australia.

## **7. HOW DO LOCAL BANKS AND GOVERNMENT REGULATORS DEAL WITH THE TREATMENT AND CONVERSION OF LOCAL CURRENCY, REPATRIATION OF FUNDS OVERSEAS, LETTERS OF CREDIT AND OTHER BASIC FINANCIAL TRANSACTIONS?**

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Generally, Australia does not have any exchange controls. The Australian dollar (AUD) is a floating currency widely and transparently traded, although the Reserve Bank may, from time to time, buy or sell AUD to smooth out unusual market events.

There are no restrictions on repatriation of profits back to overseas parents by way of dividends or loan repayments other than:

- The usual requirement that the Australian entity meet the solvency test of being able to meet its debts as and when they fall due, or
- In some cases, making sure the company does not fail the thin capitalisation test to ensure that its interest expense is fully deductible for tax purposes.

Local banks are generally well capitalised and sophisticated financial institutions. As such, they are accustomed to trading in foreign exchange and dealing with letters of credit and other trade-based securities.

There are, however, some reporting requirements in relation to the movement of large sums of money and there may also be financial sanctions imposed in relation to transactions involving certain countries, entities or individuals.

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## **8. WHAT TYPES OF TAXES, DUTIES AND LEVIES SHOULD A FOREIGN INVESTOR EXPECT TO ENCOUNTER?**

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For most operating companies the following taxes would be encountered by an Australian operation:

- Company tax at 30% on taxable income
- Withholding tax on any dividends to the extent that these are unfranked (i.e., franked dividends to overseas shareholders are free of withholding tax)
- Withholding tax at 10% on interest payable to an overseas party
- Withholding tax on royalties payable to an overseas party
- State duties on the acquisition of land and other assets including shares in a company



- In some cases, payroll tax on wages and salaries (a state-based impost)
- Resource Rent Tax (oil and gas only)
- Pay-as-you-Go withholding tax (on the salaries and wages of employees which is remitted directly to the Commissioner of Taxation and a credit allowed to respective employees on filing their income tax return)
- In some cases, Fringe Benefits Tax on non-cash compensation paid to employees

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## **9. HOW COMPREHENSIVE ARE THE INTELLECTUAL PROPERTY LAWS? DO LOCAL COURTS AND TRIBUNALS ENFORCE THEM OBJECTIVELY, REGARDLESS OF THE NATIONALITY OF THE PARTIES?**

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Australia is a member of World Trade Organisation and TRIPS, as well as the Berne, Paris and Rome Conventions, the Patent Co-Operation Treaty, the Madrid Protocol (for trade marks) and a member of other international IP treaties administered by the World Intellectual Property Organisation. As a result, Australia has a comprehensive intellectual property regime. It includes legislative regimes (e.g., *Copyright Act*, *Trade Marks Act*, *Patents Act*, *Designs Act*, *Plant Breeders Rights Act* and *Circuit Layouts Act*) and common law regimes (e.g., the protection of confidential information and common law trade marks). Australia's intellectual property statutes create both civil and criminal liability for infringements, but criminal prosecutions are rare. Where applicable, Australian intellectual property laws are enforced objectively (principally in the federal jurisdiction) and are enforced regardless of the nationality of the parties, subject to a principal of reciprocity in respect of copyright infringement such that Australia courts will only recognise copyrights of foreign nationals to the extent that courts of that national's country recognise an Australian copyright.

## **10. IF A COMMERCIAL DISPUTE ARISES, WILL LOCAL COURTS OR ARBITRATION OFFER A MORE BENEFICIAL FORUM FOR DISPUTE RESOLUTION TO FOREIGN INVESTORS?**

All Australian courts including federal, state and territory courts offer well-regulated dispute resolution processes. The *Civil Dispute Resolution Act 2011* requires parties to litigation to certify that they have taken genuine steps to resolve a dispute prior to commencing proceedings in the Federal Court. Increasingly these courts, generally with the support of litigants and their lawyers, are requiring that pro-active case management, mediation and other alternate dispute resolution processes be implemented as early as possible to resolve disputes without the costs and delays involved in full-blown trials.

Further, in September 2010, the Federal Attorney General's Department established a Mediation Standards Board for the accreditation and regulation of Australian mediators. Accredited commercial mediators may be sourced through accrediting organisations such as LEADR and Institute of Arbitrators and Mediators Australia.

Mediation is cross-jurisdictional and therefore increasingly attractive for the resolution of international disputes.

While arbitration is also available, with well-regulated commercial arbitration procedures in most jurisdictions, the growth in alternative dispute resolution processes has meant that in general terms litigants are less attracted to arbitration than they may have been in the past. The fact that arbitration is no longer seen as a significantly less expensive alternative than traditional court-based litigation is a likely contributing factor to this.

## INTELLECTUAL PROPERTY

There are a variety of laws dealing with the protection of intellectual property (IP) in Australia. These laws provide for the creation of legal rights to the exclusive use or ownership of copyright works and other subject matter, registered designs, patentable inventions, trade marks and other forms of intellectual property.

There are also various rights under the general law which protect, among other things, goodwill and confidential information.

Some principal laws protecting intellectual property are briefly discussed below.

For all IP rights, if a right is created by an employee during the course of and in performing the duties of employment, those rights are owned by the employer. Independent contractors own all rights in anything created under the contract.

### PATENTS

The law relating to patents is contained in the *Patents Act 1990*. This law is federal and operates throughout Australia. If a person seeks to obtain the exclusive and enforceable right to make, use or sell their invention in Australia, they must apply under the Act for a patent which gives the rights for a defined period (subject to maintenance fees). IP Australia administers patents in Australia.

The Act provides for granting of two distinct types of patent:

- A **Standard Patent** confers the exclusive right to make, use or otherwise exploit the invention claimed for a period of 20 years (upon payment of the annual maintenance fees).
- An **Innovation Patent** which replaced the petty patent in Australia on 24 May 2001, is a relatively fast, inexpensive protection option. Protection lasts for up to a maximum of eight years. The innovation patent system has been designed to provide protection for new products and improvements that, although not vastly different from existing technology, have significant commercial value. Applying for an innovation patent must also cover novel subject matter but does not require an inventive step, but rather only an innovative step.

Prior to applying for either a standard or innovation patent, it is possible to make a provisional patent application to establish a priority date for an invention which provides 12 months to file either:

- An Australian standard or innovation patent application
- An application under the Patent Co-Operation Treaty (PCT) designating Australia
- A patent application in one or more foreign countries

A complete application can also be made based on and claiming priority from an overseas provisional application or a PCT application that designates Australia.

In order to be “patentable” an invention must be a “manner of manufacture” that involves an inventive step (or innovative step in the case of innovation patents) and be commercially useful.

You cannot patent artistic creations, mathematical models, plans, schemes or other purely mental processes; however, Australia does consider software and certain business methods to be patentable subject matter.

Special care must be taken when filing a specification to ensure that the invention is accurately and completely described, and that nothing is disclosed prior to securing a valid priority date, as this publication will destroy novelty (subject to a limited grace period).

In all circumstances, it is advisable to consult a patent attorney before preparing the patent application. In Australia, only inventors or patent attorneys can file and prosecute patent applications. Only lawyers can prepare patent licences or other commercial documents and take enforcement proceedings in the courts. Registered patent attorneys are not lawyers but specialists in the preparation and ongoing prosecution of patent applications. All Meritas member firms in Australia have excellent contacts with patent attorneys.

Infringement proceedings are generally taken in the Federal Court of Australia.

The *Intellectual Property Laws Amendment Act 2015* allows for a single trans-Tasman patent attorney scheme and a single patent application and examination process for Australia and New Zealand. This is not yet in force, but is expected to commence before February 2017.

## COPYRIGHT

Copyright gives the owner the exclusive right in Australia to reproduce, publish, perform, communicate to the public (which includes broadcasting and electronic transmission), adapt from original literary works (including original computer programs) and original artistic, dramatic and musical works together with other protected subject matter such as films and sound recordings. Rights vary according to the nature of the work or subject matter.

Copyright subsists in:

- Unpublished original works where the author of the work is an Australian citizen or resident, or a citizen or resident of a member state of the Berne Convention
- Published original works where first publication of the work takes place in Australia, or the author of the work is a citizen or resident of a member state of the Berne Convention at the time the work is first published

The *Copyright Act 1968* governs copyright. This law is federal and operates throughout Australia. It does not rely on a system of registration. Protection arises automatically on the creation of an original work or protected subject matter.

“Fair dealing” in copyright works for the purposes of research or study, criticism or review, parody or satire, legal advice and reporting news is permitted by the *Copyright Act* without the owner’s permission.

The *Copyright Act* was amended in 2000 to provide for protection of electronic copyright material, and to allow digital copying of copyright material without permission in certain circumstances.

Copyright generally lasts for a period of 70 years after the end of the calendar year of the date of the author’s death for works (provided the work is published at the date of death), and 70 years from the date of publication for sound recordings and films (provided the work is published at the date of death). Copyright in broadcasts continues for a period of 50 years from the year in which the broadcast is first made.

Infringement proceedings are generally taken in the Federal Court of Australia.

Australia also grants to authors certain moral rights, which are separate from the economic rights of reproduction, publication and communication.

These rights are owned by authors even if the author never had any interest in the copyright. The rights cannot be assigned. Authors of works (and producers and directors of films) have each of the following moral rights:

- To be attributed as the author of the work or films
- Not to be falsely attributed as the author of the work or the film
- To prevent the work or film from being the subject of “derogatory treatment”

Each of these rights is only infringed if the act that is undertaken is, in all of the circumstances, unreasonable.

While these moral rights cannot be assigned, an author can consent to acts or omissions that would, but for the consent, amount to an infringement of those moral rights.

## **CIRCUIT LAYOUT RIGHTS (CLR)**

CLR automatically protect original layout designs for integrated circuits and computer chips.

Like copyright protection, there is no requirement for registration for the granting of rights to the owner of an eligible circuit layout design.

The owner of an original circuit layout has exclusive right to:

- Copy the layout in a material form
- Make integrated circuits from the layout
- Exploit it commercially in Australia

The maximum possible protection period is 20 years. The Attorney General's Department administers legislation relating to CLR.

### TRADE MARKS

A sign (such as a word, symbol, name, brand, letter, colour, scent, shape, sound or aspect of packaging or a combination of any of them) used as a trade mark in relation to goods or services provided in Australia is registrable under the *Trade Marks Act 1995*. This law is federal and operates throughout Australia. IP Australia administers trade mark applications and registrations.

In order to be registrable, a trade mark must be distinctive or capable of becoming distinctive, in that it is not directly descriptive of the character or quality of goods or services the trade mark is applied to, and must be dissimilar to any existing registered trade marks or pending applications.

The person who first uses (by use or by applying to register the trade mark in Australia) is entitled to be registered as the owner of the trade mark.

Trade mark clearance or entitlement to use searches can be a valuable part of the registration process, as they will identify marks that may potentially block acceptance or possible opposition or infringement actions.

It is also important to ensure that where an application is being filed following prior use in Australia, that application is made in the name of the entity that has used the mark; or the rights in the mark, including the right to file the application, have been validly assigned by the first user to the applicant entity. Failure to ensure that the application is made in the name of the correct applicant can lead to an invalid registration.

Registration of a trade mark gives exclusive rights for a period of 10 years. If the registration is renewed every 10 years, the owner of the trade mark may obtain exclusive rights in perpetuity.

It is also important to ensure that a registered trade mark is used, so as to prevent another party from seeking to remove the mark. Any person is entitled to bring removal proceedings for any mark that has been on the register for more than five years and has not been used for a continuous period of three years, ending on one month before the date the removal application is made. It is also possible to seek to remove a registered trade mark if it has been registered for less than five years, if it was filed without any intention in good

faith to use or authorise the use of the mark in Australia, and it has not been used at any time since filing.

Infringement proceedings are generally taken in the Federal Court of Australia.

In addition to registered trade mark rights, use of a mark, or name, may generate common law rights, which may entitle the user of that common law mark to restrain use, or oppose registration, of a deceptively similar mark.

Australia is a signatory to the Madrid Protocol which came into effect in 2001. This provides for the registration of trade marks in other countries, allowing a single application to be filed for protection in any or all signatory countries, based on an Australian trade mark application.

## DESIGNS

The look or shape of new and distinctive industrial designs applied to mass produced articles may be protected by registration under the *Designs Act 2003*. This law is federal and operates throughout Australia. Protection is granted for the appearance of the article and not how it works.

In order to be valid, the design must be new and distinctive when compared with the prior art base of the design as it existed before the priority date of the design. The design must be a visual feature, which includes the shape, configuration, pattern and ornamentation of the product. That feature may, but need not, serve a functional purpose. The feel of, or materials used, in the product are not visual features.

A registered design is unenforceable unless and until it is certified by the Registrar of Designs. Certification does not take place as a matter of course during the application process. Examination for the purposes of certification must be requested. This can be done by the applicant, or by any third party.

Registered designs for which a certificate of examination has been issued give the owner exclusive and legally enforceable rights in respect of the design initially for a period of five years. Registration can then be extended for an additional five-year period providing a total protection period of 10 years.

IP Australia administers designs in Australia.

Enforcement proceedings are generally instituted in the Federal Court of Australia. Infringement occurs if, during the term of the registration, and without the licence of the owner, a person makes, imports, sells, hires or otherwise disposes of, uses or keeps a product in relation to which the design is registered which embodies a design that is identical to or substantially similar in overall impression to the registered design.

## PLANT BREEDER'S RIGHTS (PBR)

PBR are used to protect new varieties of plants by giving exclusive commercial rights to propagate, market and sell a new variety or its reproductive material. Registered owners of PBR can direct the production, sale and distribution of the new variety, receive royalties from the sale of plants or sell their PBR to a third party. PBR protection lasts for up to 25 years for trees or vines and 20 years for other species.

Plant varieties can only be protected if they are a new variety or have been recently exploited. A new variety is one which has not previously been sold with the breeder's consent.

A recently exploited variety of plant is one which has been sold in Australia for a period no longer than 12 months before the lodgement of the application. These timeframes are extended for sales outside Australia as follows:

- Trees and vines up to six years
- Other varieties up to four years

IP Australia administers PBR.

To be eligible for PBR protection in Australia, the applicant must:

- Show that the new variety is distinct, uniform and stable
- Be able to demonstrate, by a comparative trial, that its variety is clearly distinguishable from any other variety, the existence of which is a matter of common knowledge

If the breeder is an overseas resident, the breeder must either appoint an agent or an Australian address to receive service of notices.

Enforcement proceedings are generally taken in the Federal Court of Australia. The *Intellectual Property Laws Amendment Act 2015* extends the jurisdiction of the Federal Circuit Court of Australia to include PBR matters (commencing 25 August 2015). The PBR in a plant variety is infringed by producing or reproducing, conditioning for the purposes of propagation, selling, offering, importing, exporting or stocking the material (or claiming that the person has a right to do each of those things) without the licence of the owner. PBR is also infringed if the person uses the name of the variety that is entered in the Register in relation to any other plant variety of the same plant class or a plant of a variety of the same plant class.



## TRADE OR BUSINESS NAMES

Any individual or company conducting business under a name that is different from that person's personal or company name (referred to as a trade or business name) must register the trade or business name in each state or territory in which the person conducts business.

Registration does not provide the registrant with any proprietary interest in the trade or business name and is a statutory obligation under the Federal *Business Names Registration Act 2011*. Prior to 2011, business name registration was controlled separately by each of the states and territories. In order to obtain national coverage, a business had to register separate business names in each state and territory. Under the *Federal Business Names Registration Act 2011*, there is now a single, national register, administered by the Australian Securities and Investments Commission (which also regulates corporations).

Registration does not protect the trade or business name but does ensure that an identical name cannot be registered by another person.

Registration of a business name or a company name is also one of the eligibility requirements for obtaining a .com.au domain name.

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