

MEDIA RELEASE

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AUSTRALIAN PATENT SYSTEM WORKING FOR INNOVATIVE REDARC

Australian electronics manufacturer, REDARC Group spoke in support of the Australian patent system, following a recent decision of the Australian government to shelve plans to scrap the innovation patent classification, pending further public consultation.

The “Innovation Patent” was introduced into the Australian intellectual property protection regime in 2001. It was intended to be a second tier of patent, which is relatively quick, easy and cheap to obtain, although it provides a monopoly for 8 years as opposed to the 20 year term of the standard patent.

The Innovation Patent has been criticised by some as being too easy to obtain and too difficult to overturn. However proponents in favour of the system argue that the innovation patent is useful in enforcement action, because it provides a faster route to patent protection than is available with a standard patent. This helps to stimulate innovation by Australian small to medium business enterprises, and provides an appropriate means for protecting lower level inventions that may not be entitled to standard patent protection”

The Federal government had been hinting at plans to abolish the innovation patent system as part of the *Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2018*. However, in response to industry back lash, when the Bill was introduced to the Australian House of Representatives in late March 2018, the government removed the section dealing with abolition of the innovation patent, and is now undertaking further industry consultation on the subject of innovation patents.

Anthony Kittel, CEO of REDARC Electronics Pty Ltd, is supportive of the innovation patent:

“At REDARC we are always seeking to be innovative, and we spend millions of dollars on research and development in order to be at the cutting edge of technology. It has been particularly frustrating to observe other companies, who devote no time or resources to their own research and development, simply copying our innovative products and getting away with it. The innovation patent is a useful part of our armoury to stop that copying.”

In April 2018, REDARC was rewarded with a successful outcome, following patent proceedings issued against Great South Land Pty Ltd (GSL). REDARC alleged that GSL copied its award winning “Tow Pro” electric trailer brake controller, which was the subject of an Australian Innovation Patent. REDARC brought proceedings against GSL in the Federal Court, seeking restraining orders and damages. GSL, while not admitting liability, conceded to those orders and agreed to pay back its profits from the sale of its products, together with Redarc’s costs.

Mr Kittel says:

“This case was a good example of how effective the innovative patent can be in protecting our intellectual property. This gives Redarc incentive to invest more in research and development and helps Australia to be a smarter country. For as long as Redarc seeks to be innovative, it will be using legal tools such as the innovative patent to enforce its rights against copycat manufacturers.”

Piper Alderman Intellectual Property lawyer Tim O’Callaghan acted for REDARC in the action against GSL. Mr O’Callaghan said:

"The innovation patent is Australia's recognition to the importance of small steps of innovative improvement, and is a very useful tool in preventing copycats. Only China and Germany have a similar system. In this case, we have seen first hand how the ability to have an innovation patent is a major incentive for small to medium companies like REDARC to spend large sums of money on innovation. That is a very good thing for the country."

The Institute of Patent and Trade Mark Attorneys of Australia (IPTA) is also in support of the Innovation Patent, and has been critical of the push for its abolition. IPTA council member Grant Shoebridge says:

"IPTA is opposed to plans to abolish the Innovation Patent System. The main users of the system are the very SME's (small-medium business enterprises) that are acknowledged to be the main source of new jobs and growth in the Australian economy, and which largely support the Government's jobs and growth agenda."

IPTA has been actively coordinating a bid to save the innovation patent system, and responded to the government's decision to undertake further industry consultation, saying:

"IPTA is pleased with this development and welcomes the decision by IP Australia to undertake further consultation targeted at better understanding the needs of Australian SMEs, rather than fast-tracking the abolition of an important Australian innovation tool... IPTA will continue to lobby to retain innovation patents."

About REDARC Electronics Pty Ltd

Based in South Australia, REDARC has over 35 years' experience in the research, design, development and manufacture of a range of electronic voltage converters and associated products, inverters, power supplies, battery chargers, brake controllers and trailer braking products.

In 2015, REDARC acquired Hummingbird Electronics. Hummingbird is renowned for their bespoke product development, unparalleled specialist knowledge and importantly for quality customer service. REDARC and Hummingbird are highly complementary with comprehensive product portfolios, industry-leading technological and innovative excellence together with outstanding staff.

About Piper Alderman

Piper Alderman is a commercial law firm of over 300 people in Melbourne, Brisbane, Sydney and Adelaide. Our firm is committed to continual excellence in the practice of law, having been leading advisers to commercial interests across Australia for over 175 years. www.piperalderman.com.au

In the 2019 edition of *Best Lawyers® Australia*, 30 of Piper Alderman's partners and consultants were recognised in 31 legal areas and 2 of our partners recognised as 'Lawyer of the Year'.

Piper Alderman was named as a Finalist in the *Australasian Law Awards* for Law Firm of the Year (101 – 500 lawyers).

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