

*Camilleri v. Steel Foundations Limited*  
[2002] QSC 397 (Atkinson J, 4 December 2002)

*Patents —relationship between inventor and corporate vehicle exploiting the patent - where defendant company obtained patent to invention — where plaintiff inventor sought declaration under s 34 of the Patents Act 1990 that he was an eligible person to be patentee —*

This is an interesting decision arising from a common situation in relation to patents. The inventor meets those with the money and the inclination needed to exploit the invention.

In particular the case highlights a number of matters that should be considered when there is such a common plan. For example:

- What contribution to the venture will be made by the respective parties?
- What rights of ownership and/or licence need to be addressed in relation to the patent and the other intellectual property rights that might appear, such as a trade mark associated with the invention or copyrights attached to plans and designs?

## **CASE DETAILS**

### **Background**

The plaintiff, Camilleri was a prolific inventor. In particular, Camilleri concentrated his innovative efforts on methods of using steel foundations to support structures such as concrete slabs, lighting poles and buildings.

Steel Foundations was incorporated in July 1994 to develop and commercialise concepts and ideas, many of which were those of Camilleri. These concepts were known as “screw piling” and “screw piercing”.

It was common ground that Camilleri had invented the subject matter of a patent entitled ‘Slabmaster’, which was held in the name of Steel Foundations. Camilleri was at the time of incorporation of Steel Foundations, retained as a consultant to the company. The terms of the engagement were not in writing. Camilleri submitted that his duties involved the exploitation of only one of his inventions, the “Ground Anchors” and that he owned the rights to the Slabmaster invention.

Consequently, Camilleri in his action sought *inter alia*, a declaration that he was an “eligible person” under s. 34 of the *Patents Act* (Cth) 1990 with respect to Slabmaster. Before the Queensland Supreme Court, was an application by the Steel Foundations, for summary judgment pursuant to r 293 of the *Uniform Civil Procedure Rules 1999* (“UCPR”), with respect to essentially to the Slabmaster.

The rule provided that the court could order summary judgment on the application of a defendant where it was satisfied that the plaintiff has no real prospect of succeeding on all or part of the plaintiff’s claim and there is no need for a trial of the claim or the part of the claim.

### **Camilleri’s argument**

In substance Camilleri submitted that preliminary specifications were provided to Steel Foundations, with a view to ascertain whether the company wanted to exploit the

invention. Following an expression of interest by the company in Slabmaster, Camilleri said he consented to a conditional licence to Steel Foundations to use the Slabmaster in the course of their business. Relevantly, Camilleri submitted that it was a condition of the licence that he maintained a working relationship with Steel Foundations.

### **Steel Foundation's argument**

It was common ground that after a few years the board of Steel Foundations resolve to give Camilleri a five year employment contract as C.E.O. Relevantly, an employment agreement was found to be entered which relevantly provided that Camilleri was:

- To devote his full time and attention to the business of Steel Foundations Limited;
- Not to engage, directly or indirectly, in any other business or occupation without the written consent of the board;
- To develop further technological improvements in relation to the manufacture and application of the screw pier concept;
- To ensure that the intellectual property of Steel Foundations was properly protected.

Steel Foundations argued that it was part of the terms of his engagement that he develop new products for Steel Foundations in this industry. Further, they claimed that communications were sent by the company's patent attorney to Camilleri at Steel Foundations, which indicated the Slabmaster patent was applied for in the name of Steel Foundations.

### **Decision**

Her Honour concluded that if there was no real prospect of Camilleri showing that the patent was obtained without his knowledge, it was safe to infer Camilleri agreed that the company could and would be the patentee for the invention, whatever were the terms of his engagement.

Atkinson J also found that conduct by Camilleri added to this conclusion. In particular, that Camilleri:

- wrote a memorandum on Steel Foundations letterhead addressed to all sales staff, operations staff and administrative staff with regard to the protection of the company's intellectual property in Slabmaster;
- had signed a distribution agreement on behalf of Steel Foundations with a third party, which included a warranty that Steel Foundations owned all the intellectual property relating to the Slabmaster system.
- in a notice of termination of the distribution agreement, signed by Camilleri, said:

*“ The Slabmaster System is fully patented, (granted Patent no. 706192 applies, copy attached). This makes the Slabmaster System a proprietary system owned by Steel Foundations.”*

Atkinson J, determined that the terms of the agreement between Camilleri and Steel Foundations could be inferred from Camilleri's conduct in unequivocally asserting the respondent's exclusive right to the patent. His conduct was sufficient evidence of the

assignment of the right to apply for the patent, to the exclusion of himself (*Preston Erection Pty Ltd v Speedy Gantry Hire Pty Ltd* (1998) 43 IPR 74 at 82).

An order for summary judgment was made in favour of the applicant, Steel Foundations.

**Dimitri Eliades**  
**12 August 2003**