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## Australian invention dazzles Hollywood

CSIRO physicist said it was impossible and the Export Market Development Grant board refused to back it but cameraman Jim Frazier went ahead anyway and invented a new lens which has revolutionized the international film industry.

Until the late 1980s Frazier was shooting wildlife films for David Attenborough. He was frustrated with the limitations of the lenses available on the market then and set about making his own.

"Wildlife is very unforgiving - there is not time to set up the camera and position the shot the way you want it. As well, with small subjects, such as insects and spiders, it's very difficult to get both the subject and background in focus. I wanted it all in focus and I needed a very fast lens which would allow me to rapidly get the shots I wanted."

"In the late '70s I consulted a CSIRO physicist who said that what I wanted was impossible. So I began tinkering myself and started getting the results I'd envisioned."

"Over the next 10 years I kept rebuilding the lens and, with much trial and effort, formulated a lens with deep focus and a single swivel on the end. The optics to do this are very complex but I began to get positive results."

The new lens has three evolutionary features:

- a 'set and forget' focus which holds everything, from front of lens to infinity, in focus
- as a swivel tip so that, without moving the camera, you can swivel the lens in any direction, completing a sphere if need be
- a built-in imager rotator. This allows the image to be rotated inside the lens without spinning the camera.

It's a brilliant invention and when Frazier began using it in his work, it did not go unnoticed. Nobody had seen the sort of depth and clarity of filming he was achieving and his work was unique. In 1993 he was invited to speak at Montage '93, an imaging conference in the US.

After his talk *Line of Fire* director John Bailey and the head of the American Society of Cinematography, Victor Kemper, asked to borrow his tape so they could show it to Panavision. Within days, Panavision was knocking on Frazier's door.

"It was at this point that I thought I should get a lawyer and Peter Leonard, a high technology international contracts lawyer with Gilbert and Tobin in Sydney, did a superb job for me."

"Panavision sent me a standard three-page contract which my lawyer advised me not to sign. He wrote it and we sent back a document of 30 pages which not only protected my invention but helped me negotiate a very sweet deal."

The contract was structured so that Panavision, regarded as the best lens manufacturer in the world, could never come back and say they'd already known about the optics used in the lens. They met with Frazier on neutral ground in Hong Kong and the company had to sign a confidentiality agreement before they saw the lens.

"The deal was that Panavision would patent the device, at their cost, but that I would own the patent. Mantis Wildlife Films gets a set fee for every lens made and, when Panavision rents them out, a percentage of the rentals."

When Frazier first showed his lens to Panavision they couldn't work out how it was done. But they recognized its value. At more than US\$1 million, this would have been one of the biggest patents ever taken out by Panavision but the returns are already rolling in. Nearly every second commercial made in the US uses Frazier's lenses and many in the feature film arena won't go on a set without it.

The benefits to the film industry are huge. Quite apart from the unique abilities of the lens itself, it has dramatically lowered production costs. What used to be a three-day shoot now takes only one day because Frazier's lens has done away with the need for teams of people to rig up complicated setups every time the director wants a new angle. It's as simple as adjusting the swivel tip.

Theeaglelands

EagleBoys™ Pizza challenges the pizza delivery industry with a hot intellectual property strategy

In 1986 Tom Potter, then only in his early 20s, opened up his first Eagle Boys Pizza store in Albury on the New South Wales/Victoria border.

Now, almost 11 years and a fistful of awards later, there are a mind-boggling 145 franchised stores around Australia and New Zealand. The immediate plans for expansion focus on the burgeoning potential of Asian markets.

Though this is clearly a business success story, it is also an intellectual property triumph.

What Australian business leaders are increasingly becoming aware of is that a tight business system combined with aggressive and visionary intellectual property protection can make your business almost invincible.

Says Alan Bates, Eagle Boys company secretary, "This works several ways. Mainly, formal intellectual property protection of our trademark – the pink glow that our lighting fascia produces, and specific innovations like our new double-tiered pizza box, gives us tangible, saleable assets which we control centrally and have packaged into our franchise system."

"This lessens the likelihood that other business' who respect intellectual property will directly infringe ours. And when we are infringed, whether intentionally or inadvertently, we have a powerful bite to our bark. A actual registered trademark or patent certificate makes a compelling and persuasive argument when we do find infringement out there in the marketplace."

From the beginning, Tom understood the value of intellectual property rights. The first Eagle Boys trademark was registered within months of establishing his first store. Nearly a dozen trademark registrations have followed since.

More recently, Eagle Boys challenged the trademark registration system by applying for a monopoly over the pink glow that results from the lighting fascia on their shop fronts.

"Yes, it was a bold move," says Alan. "But this pink glow is a trademark feature if ever there was one. We did a customer survey in support of our application to IP Australia and we found that people strongly associated this pink glow with our stores. And I know that when I visit new franchisees in many of the smaller towns, all I have to do is drive down the main street, find the pink glow and I'm there."

There is no doubt that any edge in the highly competitive pizza delivery game is vital.

“The pizza delivery mark ~~et~~ is now deal driven. The majority of our telephone orders involve the two-pizza deal. So we brainstormed about how we could get two pizzas into one box,” says Alan.

The end result, a ningenious two-tiered box, is the subject of patent and design registration applications here and overseas. And the benefits have extended past the initial gimmick.

“At the time, our goal was simply to get two pizzas into one box without the pizzas and the box turning to mush. But this one innovation has saved us 20% on our box expenses. The heat generated from the two pizzas keeps them piping hot. We are using less material for each box, and the box’s strength is augmented by recycled paper stock, so it is an environmentally friendly move.”

Though they knew they were onto a winner, the new box remained confidential information until applications were made with IP Australia. To have released it to the public before then would have made the box ineligible for these vital intellectual property rights.

“Our intellectual property specialist, Ian Tannahill of Pizzeys in Brisbane, is instrumental in securing formal rights, like registered trademarks and patents. But if we didn’t also have an in-house understanding of the whole spectrum of rights, we could actually have made decisions which are incredibly damaging instead of protecting,” says Alan.

“For instance, our public relations, marketing and design teams have to understand that releasing a major patentable initiative like the new box to the public, before we have made formal applications, would have derailed our success. The franchisees of our 145 stores know that the power of their franchise is weakened by any infringement of our rights. They are our eyes and ears, and are quick to bring infringement to our attention.”

“So you must know your rights, but you must also have an intellectual property strategy which brings all of these separate pieces together. Without it, we would be running blind.”

## Reinventingthewheel

A couple of years ago, three teenagers sliding down the slopes of an Australian hillside on large blocks of ice set Graeme Attey thinking.

Graeme, a keen surfer and sailboarder, first tried to make a type of land windsurfer with wheels back in 1986, but could not quite get it to work properly. So this early attempt went under the bench in the shed and was forgotten for 12 years — until Graeme saw the teenagers sliding downhill.

‘So I dragged it out and tried again. Over the space of a few weeks I chopped and changed geometry until I had a prototype that was rideable. And then I made a version with larger wheels which worked really well’, Graeme explains.

With its two 20 inch wheels and a aluminium frame’ easy maneuverability, Graeme’s ‘dirt surfer’ is set apart from other ‘all terra in’ type boards, which are basically scaled-up skateboards with three or four wheels.

According to Graeme, the dirt surfer replicates the true feeling of surfing or snowboarding but on grass, dirt or bitumen. You can fly along at 90 kilometres an hour on a smooth road, or take it easy down a gentle grass slope.

Fortunately, Graeme’s 20 -year history with producing and patenting products mean he knew the value of securing intellectual property on his dirt surfer.

‘It’s critical. You can flounder if you don’t know what to do and you can completely blow it. Most importantly if you don’t have intellectual property as a start up you don’t have anything. How are you going to finance a business and get funds if you don’t have a value on the business? And the only real value when you start up is intellectual property.’

Through his company, Design Science Pty LTD of Western Australia, Graeme has now successfully applied for a patent for the way the Dirt surfer works, a registered design for the way it looks, and a trademark for the name the Dirt surfer — which is proving popular here and overseas.

‘We’re restarting to sell quite a few boards here in Australia but our highest sales by far are in exports to the UK, France and Japan. We’re about to go to the United States and talk with two companies who want licenses to sell the boards there’, he says.

‘It attracts a broader market than I would have expected — kids and their parents, and I believe the oldest person to ride one is 66,’ says Graeme.

Certainly, the dirt surfer’s versatility is an important part of its wide appeal. Indeed, Graeme believes dirt surfing will be the new sport of the millennium.

‘We are busy trying to get maximum media exposure and arranging an increasing number of competitions,’ says Graeme.

‘There’s a nail-biting moment — we’re just at the start. It’s a lot of fun and it’s great starting a new venture from scratch. Who knows what will happen in the future — my

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onwithwhatIdobest -designingandpromotingtheDirtsurfer.'

ToplevelmanagerappointedtprotectFoster’sbrand

FOSTER’S is a global brand. The blue cans and bottles with the red “F” inside a golden circle and the company’s brand vertically up the side mark it as distinctive and definitely Australian. It’s one of the key intangible assets of the Foster’s Brewing Group (Foster’s) which collectively account for well over half of the company’s market value.

After reviewing its intangible assets management, Foster’s decided that the assets were so important to its business that it needed a senior, top-level manager to oversee them.

“So that was an endorsement of the value of IP,” says Owen Malone, whom the company appointed Vice-President, Intellectual Property, a little over a year ago “and it’s a direct reflection on the importance Fosters places on IP.”

Being in charge of Foster’s IP entails securing the intellectual assets and controlling their use globally.

“Like Coca-Cola, our competitive advantage is in our brand, so we need first-rate management for our brewing, marketing, licensing and distribution arrangements around the world,” Mr. Malone says.

FOSTER’S brand itself is certainly worth protecting. It is well known not only in Australia but also in 130 other countries around the world. In Britain alone, beer drinkers enjoy nearly two million pints of FOSTER’S beer every day and FOSTER’S is the top selling beer brand in London; it’s No. 2 throughout Britain.

Even in the tough US market, Foster’s is now ranked as the sixth largest export brand. However, while the company has built a strong brand in brewing, it is also using its considerable branding skills to develop the Mildara Glass wine business in both the Australian and international markets.

The Foster’s company is big. Its total operating revenue in 1990 was nearly \$5 billion and CEO Ted Kunkel says Foster’s sees itself as a “global brand manager.”

“I would expect the FOSTER’S brand, in five years, to have consolidated its position as one of the few genuinely global beer brands in the world,” he says.

Mr. Malone says Foster’s must not only protect its brand but also increase the value extracted from the company’s broader intellectual capital base.

As Ted Kunkel said recently, announcing the company’s annual results, this company is much more than a financial balance sheet. “We have another sort of ledger as well, upon which you would find the incalculable value of our human capital – the expertise, core competencies and sheer innovative drive of our people,” he said.

As Owen Malone points out, “we have to be proactive about this. It means we have to harness the innovation within the company and lock it into our strategic development, so adding real value.”

Innovation is consistently translated into new products or better ways of doing things, at lower cost.

“We must be very focused on this,” he says. “The business context is crucial. Your IP resources must be aligned with the company’s strategic direction—otherwise you may be best served by offloading them to enhance cash flow. So a strategic planning exercise is done to map IP onto business priorities and direction.”

This entails changing attitudes – those of the IP people and others in the business.

“The IP person is often seen as ‘nerdy’, in the back room; we need to change this. We must be communicators and approachable, and integrate with the rest of the company. We’ve got to be visible, supporting the business at all levels, from research and development, operations and marketing, to strategic development.”

Mr. Malone says that reliance on “autocratic rules” is not the best approach when a company tries to convert its IP assets and knowledge base into business value. “Intellectual capital is intrinsically linked to your human capital. You have to bring people along, to understand, to commit to shared values... and this is incremental. It is as much about cultural change as setting business rules.”

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