

## Intellectual Property in Mining - How to protect against a resources downturn

Mining and engineering companies in Australia are using IP rights today in these tightening times to create new local and international revenue streams, maintain a competitive edge, boost their asset holdings and secure new finance.

In the modern mining and engineering sector, IP protection is about far more than simply preventing others from copying a company's products.

No company can exploit all of its ideas in every situation – but someone else could be able to fill the gaps. IP rights can be licensed to generate new revenue where the owner cannot invest.

Every company at times needs to generate finance or reassure investors. IP rights form an asset which can be sold, reported or used to secure finance arrangements.

In the last resort, large companies operating in declining sectors in Australia today have been rescued from collapse by attracting overseas buyers for their intellectual property portfolios.

Equally, those companies leading the industry with tools and techniques that mark them out from the rest, will suffer increasingly from others seeking to copy their innovations as competitive pressure increases. IP protection is critical to these companies' ability to assert and protect their fairly won competitive advantage.

### So, what IP protection is available?

Intellectual property derives from new creations of the mind; including invention concepts, product designs, symbols, etc. These creations can be legally protected in a variety of ways, including through Patents, Trade Marks, Registered Designs, and Copyright, each protecting different types of ideas in different ways.

**Patents** protect inventions, whether the invention is a new type of machine, a new way of doing something, or a new chemical composition. There are various types of patent applications which may result in a maximum term of 20 years in Australia. One example of a recent patent we have worked on in the mining industry protects a new type of faster locking system for a removable wear member, such as an excavator tooth.

**Trade marks** protect brands and the look and feel of a product or company. Most trade marks are for words or logos, but trade marks can also be used to protect shapes, colours, and even smells. It is necessary for the brand to be distinctive so that it can distinguish your goods and/or services from those of another. Examples of some clients whose trade marks we have protected include CQMS Razer, Weatherford and GroundProbe.

**Registered designs** protect the visual appearance of a product. The product must have a visual appearance that is new and distinctive. An example of a registered design might be the distinctive shape of a tool or device. In one recent case, our client was able to protect the design of a simple hex-headed screw that made breakage less likely.

“Fisher Adams Kelly helped us to lodge our first patent in 2000. Since then they've offered a very good balance between what can be achieved with IP and what makes sense commercially. One patent has prevented our competitors from providing a key feature, giving us a competitive advantage and uniqueness in the marketplace”

**Dr David Noon, GroundProbe**



**Copyright** is an automatic right that affords protection against copying. It applies to the specific way an idea is expressed, but not the idea itself. Copyright can apply to, for example, technical drawings, software, books, films, music, artworks, or the like. However, copyright only protects against copying, and not against someone else independently creating the same thing or against modifications. Further, in an engineering context, once a design is applied industrially (typically when applied to 50 or more articles) the copyright is lost and it is necessary to protect that design, if possible, with a design registration.

## Patents in Mining and Engineering

**Protecting a competitive edge:** The mining, energy, and engineering sectors are highly competitive and even small improvements in efficiency or reliability can yield significantly improved returns. Whether the improvements result in a greater output, processing, energy or time efficiency, or simply improves health and safety, it is worth considering protecting those improvements to maintain your edge over your competitors. One thing is clear from our clients' experience; if you don't protect an idea, competitors will be quick to copy it and any increased business and/or profit margin obtained through developing the improvement will be very hard to maintain.

**Creating new revenues:** Patents not only protect you from copying, but can also be used in other ways to improve value. Patents can be licenced for a fee to third parties to provide an extra income stream. This is especially common where the technology can be applied to other industries outside your core business, or where you do not operate in particular foreign countries but where other parties could exploit the invention there.

**Building Assets and Taxation:** Patents are also an asset, and as such can be sold or used to secure loans to fund other business ventures. In the last resort companies in struggling sectors have been able to secure their future by selling their patent assets. In many countries there are also tax incentives in obtaining and/or exploiting patents, with Australia currently looking at implementing generous 'patent box' tax concessions for patent related profits.

**Defending against legal action:** In a highly competitive sector, which includes the widespread use of patented inventions, holding patents for the technology critical to your business can help to ensure that others with similar ideas cannot prevent you from operating through pursuing legal action with their own patents.

**Encouraging Australian Innovation:** Beyond individual gain, there are a number of ways the patent system encourages innovation and success throughout the industry in Australia. The patent system encourages companies and individuals to innovate by securing a reward for their efforts. However, not only do they get rewarded with a limited time monopoly for creating an improvement, but as part of the patent process they also have to disclose how the invention is implemented so that the rest of the sector can make use of the improvement once the patent ceases. Finally, when the sector is faced with a patented technology that creates real advantages they are encouraged to develop improvements of

### Case Study

#### IP enforcement without Court

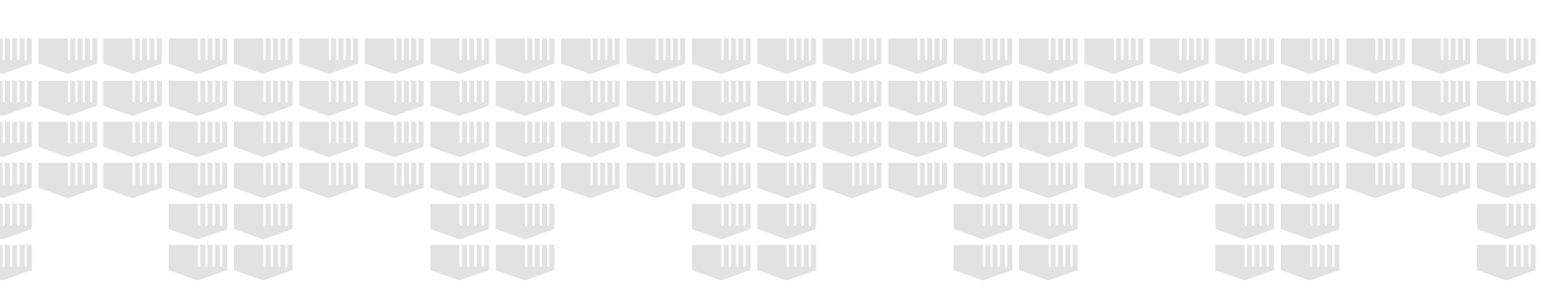
One of our clients sold a mining survey and exploration product to a very large multinational engineering company. The product had unique features that provided logistical advantages over standard offerings and our client had therefore sought patent and design protection for this product.

Sales had been strong but started to drop off. Our client discovered that the multinational company had created a copy of their product. While not identical, it took the advantageous features that our client had protected.

We readied our client's patents and designs for enforcement and notified the multinational company of our client's concerns. While originally faced with denial, our client was successfully able to negotiate a confidential settlement with the multinational that addressed their concerns.

The settlement was an excellent result for our client - they were able to successfully assert their IP rights to remedy the situation without the need for long and costly Court action. Without their patents and designs there is very little, if anything, they could have done to prevent the multinational from, essentially, copying their ideas.

- Patents
- Trade Marks
- Designs
- IP Strategy



their own to compete, spurring further innovative developments and furthering technology.

Some examples of patented inventions in the mining and engineering sectors that we have worked on include improved material separation systems, including screens and separators, improved locking mechanisms for wear members, methods of improving fuel efficiency and reducing greenhouse gasses over a mine site, blasting compositions, early warning systems, high accuracy location determination systems for mine pits, improvements relating to autonomous, and remotely operated, vehicle operations, and the list goes on.

Inventions don't have to be breakthroughs to be patentable – even small improvements can be protected. In Australia we have what is called the 'innovation patent' system for these cases - as long as the invention is new, and features an improvement over what is known that contributes to the working of the invention, then, even if it seems obvious, it can be protected by an innovation patent. Innovation patents are also typically cheaper and easier to obtain than standard patents.

There is one key limitation - innovation patents have a reduced maximum term of 8 years, compared to 20 years for a standard patent. Still, with the ease of obtaining an innovation patent 8 years is a significant amount of time in the marketplace to have a monopoly over your improvement and to establish a reputation not only as a source of that improved product, but also as an innovative company that is at the forefront of your field.

## Case Study

### IP rights used defensively

One of our clients makes outdoor recreational devices used in many households around the world. Our client developed improvements to the product which resulted in a new design. This new design was the subject of several patent applications.

Upon commercial release of the design a fierce competitor sued our client for patent infringement. Our client's patent application pre-dated the competitor's patent and our client was therefore able to show that they had come up with the idea first. If our client had not filed for patent protection and had kept the idea 'in house', then they would not have had this defence. Our client openly states that if it were not for the patents the company would not be where it is today – an Australian success story now launching in the US and all over the world.

## Trade Marks in Mining and Engineering

Trade marks are an integral part of doing business as they provide a means for others to identify your company and products. They serve as a sign, or badge of origin, so people know who they are dealing with and where products and services come from. As companies develop a reputation and accrue goodwill the value of their trade marks increases. For a strong brand the value of the trade mark can be significant, often leading to sales simply based on brand name alone.

Trade marks are most typically registered in relation to trading names, but are also often registered for product names. The trade mark must be distinctive and not too descriptive of the actual product or service. This is to prevent anyone from obtaining a trade mark for signs that should be available to all traders in the field.

For example, a trade mark for the word EXCAVATORS in relation to excavating equipment would not be allowed as it is too descriptive and could be used to stop other traders who genuinely want to describe their excavators by the known term 'excavator'. However, a trade mark such as REPTILE for excavating equipment would be distinctive as other traders should not need to use the word 'reptile' without improper motive.

**Why register?** As trade marks do not need to be registered, chances are that your company already has at least one trade mark and is making use of that trade mark on a day to day basis. However, there are many advantages in registering your trade marks.

First and foremost trade mark registration provides you with an enforceable right to stop others from using the same or deceptively similar trade marks in relation to the same or similar goods or services. Furthermore, having a trade mark registration can provide a defence to infringement of someone else's trade mark. Finally, trade mark registrations, which are registered for renewable 10 year periods in Australia, are ultimately an asset which can be valued and used as such.

Registered trade marks should not be confused with business names or company names, which primarily serve the purpose of allowing a searchable register of names to be maintained. Just because a business or company name is registered does not generally result in ownership of the name or a defence to trade mark infringement or passing off. In fact, the business and company name register simply prevents identical entries from being registered, and similar or slight variations of existing business or company names can be registered, and subsequently used, in Australia.

## Designs in Mining and Engineering

Registered designs are often overlooked, particularly in the mining and engineering sectors, but they can offer excellent protection for the visual appearance of an article. While mining and engineering technologies are usually designed with function over form, the resultant appearance of an article can still be important.

For some products the overall appearance is an important engineering feature in itself. In this regard, the shape and configuration of an article itself might provide benefits to how the article operates or is used. In these cases design protection can be used, often to supplement patent protection, to provide a more powerful IP position in protecting that article.

In other cases the look of a product will be indicative of the quality and origin. Design registrations are an effective way to protect that look and ensure that your products are set apart from your competitors.

A design does not have to be attractive or aesthetically pleasing to qualify for design protection. Rather, it just needs to be new and distinctive. If you have a product which has a particular shape or configuration which has some value to you, design protection can be a powerful and comparatively cost effective resource.

## Further Information

Established and head-quartered in Queensland, Fisher Adams Kelly has been integral to the protection of cutting edge inventions across all mining sectors.

Our specialist attorneys were professional engineers first, and continue to work at the forefront of mining innovation, preparing patent and trade mark applications, and design registrations for local Australian innovators and global corporates including CQMS Razer, Weatherford, FLSmidth and Nautilus Minerals.

If you would like any further information, or would like us to consider your position and provide advice for a comprehensive IP strategy to maximise profit and minimise risk, please contact us on [mail@fak.com.au](mailto:mail@fak.com.au) or +61 7 3229 2655.

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