



Guide: Intellectual property law for Victorian
community organisations

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Overview - What is Intellectual Property (IP)?

If you are setting up a new community organisation, one of the first things you are likely to think about is a name, perhaps a catchy slogan and colourful logo to represent your organisation. You might also be planning to design a website, as well as produce training materials for your incoming volunteers. If you are working within an existing community organisation, then you might be revamping the organisation's fundraising merchandise, or writing a new software program to better maintain the financial records of the group.

Each of the activities described above involve the creation of content or designs through you or your organisation's original thoughts. There are a number of ways in which you can assert ownership over these creations, depending on the nature and form of the content. Ownership is referred to as 'intellectual property', or 'IP'.

The most common types of IP are:

| Type of IP | What IP can protect |
|-------------|--|
| Copyright | Expressions that are in material form (ie, not simply ideas) |
| Trade marks | Brands and logos |
| Patents | Inventions and innovations |
| Designs | Shapes, configurations and patterns |

While the different types of IP share a number of common features, they are also quite different in terms of:

- ▶ what they protect;
- ▶ how they are protected, enforced and exploited;
- ▶ the duration the of the protection; and
- ▶ the administration of the laws, including fees.

For example, in some instances, IP protection will be automatic and will not require any formal registration (ie, copyright), while in other cases there is a need for formal registration and payment of administrative fees (ie, patents). These differences are discussed in further detail within this guide.

Your community organisation's IP is unique and can be an important asset for your future success. IP allows members of the public to identify and differentiate your organisation and its services from other organisations. It is also an important way for your community organisation to protect its goodwill and creative endeavours.

Similarly, the IP rights of other organisations and individuals will be unique to them, and if your organisation infringes those rights, even inadvertently, that may lead to undesirable consequences, including legal action against your group.

In Australia, IP rights are protected under Commonwealth legislation, as well as by common law (law made by judges in cases over time). The IP rights discussed in this guide are supported by the laws of:

- ▶ confidential information;
- ▶ passing off / misrepresentation / trade practices (which protects reputation); and
- ▶ privacy (which protects personal information).

IP ownership may arise from any number of different activities that your community organisation runs on a regular basis. This will include:

- ▶ your organisation's name and logo and the names or logos of individual programs, campaigns or services;
- ▶ original publications, brochures, manuals or posters;
- ▶ original promotional and advertising materials, including merchandising, jingles and videos;
- ▶ website design, content and layout;
- ▶ original computer applications, programs or databases; or
- ▶ any innovations and inventions.

This guide aims to give a broad overview of IP and some of the key issues faced by community organisations when thinking about their group's IP.

Note: The information contained in this fact sheet is intended as a guide only, and is not legal advice. If you or your organisation has a legal problem you should talk to a lawyer before making a decision about what to do. The information in this fact sheet is written for people resident in, or affected by, the laws that apply in Victoria, Australia and is current at 1 June 2010.

Copyright

What is copyright?

Copyright protects the way in which an idea or concept is expressed. It does not protect the underlying idea or concept itself. Once an original idea has been materialised (eg, written down, recorded or saved on a computer), copyright protection is likely to apply.

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

| Copyright material | Some examples of material |
|----------------------|---|
| Literary works | Letters, emails, written case studies, training materials, articles, website content, databases and computer programs |
| Artistic works | Logos, paintings, drawings, sketches, photographs, cartoons, graphic design work and computer-generated graphics |
| Musical works | Written songs and lyrics |
| Dramatic works | Plays and dance choreography |
| Cinematographic work | Television commercials and moving images on websites |
| Sound recording | Advertising jingles and podcasts |

Tip: Sometimes, a work 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 our organisation get copyright?

In Australia, copyright protection is free and arises automatically upon creation. There is no requirement for formal registration and the protection will exist from the moment the copyrighted material is created and materialised.

The Commonwealth *Copyright Act 1968* (**Copyright Act**) sets out the criteria for copyright to exist. In summary, the Copyright Act requires that:

- ▶ the person claiming copyright must have a sufficient connection with Australia (eg, the author is an Australian resident, or is a resident of a country connected with Australia)

via an international treaty); or the work must have been published for the first time in Australia or a country connected with Australia via an international treaty;

- ▶ the work must be original; that is, it must not be copied from pre-existing material and in the case of a literary, dramatic, musical or artistic work, the author must also have used a sufficient degree of individual skill, labour or judgement to produce the work; and
- ▶ the work must be in material form (eg, it must be in writing or some other 'hard copy' form). 'Material form' will include storage in computer memory and other electronic devices.

Without a formal registration system for copyright, it can sometimes be difficult to determine whether material is the subject of copyright protection, and who owns the copyright. As a result, many copyright owners use the © symbol and an accompanying statement, as a way of alerting others to their rights. In Australia, it is not compulsory to use the © symbol or copyright notices on material in which you claim copyright, however it is often a good option for your organisation as it clearly notifies others of your IP ownership.

Two examples of basic copyright notices include:

© XYZ Community Organisation 2009. All rights reserved.

or

© XYZ Community Organisation 2009. This material may be printed in hard copy by viewers for their own personal use, but must not be otherwise reproduced, published, performed, communicated to the public or adapted without prior written permission.

In each of the above examples, the reference to the year '2009' is the year of first publication of the material.

Who owns copyright?

For work that has been produced by your organisation, you may wish to clarify who within your organisation actually owns the IP in a creation. For example, there is a potential for misunderstanding as to whether copyright is owned by the organisation as a whole, or the individual who created it. This is a common issue faced by community organisations and we discuss this in greater detail in the later section titled: '[Ownership of IP](#)'.

As a general rule, copyright is owned by the creator of the material. There are exceptions to this rule, for example, certain work produced by employees in the capacity of their employment. It is possible, however, for a creator to agree (via written agreement) to transfer ownership of copyright in a work to another person or organisation.

It is important that you are aware that even if your organisation pays someone to create work for you (eg, an external consultant), or if somebody offers to voluntarily create work for you, it is likely that

this creator will retain the copyright in that work. If your group wishes to own the copyright in this material, it should enter a written agreement which expressly transfers copyright from a third party creator to your organisation. The agreement can be a simple document, but it must refer to an assignment of the copyright, the amount or nature of the consideration paid or given for the work, and be signed by all parties.

What does copyright protection give the owner?

The owner of copyright has the exclusive right to do a number of things with the material, for example:

- ▶ copy or reproduce the material (eg, scan, photocopy or translate);
- ▶ publish the material (eg, in hardcopy or electronic form);
- ▶ perform the material (eg, present at a conference or training session);
- ▶ broadcast the material (eg, on radio or as a podcast);
- ▶ make an adaptation of the material; and
- ▶ communicate the material to the public (eg, publish on the internet).

Tip: It is important to remember that copyright only protects the way an idea is expressed. It does not protect the idea itself. This means, for example, that while the actual text and layout of an organisation's training materials will be protected by copyright, the ideas contained in the materials are not.

How long does copyright protection last?

For the majority of material, copyright protection will last for 70 years from the year the author of the material dies.

Example: Sam drafts an original training manual for a community organisation in 2009. Sam passes away in 2020, his copyright in the work will therefore continue to exist until 2091.

How is copyright infringed?

Copyright is infringed if someone uses copyrighted material without the owner's permission. 'Use' can include copying, transmitting, broadcasting and communicating to the public. Using a 'substantial' part of a work may also infringe copyright.

Examples of uses which may infringe copyright include:

- ▶ photocopying, emailing, uploading or downloading material;
- ▶ hyperlinking to another organisation's website and bypassing that site's 'homepage';
- ▶ recording a video or CD; or
- ▶ broadcasting material by a computer or mobile phone.

There are a limited number of exceptions to copyright infringement, including research and study, parody and satire. There is however, no general exception for not-for profit community organisations. This means that if your organisation wants to use the copyrighted work of another person or organisation, it must first seek and obtain permission from the copyright owner before doing so.

The *Copyright Council* is able to provide guidance to creators of original works on whether a copyright infringement has occurred. Contact details for the *Copyright Council* can be found on PilchConnect's IP page at www.pilch.org.au/IP/.

What to do if copyright is infringed?

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

Firstly, it is important that your organisation is clear about what you want to achieve from pursuing a potential breach of your copyright. 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.

Quite often, breaches of copyright occur as a result of the ignorance or laziness of another person. If there has been no real 'loss' to your organisation as a result of the potential breach, quite often it may be the best course of action to simply write to the other party and request that they stop the infringing activity by either properly acknowledging your organisation, or removing the material.

If the matter is unable to be resolved amicably, your organisation can write a 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.

If the matter is not resolved between the parties, the matter may have to proceed to more formal proceedings such as mediation or court. Organisations should be aware that as a general rule they have **6 years** in which to bring an action for breach of copyright. The 6 year period begins from the date of infringement.

Moral rights

What are moral rights?

Moral rights refer to personal rights that belong to the creator of copyright material. They are separate to copyright and cannot be waived or assigned, although the owner of moral rights can consent to certain uses of their material.

Moral rights include the rights to:

- ▶ be properly attributed as the author of material;
- ▶ not have authorship of material falsely attributed to someone else; and
- ▶ not have material treated in a 'derogatory' way.

Moral rights aim to protect the integrity of work and the creator by providing a safeguard for the creator's reputation and right to be properly acknowledged for his or her work. For example, the moral rights of an author will be infringed by breaching any of the rights listed above, without first obtaining the author's permission.

Moral rights were introduced in Australia by legislation in 2001. It is therefore not necessary to attribute the author if a work was produced before 2001, unless the work has been substantially altered since that time.

Proper attribution and treatment of material

It is important to remember that moral rights mean that not only should your organisation correctly acknowledge the author of material if it is reproduced, it must also refrain from using that material in a derogatory way.

'Derogatory' is generally taken to mean that material is treated in a manner which would be prejudicial to the creator's reputation or honour. To ensure you comply with this requirement, your organisation should always try to contact the author of the material before using it for your own purposes, and explain how and for what purpose the material is intended to be used.

If you are unable to contact the author of the material, you should consider whether you really need to use the material in the first place. You should accurately document any attempts you have made to contact the author. If the work is significantly old then it may be that the author has passed away. As moral rights finish with the death of the creator of the work, it is much less of a risk to publish older material without proper attribution.

Trade Marks

What is a trade mark?

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 include a word, phrase, logo, sound, smell, shape, picture, packaging or any combination of these.

Example: Registered trade mark for the Public Interest Law Clearing House (Vic) Inc:



This trade mark also includes the word '*PILCH*'

Class 45: Litigation services; legal advice; legal advocacy services; legal enquiry services; legal information services; legal research; legal lobbying services

Trade marks are often confused with business and company names. It is important to understand that unlike trade marks, the registration of a business or company name does not confer IP rights in the name, unless the name has been used extensively and has a significant market reputation.

How are trade marks protected?

Trade marks can be registered or unregistered – each provides varying levels of protection. Generally, registration affords the strongest form of protection, as it is often difficult to prove the existence of an unregistered trade mark. The differences between a registered and unregistered trade mark are discussed below.

Unregistered trade marks

Rights in unregistered trade marks arise by virtue of their use in the market place, specifically where that use results in a certain level of reputation amongst the public.

Unregistered trade marks include marks:

- ▶ for which registration is being sought (ie: applications), but which are not yet registered
- ▶ for which registration has been sought, but has been rejected
- ▶ which have never been the subject of an application for registration and have simply been used in the market place.

Proving the existence of an unregistered trade mark can often be difficult, as enforcement will require proof of an existing reputation.

Registered trade marks

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

The benefits of registering a trade mark include:

- ▶ exclusive right to use the trade mark throughout Australia in relation to the goods and/or services for which it is registered;
- ▶ a simplified process for taking action against someone who is using your trade mark without permission; and
- ▶ indefinite protection, provided the trade mark is used consistently and the periodic government renewal fees are paid.

Unlike unregistered trade marks, there is no need when registering to prove that there is an existing reputation in the brand, therefore an organisation can register a trademark even before it has started using it.

What can be registered as a trade mark?

Essentially, a brand is registrable under the Trade Marks Act if it is capable of distinguishing the owner's goods and services from those of others, by virtue of the fact that either:

- ▶ it is 'inherently adapted' to distinguish the owner's goods/services (eg; the mark is unique or distinctive); or
- ▶ the owner has established a sufficient reputation in its trade mark, by virtue of the mark's use prior to lodgement of a trade mark application; or
- ▶ the trade mark is extremely 'well known'.

If any one of the above points can be satisfied then a brand will be registrable as a trademark, provided that the brand is not:

- ▶ scandalous or contrary to law;
- ▶ the same as or similar to a current mark on the Australian Trade Marks Register or an unregistered mark currently being used in the market place; or
- ▶ a mark that is likely to deceive or cause confusion.

Generally, it is 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 is 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 (eg; 'charity' for a charitable organisation);
- ▶ words that describe the quality of goods or services (eg: 'best ever', 'strong');
- ▶ words that describe an intended purpose (eg; 'research organisation'); and
- ▶ common surnames or geographical place names (eg; 'Smith' or 'Tasmania').

The registration process

Unlike copyright, trade mark registration is not automatic. Each trade mark application is examined by IP Australia to determine whether it complies with the Trade Marks Act. Unless registration takes place, no trade mark exists.

When applying to register a trade mark, it is necessary to specify which goods or services are sought to be protected. Goods and services are divided into 45 classes - the full list of classes is available on IP Australia's website at www.ipaustralia.gov.au/trademarks/apply_classes.shtml.

The choice of class will depend on the nature of your organisation and the goods or services your organisation is offering (eg, services for the organisation and conduct of volunteer programmes and community service projects fall within Class 35). One application may be filed covering multiple classes of goods and services, however the costs increase with each class you include.

Before using or applying to register a trade mark, an organisation should:

- ▶ carefully chose a mark that is distinctive or unique;
- ▶ decide which goods or services are to be protected;
- ▶ conduct a thorough search of the Australian Trade Marks Register to see if there are any similar marks on the Register. IP Australia can assist with this process, or you may wish to consult with an independent IP professional; and
- ▶ conduct market enquiries to see if any similar marks are being used. Market enquiries may include searches of Internet search engines, 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 unique and distinctive from other brands, the next step is to file an application with IP Australia within the relevant class of goods or service.

How much does registration cost?

As at the time of drafting this guide, application for registration of a trademark costs approximately \$120 per class (for an online application) or approximately \$180 per class (for a paper-based application).

If registration is approved, the registration fee will be \$250 per class. Details of current fees are located on IP Australia's website at www.ipaustralia.gov.au/trademarks/fees_index.shtml.

How long does an Australian trade mark registration last?

Registration of a trade mark can take up to 21 months to complete, although the rights that are granted when the process is successful are backdated to the date the original application was lodged with IP Australia. This timeframe is the same for paper-based and online applications. Once a trade mark has been successfully registered, it remains current for 10 years.

At the end of that 10 year period, the registration can be renewed for another 10 years by paying a government renewal fee. So long as the trade mark remains in use, it can be renewed every 10 years for an indefinite period.

Looking after trade marks

Registered trade marks

To ensure that a registered trade mark remains strong (and doesn't become vulnerable to challenge by a 3rd party) it must be used regularly and consistently. It should be used in the form/style it has been registered and on the goods or services for which it is registered.

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 the proper form and aligned with the class of goods or services for which it was registered.

Registered trade marks should be used in with the ® symbol and with a suitable footnote that describes the ownership of the trade mark.

Example: *XYZ Communities*® is a registered trade mark of XYZ Communities Inc.

If your organisation's trade mark is updated or modernised over time, you should check whether your original trade mark registration will still protect your new trade mark, or whether it would be better to file a new application for the updated version.

Unregistered trade marks

An unregistered trade mark cannot use the ® symbol until it is registered. Instead, unregistered trade marks should be used in association with the ™ symbol and with a suitable footnote, for example:

Example: *XYZ Communities* ™ is a trade mark of XYZ Communities Inc.

While it is free to claim an unregistered trade mark, it can be difficult and expensive to prevent others from using them, particularly in parts of Australia where the mark is not being used or is not recognised.

When are trade mark rights infringed?

Registered trade marks

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.

Unregistered trade marks

Conflict with unregistered trade marks relates to damage to the owner's reputation in its mark. The owner of an unregistered trade mark can protect its reputation, by way of common law proceedings for passing off, or misleading and deceptive conduct under the *Trade Practices Act 1974*.

Patents

What is a patent?

A patent protects a new, inventive or innovative product or process. In Australia, the *Patents Act 1990 (Cth)* provides for the registration of two types of patents:

- ▶ Standard patent – covers patentable *inventions* and generally provides 20 years of protection; and
- ▶ Innovation patent – covers patentable *innovations* (that is, products and processes that demonstrate relatively minor advances in existing technology) and generally provides 8 years of protection.

To be patentable, a product or process must:

- ▶ be new or novel, in the sense that it does not already exist anywhere in the world and has not been publicly disclosed anywhere in the world;
- ▶ for a standard patent, 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;
- ▶ for an innovation patent, involve an innovative step, in the sense that it makes a substantial contribution to the working of the invention; and
- ▶ be useful in the sense that it does what you say it does.

If successfully obtained, 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 that you file an application for a patent with the responsible government agency, IP Australia. IP Australia will then assess the application 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 will also advise about 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.

How much does patenting cost?

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

IP Australia estimates that, depending on the complexity of the application, the total average cost of an Australian standard patent is between \$6,000 and \$10,000. Maintenance fees over the 20 year term could be approximately a further \$8,000. Details of current fees are located on IP Australia's website at www.ipaustralia.gov.au/patents/fees_index.shtml.

Patenting and confidentiality

It is 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 hinder, impede or create the grant of patent rights. If you wish to discuss your invention with another person (eg: a commercial partner, supplier, volunteer or financial backer), it is important to ensure that you have them sign a non-disclosure (or confidentiality) agreement before any discussions take place.

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

How is a patent infringed?

A patent is essentially infringed by someone who does an act within a valid claim of the patent (eg, exploits the patent), 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.

Designs

What is a design?

Design registration protects the visual appearance of a particular product. This means that protection is available for a shape of a three dimensional article or even a pattern on a two dimensional article. A design does not however protect how a product actually works, it is simply protection of the aesthetic appearance of the object.

To be registrable, a design must be 'new' and 'distinctive'. 'New' means that the same or a very similar design has not been publicly used in Australia and has not 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).

How is design protection obtained?

The *Designs Act 2003 (Cth)* requires that you file an application for a design with the responsible government agency, IP Australia. Design applications only undergo a formalities check prior to being registered. The Act implements a system of post-registration examination for substantive issues. Substantive examination will only be undertaken if requested. However the design owner may only enforce its design if a certificate of examination has been issued by IP Australia.

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.

How much does design registration cost?

The cost of filing a design application is \$200 per design, and lasts for a period of five years. This price is in addition to any legal fees which may be incurred throughout the design application process.

How is a design infringed?

A registered design is infringed if it is used or copied by someone without the authorisation of the registered owner. If you believe that your organisation's design rights 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.

Confidential Information

What is confidential information?

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

Examples of confidential information include:

- ▶ an organisation's client and contact lists;
- ▶ internal pricing and funding information;
- ▶ internal business processes;
- ▶ marketing and business strategies; or
- ▶ new ideas or inventions.

Strictly speaking, confidential information is not property, although it may be the subject of separate IP rights, for example, copyright.

Protection of confidential information is indefinite, so long as the information remains confidential. However once confidential information has been disclosed (ie, made public) either intentionally or otherwise, it will no longer be confidential and cannot recover that status. Confidential information is therefore a very 'fragile' right, requiring strict protocols to ensure it retains that confidentiality.

How is confidential information protected?

Provided confidential information is stored and imparted in a particular way, the law will provide a remedy (damages) if the recipient breaches its obligation of confidence. In particular, where:

- ▶ the information is treated in a confidential manner. For example, where confidential documents are marked as such and access to them is restricted and secured.
- ▶ the information has been disclosed to someone in circumstances which indicates that it is confidential and must be treated in confidence.
- ▶ the use or disclosure of the information was not authorised.

Example: It may be appropriate to include a disclaimer, such as the following, on particularly sensitive material:

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. This 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.

There are some situations where the law assumes information must be treated in confidence. For example, an organisation's employees, officers, directors (or committee of management members) and lawyers are all under an obligation to keep the organisation's internal information confidential. However, the obligation to treat information in confidence does not necessarily extend to volunteers, students or contractors who may be involved in your organisation. The best way to ensure people understand they are receiving confidential information is to mark the information as confidential and / or to have them sign a confidentiality agreement.

The safest way to protect confidential information is by way of a confidentiality (or non disclosure) agreement.

Tip: A confidentiality agreement should:

- define the information that is considered confidential;
- confirm that the confidential information must be kept confidential; and
- clearly define the limited purpose(s) for which the confidential information may be used.

It is a good idea to ask people (like employees, volunteers or contractors) who may have access to sensitive information within your organisation, to sign a confidentiality agreement before they start working with you. This will ensure that any such person knows that they are under a duty of confidence. The confidentiality agreement may be a separate agreement or part of 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 a number of circumstances in which disclosure can be compelled by law. For example, courts can subpoena information, even confidential information, where the disclosure of that information is considered to be in the interests of justice.

Ownership of IP

Overview

An organisation should ensure that:

- ▶ it has the legal capacity to own intellectual property; and
- ▶ the organisation actually owns any intellectual property that has been developed for its use

These two issues are dealt with in detail below.

Can your organisation legally 'own' intellectual property?

Intellectual property rights are a form of property (just like land or shares) and only individuals, or organisations that are legally incorporated, can own property directly. For more information about incorporation, see the 'Related Resources' section at the end of this Guide.

Incorporated organisations

If your organisation is incorporated (such as an incorporated association or a company limited by guarantee) then it, as an organisation, can be the legal owner of IP rights. For example, your organisation can apply to register a trade mark using its own name and even if 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 (eg, a contractor or volunteer) to assign IP rights they may create while working for the organisation to the organisation.

Unincorporated organisations

If your organisation is unincorporated, then it cannot legally own intellectual property in its own name. In this case, intellectual property must be held by an individual, 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 it can become unclear over time who actually owns the rights, particularly as membership of the organisation changes.

Tip: It is a good idea to maintain a register of intellectual property owned by your organisation, including details of when it was created, by whom and any valid assignments of intellectual property rights from the creators to the organisation, or a trustee for the organisation.

Does your organisation own IP in materials created for it?

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

Key exceptions to this general principal include:

- ▶ work created by an employee for an employer in the course of their employment – in these circumstances the employer will own IP rights in the work;
- ▶ a commissioned photograph - in these circumstances, the person commissioning the material will own copyright in the photograph; or
- ▶ where there is a written agreement in which the creator has expressly agreed to give (assign) all of the intellectual property rights it may create to the organisation.

The following are examples of some common ownership scenarios for community organisations:

| Creator/Author | Who owns the IP? |
|--|---|
| An employee | It is an implied term of employment that an employer owns IP created by their employees 'in the course of their employment'. To remove uncertainties, your organisation should be clear whether it is hiring someone as an employee or as an independent contractor. You should sign a written agreement with the person which clearly defines their status (employee/contractor), defines the scope of their employment and confirms that IP rights belong to your organisation. |
| A contractor (eg, consultant or volunteer) | If a contractor or volunteer creates material for your organisation, they will continue to own the IP in the material unless there is a written agreement to the contrary. It is important to reach an agreement with contractors and volunteers about IP ownership before they begin creating material for your organisation. |
| Students on work experience | Material created by students during work experience may be owned by the student or by the tertiary institution where the student is enrolled, unless there is a written agreement to the contrary. Your organisation should discuss IP with the student and their institution before the student joins your organisation and arrange for a written agreement assigning IP to your organisation if you wish to retain the rights to any work created by that student. |
| Media | Most publishers require a licence or assignment of copyright in articles they published. If this is the case, you will not be able to give the same article to another publisher to print, without permission from the first publisher. |

Assigning moral rights

As discussed previously, moral rights are the rights of the author of a work and cannot be assigned to another person or organisation. To avoid infringing an employee's, contractor's or volunteer's moral rights in works they may create for your organisation, your organisation should ensure that it has a written agreement with each individual or organisation.

This agreement should allow your organisation to do certain things that might otherwise infringe another 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. In the absence of the author's consent, failing to identify the author may infringe the author's moral rights.

The rights of other IP owners

Trade marks

In general in Australia, 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 logo or slogan (trade mark), it is advisable to undertake the searches outlined previously and to carefully document when your mark is first used, or to lodge a formal trade mark application. If another organisation uses or applies to register the same or a similar trade mark before your organisation, then you may find that your organisation cannot use its mark.

Patents and Designs

Essentially, a patent or design may be owned by:

- ▶ the original inventor(s);
- ▶ a person who has taken an assignment of the inventor's rights; or
- ▶ the inventor's employer, where the invention was created during the normal course of employment.

In Australia, the first person to file a patent or design application with IP Australia will be considered to have first rights in the patent or design. This position is different in some overseas countries, most notable the US. Again, it is important to document the invention process and if appropriate, to file a patent or design application as soon as possible, to ensure that your rights are not second in time to someone else.

Joint ownership of IP

If more than one person creates material, then IP rights in the material will 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 perform the acts within the scope of the copyright, without the consent of all the owners.

Joint owners of a patent may independently exploit the patent, but cannot licence or assign an interest in the patent without the consent of all the owners. A jointly owned trade mark must be used by co-owners to indicate the origin of goods or services of both co-owners.

Protection of IP

Overview

Different types of IP are protected in different ways. If someone is using your organisation's IP without permission, then you should consider swift action, as any delay could prejudice your organisation's rights. However, you must also be careful to that you are justified in taking action. Protection of IP rights is a difficult area and warrants your organisation seeking at least preliminary advice from an IP professional.

The following are examples of IP protection strategies:

| Material | Protection strategies |
|-----------------------------------|---|
| Names & Logos | A name is likely to be the subject of trade mark rights, while a logo is likely to be the subject of both trade mark and copyright rights. One way of protecting your trade mark is to apply to have registered and to use it first with the ™ symbol and then once it is registered with the ® symbol and an appropriate footnote. One way of protecting your copyright, is to use it with the © symbol and an appropriate copyright notice. |
| Publications & training materials | Use of a copyright notice on the material (eg: © XYZ Pty Ltd 2009) is a useful way of alerting others to your rights. |
| Website materials | Copyright notices can be included on websites. The ® and ™ trade mark symbols can also be used on websites to alert visitors to the site that certain words are protected as trade marks. |
| Software | Software may be the subject of patent rights and of copyright protection. If patent protection is preferred, then a patent application should be filed as early as possible. Until the application is filed, details of the software should be kept confidential. Copyright protection will automatically subsist in the software upon its creation. A © and appropriate copyright notice may be used on any disks and within the program itself to alert 3 rd parties to your organisation's rights. |
| Domain Name | Not-for-profit organisations are often distinguished by having a 'org.au' domain name. Domain names can be registered with an Australian Domain Name Administrator (auDA) accredited registrar. A list of auDA registrars is available at http://www.auda.org.au/registrars/accredited-registrars/ . If appropriate, it may also be useful to register a domain names as a trade mark. |
| Inventions | If the idea is for a product or process that is new, inventive and useful, it may be registrable as a patent and receive patent protection. If the idea is for a new shape, configuration, pattern or ornamentation of a product, it may be protected by copyright or may be registrable as a design and receive design protection. If the idea is a mathematical formula, scheme, plan, theory or other mental process that can't be protected as a patent or by copyright, you may be able to protect it as |

| | |
|---|---|
| | 'confidential information'. |
| Business, marketing or fundraising strategy | Your organisation's business, marketing and fundraising strategies may be confidential. If that is the case, then you must ensure that they are carefully stored (eg, in a locked filing cabinet). All documents should be stamped 'CONFIDENTIAL' and access to them should be limited to key 'need-to-know' personnel. If the documents are to be discussed with another party, then the other party should be asked to sign a confidentiality agreement, before being given access to the material. |

Infringement of IP rights

Overview

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.

This section covers the steps an organization should take:

- ▶ if it thinks its IP rights are being infringed
- ▶ to ensure that it does not infringe the IP rights of others

Protecting your IP rights

Starting point

If you suspect that your IP rights are being infringed, the starting point is to swiftly find out as much information as possible about the alleged infringement, including:

- ▶ where, when and what infringing activity took place; and
- ▶ details of who was involved in the infringing activity, including company names, ABNs, ACNs and other contact information.

Seek legal advice

Once you have gathered the information listed above you should seek 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.

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

- ▶ sending a letter to the alleged infringer asking them to cease and desist the infringing activity (also known as a letter of demand);
- ▶ out of court negotiations; or
- ▶ instigating court proceedings.

Warning: It is 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 and it turns out that they haven't infringed your intellectual property rights.

Remedies

If you successfully enforce your IP rights in a court action, a number of remedies may be available, including:

- ▶ an injunction (i.e. an order that the infringer stop the infringing activity);
- ▶ damages (i.e. compensation for the loss you suffered because of the infringing activity);
- ▶ an account of profits (i.e. 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;
- ▶ delivery up (i.e. the infringing party must either give you all infringing material or destroy it).

Avoiding infringing another person or organisation's IP

Starting point

Defending an infringement claim can be a costly process, so it is advisable that your organisation take steps to avoid infringing another person or organisation's IP. This could take the form of an internal policy that is available to the staff and/or volunteers of your organisation.

Steps you can take to minimise this risk include the following:

- ▶ before using a name or logo, conduct searches of the 'Trade Mark Register' and other public sources to ensure that your proposed trade mark does not infringe someone else's trade mark;
- ▶ look for copyright and trade mark notices to identify IP rights and the owners of those rights;
- ▶ ensure that your employees, contractors and volunteers understand their basic responsibilities under IP law and assign to you any IP rights they may have in material they create for you;
- ▶ seek permission in writing before using another person or organisation's material; and
- ▶ keep records of the permissions received.

Tip: The internet is a high risk area. When designing your website, you must be very careful that you don't inadvertently infringe someone else's IP. In particular you should avoid:

- using another person's trade mark, logo or graphic as a link symbol; or
- 'framing' material on your website. 'Framing' means creating a link to an outside page in such a way that it is not obvious to your viewers that the page is on another website, without the permission of the IP owner.

Infringing moral rights

To avoid infringing an employee's, contractor's or volunteer's moral rights, we recommend that you enter into written agreements whereby each employee, contractor and volunteer consents to you doing certain things that might infringe their moral rights in respect of material created by them in the course of their employment, contract or volunteer services (eg, not naming them on your website as an author of material used on your website).

What to do if you're accused of infringing another person or organisation's IP?

If you are accused of infringing another person or organisation's IP, you should:

- ▶ seek legal advice; and
- ▶ possibly cease carrying out the allegedly infringing activity as soon as possible, if you consider the accusation to have substance.

Selling and licensing IP

Overview

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

If your organisation owns IP, it is generally able to:

- ▶ sell the rights in the IP to another person or organisation (ie, transfer for payment); and
- ▶ licence the rights in the IP to another person (ie, allow to use for free or for payment).

Your organisation can also purchase and licence in IP rights from 3rd 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.

How to effectively assign or license your IP

An agreement to assign or licence IP is a legally binding contract. An assignment or licence should be in writing. The following are examples of the types of issues which you may wish to include in any assignment or licence of IP.

Assignment

- ▶ 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
- ▶ warranties and indemnities as to ownership of the IP and confirmation that the IP does not infringe 3rd party rights.

Licence

- ▶ the scope of the licence (eg; in the case of copyrighted material, the licence may permit copying, but not broadcasting)
- ▶ term or duration of the licence
- ▶ whether the licence is exclusive or non-exclusive
 - 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

- non-exclusive licence – allows both you (licensor) and the licensee to use the IP
- ▶ whether the licence is transferable - if you don't want the licensee to be able to permit another person to use your IP, then the licence should stipulate that it is 'non-transferable' and the right to sub-licence should be excluded
- ▶ the territory in which the licence will operate (eg; the licence may be limited to Australia and may be exclusive in one part of Australia but non-exclusive in another part)
- ▶ a dispute resolution process, in case there is a dispute between you and the licensee
- ▶ details of any payments, including royalties payable
- ▶ termination grounds
- ▶ performance obligations or KPI's of the licensee
- ▶ confidentiality obligations, if appropriate

Tip: Your organisation should ensure that it keeps proper records of all licences you enter into and ensure that someone is responsible for checking, from time to time, that the licensee is complying with its obligations

Related Resources

Related Legislation

Copyright Act 1968 (Cth)

Patents Act 1990 (Cth)

Designs Act 2003 (Cth)

Trade Marks Act 1995 (Cth)

Trade Practices Act 1974 (Cth)

Related links

For online legal information resources for Victorian community organisations about intellectual property and registration of business names see: www.pilchconnect.org.au/IP