

**Rismark patent corners shared equity loan market**  
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Residential property funds management group Rismark International has taken out patents over the shared equity home loan it invented to stop its larger rivals breaking into the market.

The major banks, led by the Commonwealth Bank of Australia, are closely reviewing the emerging sector and want to set up their own shared equity products.

The loans, in which lenders take an exposure to changes in house prices, have been pioneered in Australia by Rismark and Adelaide Bank. International groups such as ING are believed to be exploring the launch of similar products. But the big four, who dominate the home lending market, are showing the greatest interest in the area.

The products have been praised for addressing the housing affordability crisis, but the banks are eyeing potential profits from providing loans on houses at the more lucrative end of the market.

The big banks may be stymied by Rismark, which has just been awarded a further two patents by the Australian Patent Office over its shared equity products.

The patents could prevent the banks from launching their own products without dealing with Rismark.

"Any potential infringer of Rismark's intellectual property faces the prospect of a long, drawn-out court case," said Rismark's lawyer Stephen Stern, the head of Corrs Chambers Westgarth's intellectual property practice.

"The question around business method patents is almost certain to have to be ultimately heard by the High Court, and nobody knows which way they will lean.

"The one thing we do know is that several years, and many millions of dollars, will be sacrificed before a definitive answer emerges," he said.

Separately, PMI Mortgage Insurance has taken a strategic 5 per cent equity stake in Rismark International. PMI and

Rismark have also struck an agreement to develop automated valuation models, which Rismark will construct and PMI will commercialise for banks around the world.