

## **THE CASE THAT TANKED EMPLOYED TO INVENT? REGISTERED DESIGN OWNERSHIP**

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The long running and highly publicised case of *University of Western Australia v Gray* highlighted (amongst other things) just how important the terms of an employment contract can be if an employer wants to assert ownership of inventions and other intellectual property rights created by an employee.

This point has been emphasised in a recent Federal Court case involving Metroll Queensland Pty Ltd and one of its employees, Mr Collymore and Mr Collymore's private company, Courier Pete Pty Ltd.

Mr Collymore was employed by Metroll as a factory foreman. Metroll's business included the manufacture of rainwater tanks. During the period of his employment, Mr Collymore designed 3 new styles of modular rainwater tanks. He applied for a registered design in his own name for the first tank design and in the name of his company, Courier Pete Pty Ltd for the second 2 tank designs.

The Federal Court decision turned on who was properly entitled to be registered as owner of the registered designs. The court found in favour of Mr Collymore and his company, Courier Pete Pty Ltd.

Section 13 of the *Designs Act* says (in part) that the person entitled to register a design is:

- (a) the person who created the design;
- (b) if the designer created the design in the course of employment or under a contract with another person – that other person;
- (c) a person entitled to the design by a Will or operation of law;
- (d) a person entitled by way of assignment.

Mr Collymore said that he came up with the tank designs at home and in his own time. Metroll said that Mr Collymore's employment duties included designing a new tank. Mr Collymore had a written employment agreement with Metroll but there was nothing in the agreement to the effect that Mr Collymore's employment duties included creating inventions or new designs. On the evidence, the court was satisfied that Mr Collymore had designed the tanks in his own time and not in the course of his employment. The company could not produce records of discussions or other convincing evidence about the matter to support its case. Accordingly, the Court found that Metroll was not entitled to be registered as owner of the tank designs.

The result could have been different if Mr Collymore's employment agreement had provided that his duties included designing new products for the company or if it expressly stated that any intellectual property rights that Mr Collymore brought into existence that related to the company's business or the type of products it produced, belonged to the company.

Prior to the Federal Court case, the Deputy Registrar of Designs had revoked the registration of the second 2 tank designs on the basis that Courier Pete Pty Ltd was not entitled to be registered as owner of the designs. The court overturned the Deputy Registrar's decision and reinstated the registered designs in the name of Courier Pete Pty Ltd on the basis that Mr Collymore had assigned his rights of ownership to his company.

### **Key points to note**

1. If an employee's duties are to include creating intellectual property rights such as copyright, patentable inventions, registrable designs, circuit layouts or registrable plant breeders rights, the employer should ensure that there is a clear written agreement that states that the employee's duties include the duty of invention and creativity and that all resulting intellectual property rights will belong to the employer.
2. On the other hand, if the intention is that intellectual property rights developed by an employee, especially those developed out of work hours and separately from the employer, are to be owned by the employee, it will be wise to state this either in the employee's employment contract or to have the position otherwise clearly documented.
3. When applying for a registered design, it is critical that the name of the person or all persons entitled to be registered as owner(s) are included on the application. The inclusion in the application of the name of a person who is not entitled to registration or the failure to include the name of a person who is entitled to registration, will expose the registration to challenge and may well result in revocation of the registration and hence, loss of registered design protection.

For further information, please contact Brett Cowell.

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