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IP Australia

Dear Mr Applegate

NZIPA submissions to IP Australia on Proposals to Streamline IP Processes and Support Small Business

Introduction

These submissions have been prepared by the New Zealand Institute of Patent Attorneys Inc. (NZIPA). The NZIPA was incorporated in 1912 and represents most patent attorneys registered under the New Zealand Patents Act 1953 who are resident and practicing in New Zealand. Many of our patent attorneys are also registered in Australia.

The present membership of the Institute comprises 146 fellows, 68 students, 11 associates, 23 non-resident members, 4 retired members and 2 honorary members. The honorary members are Justice Gault and Bill Howie.

The following submissions utilise the same numbering system for the headings as used in the Consultation published by IP Australia.
Proposals that affect all four IP rights

Proposal 1: Aligning renewals

Align the payment of renewal fees for patents, trade marks, designs and plant breeders’ rights, to provide a general six month grace period for renewal payments, and clarify that the rights remain "live" during the grace period and cease at the anniversary if the fee is not paid. To implement this proposal the main changes required will be the introduction of a grace period for plant breeders’ rights, and amendment of the Patents and Designs Acts to clarify that the rights can be infringed during the grace period.

- NZIPA agrees with this proposal.

It is also proposed to limit the payment of renewals to 12 months before the renewal date and cease their current practice of issuing renewal reminders to trade mark owners who are represented by IP professionals.

- NZIPA agrees with this proposal.

Proposal 2: Re-examination/revocation

Introduce re-examination processes for trade marks, designs and plant breeders’ rights which are aligned with the current patent re-examination process, while still accounting for the important differences between the rights.

- NZIPA agrees with this proposal.

It is also proposed that the patent re-examination process would be amended to allow multiple examination reports, introduce a six month time limit for completion of re-examination, and allow third parties who have requested re-examination to participate in a revocation hearing.

- NZIPA agrees with this proposal.
Proposal 3: Extensions of time

Align extensions of time for plant breeders' rights with those for patents.

- NZIPA agrees with this proposal.

Specify the grounds for "special circumstances" extensions of time in the trade marks legislation.

- NZIPA suggests that the complexity of obtaining an extension of time for trade marks is an issue. If 90% of users for general extension requests state "special circumstances", and this is not as intended, then it suggests that the requirements are too complicated. We agree that after a certain period of time the applicant should give reasons to justify the extensions of further time. The various categories in the Act are not particularly helpful and do not appear to lead to a different outcome.

Limit extensions of time for all rights which are based on "error or omission by the applicant or owner" to 12 months. Currently there is no time restriction on extensions based on errors or omissions. Extensions of time based on the "despite due care" standard will be available for all IP rights and will have no limit on the period of the extension.

- NZIPA agrees with this proposal.

It is also proposed to make all extensions of time non-discretionary, and to introduce a streamlined procedure for short extensions of time of up to three months.

- NZIPA agrees with this proposal.

NZIPA also makes the following comments. We agree that the provision of extensions of time should attempt to balance the interests of the applicant and other rights holders.
At present, seeking an extension of time in Australia for trade marks is both unnecessarily complicated and expensive (relative to other jurisdictions).

The problem definition for wanting to align the extension of time between intellectual property rights is not clear. We agree that the process for all would ideally be simplified, but we do not agree with the premise that applicants want the processes aligned.

We have some concerns about the fees charged for extensions of time. The paper does not discuss the purpose of the fee, and whether it is for revenue collecting or to encourage parties to respond to outstanding issues quickly. The fee is high and out of step with other jurisdictions. We would like to see this reduced, but there is not enough detail in the paper to assess this properly.

Proposal 4: Writing requirements

Remove the requirement for deciding "in writing" whether or not to certify an innovation patent. This would allow a decision to be made by clicking on a button in IP Australia's systems.

- NZIPA agrees with this proposal.

Proposal 5: Defining how documents are filed

Amend the legislation for all IP rights to replace the existing mechanisms for filing documents with two new provisions for each right. The two new provisions would specify that the documents must be filed using an "approved means" including a "preferred means", and different fees may be prescribed depending on whether an act is done using preferred means or otherwise.

- NZIPA agrees with this proposal.

Proposal 6: Official journals and registers

It is proposed to remove the requirement for IP Australia to publish journals.
• NZIPA agrees with this proposal provided enhancements are made to the AusPat, ATMOS and other online publications to enable searching for time critical dates, such as the date of acceptance.

*Change the definition of the various time periods that currently commence based on the dates events are published in those journals. A general requirement would be introduced to record prescribed particulars in the Register and to publish particulars after they are entered in the Register. The legislation would still require the Commissioner or Registrar to notify the applicant or rights owner.*

• NZIPA agrees with this proposal.

**Proposal 7: Self Service Amendments**

Amend IP legislation to allow applicants and IP owners to make various amendments, such as amending applicant and agent address details online.

• NZIPA agrees with this proposal.

*IP Australia also proposes to replace the requirement for applicants to amend documents with provisions allowing certain particulars of patent applications to be amended.*

• NZIPA agrees with this proposal.

*IP Australia proposes to introduce new provisions to enable IP Australia to correct obvious errors.*

• Provided the applicant or IP owner is notified of the change and can have it reversed if the change made by IP Australia is not correct, for any reason, then NZIPA agrees with this proposal.

**Proposal 8: Signatures**

Amend the patents legislation to remove the requirement for signatures. The authenticity of transactions would be verified using other information provided in the application documents.
NZIPA agrees with this proposal.

**Proposal 9: Certificates**

*IP legislation would be amended to remove the requirement for IP Australia to issue certificates of registration or grant.*

- NZIPA does not agree with this proposal and recommends option 2 be adopted. As well as an electronic certificate of registration or grant as of right, it is essential that hard copy certificates would still be available on request. Some IP Offices still require hard copy certificates.

*IP legislation would be amended to provide that any document approved by the Commissioner or Registrar would constitute prima facie evidence of a matter.*

- NZIPA agrees with this proposal.

**Proposal 10: Address for correspondence**

*IP rights legislation would be amended to remove the requirement for applicants to provide an address for correspondence.*

- NZIPA agrees with this proposal.

The requirement to provide an address for service would be maintained.

- NZIPA agrees that the requirement to provide an address for service must be maintained.

**Proposals that affect patents**

**Proposal 11: Third party requests for examination**

*Replace the current provision which allows a third party to request the Commissioner to direct an applicant to request examination of a standard patent*
application with a new provision which allows third parties to request the Commissioner to examine the application.

- NZIPA agrees with this proposal.

**Proposal 12: Colour drawings**

Amend the patents legislation to allow for the submission of drawings in colour.

- NZIPA agrees with this proposal.

**Proposal 13: Extensions of term – Notices to Department of Health**

Delete or amend Section 76A of the Patents Act. This section requires patentees who have obtained a pharmaceutical patent term extension to provide the Secretary of the Department of Health & Family Services with a return setting out certain details of the amount and origin of funds spent on research and development in respect of the drug which was the subject of the application.

- NZIPA agrees with IP Australia that the usefulness of the data provided is limited. Patentees should therefore not bear the burden of providing data that is of limited use.

**Proposals that affect trade marks**

**Proposal 14: Acceptance time frames**

Reduce the timeframe for acceptance of a trade mark from 15 months to 6 months.

- NZIPA does not support this proposal.

The paper is not particularly clear on when the proposed 6 month timeframe for having an application in place commences. We understand it to be six months from the date of the first examination report, but this is not explicit.
It is our view that the proposed change to six months is too short. The claim that this option would bring a net benefit to Australian business is unsubstantiated. Most businesses that face examination issues will require more time. An increase in extensions being sought will increase cost and administrative burden for business.

We understand IP Australia's objective of wanting the trade marks register to be certain for both applicants and other interested parties. But consider that the problem, as defined in the paper, that businesses can "incur significant costs through missed business opportunities" is overstated.

Trade mark applicants should be given a fair amount of time to put their trade mark application in order for acceptance. The instances of business competitors waiting in the wings to want to use that trade mark, and missing out on business opportunities because they cannot, must be few.

NZIPA submits that the time frame for placing an application in order for acceptance should remain at 15 months. We consider that this timeframe is realistic to get a trade mark application accepted and is supported by the fact that only 3,000 of the 62,000 trade mark applications filed in Australia require an extension to the acceptance time frame. If the acceptance timeframe is shortened to six months, then the need to get extensions of time would increase costs to business and increase the administrative workload of IP Australia.

One of the primary issues of delays in resolving trade mark examination issues is the length of time it takes IP Australia to issue an initial examination report and to respond to further submissions about the issue. The paper refers to 88% of applicants having their trade mark applications accepted within 6 months of filing. The paper does not specify the nature of the issues being responded to. Often lengthier delays are caused by more complicated issues, such as seeking letters of consent or preparing and compiling evidence of use. Sometimes delays in instructions are a result of international filing strategies where Australia is one component. Sometimes delays are because it is difficult to obtain instructions from a client. For those issues that require time, 6 months will often be too short. An issue that is not addressed in these proposals is the fact that once a response has been submitted, if it is close to the deadline, an
applicant must seek an extension of time within which to receive a response from IP Australia. In most jurisdictions, once a deadline is met, the clock stops ticking for the applicant. We are of the view that IP Australia necessitates the filing of extensions of time by imposing that an applicant has sufficient time left before its acceptance deadline to receive a response from IP Australia to responses filed.

We note that the proposal is to allow for extensions of time, and possibly deferment, in such circumstances. In our view, this would unfairly add to the applicant's cost and would add administrative burden when many applicants will be spending time and resource to be in a position to substantively respond to a compliance issue. IP Australia fees for extensions of time are high compared to other jurisdictions. If an attorney is being used, then increasing the number, and possibly frequency, of extensions sought will increase the amount of time that an attorney spends on a matter, which will also likely add to the applicant's costs. This will be the affect regardless of whether the applicant is an international company or a small Australian SME. This added cost, both time and money, for applicants would likely outweigh the benefit to the relatively few Australian businesses that do not have trade mark priority.

We see no justification in having the timeframes for trade marks consistent with patents or designs. This may be something that is beneficial to IP Australia from an administrative perspective, but this should not be the driver.

The timeframes in other jurisdictions are only relevant to a point. The most relevant jurisdiction for IP Australia to consider would be New Zealand given the instruction by the two countries governments to try to work to bring our intellectual property systems closer, and generally reduce barriers to businesses. We note that New Zealand is omitted from the list of jurisdictions referred to. The initial examination deadline in New Zealand is 12 months. We also note that in some jurisdictions (such as the US) a subsequent six month period is allowed if the first response does not overcome the objections.

*Reduce the maximum extension period available under regulation 4.12 (3) from six months to one month*
• NZIPA does not support this proposal. It would add to cost and administrative burden because more extensions will need to be sought.

Abolish the extension available under regulation 4.12 (3)

• NZIPA does not support this proposal. There is no justification given in the proposal as to why this option should be removed, other than to benefit competitor businesses. We submit that this reason does not justify the removal of this regulation and would submit that it should be maintained.

Expand the grounds for deferment under regulations 4.13 and 17A.21 to include overcoming a ground for rejection under section 41

• NZIPA has some concerns about offering deferment to gather evidence as a solution (option 5). If the timeframe is fairly set with further extensions of time possible where justified, then deferment is unnecessary. Deferment also has the potential to be regulated differently, and in a way contrary to the principles of wanting to have matters concluded quickly in order to bring certainty to the register.

Deferment suits a particular purpose. Extensions of time may be more appropriate where a party is gathering evidence of distinctiveness.

Proposals that affect designs

Proposal 15: Registration of designs

Amend the Designs Act to remove the option to allow an application to be published without being registered. If the applicant does not request withdrawal or registration within six months from filing, the application will automatically proceed to a formalities check and registration.

• NZIPA agrees with this proposal.

Proposal 16: Multiple copies of representations
Amend the designs legislation to remove the requirement for applicants to file multiple copies of each representation of the design disclosed in the application.

- NZIPA agrees with this proposal.

**Supporting small business**

**Proposal 17: Unjustified threats of infringement**

Align the provisions relation to unjustified threats of infringement by including provisions in the Plant Breeders' Rights Act corresponding to those present in the Patents Act.

- NZIPA agrees with this proposal.

Amend the Trade Marks Act to replace "groundless" threats with "unjustified" threats.

- NZIPA agrees with this proposal.

It is also proposed to amend the Patents, Trade Marks and Designs Acts, and possibly also the PBR Act, to allow additional damages to be awarded where the IP rights holder has made blatant and unjustified threats of infringement against another party.

- NZIPA agrees with this proposal.

**Proposal 18: Clarify ownership of Plant Breeder's Rights**

Amend the Plant Breeders' Rights Act to allow more than two breeders to lodge a joint application.

- NZIPA agrees with this proposal.

Amend the PBR regulations to allow for corrections to the PBR register. The provisions would be similar to those present in the patents legislation where the Commissioner has the power to rectify the Patent Register to address the omission
of an entry, an entry made without sufficient cause, a wrong entry, or an error or defect in an entry in the Register.

- NZIPA agrees with this proposal.

**Proposal 19: Trade marks and shelf companies**

*Amend Section 27 of the Trade Marks Act to allow trade mark applications to be lodged in the name of an existing shelf company. It may also be necessary to amend paragraph 28(1)(c) of the Tobacco Plain Packaging Act 2011.*

- NZIPA agrees with this proposal.

**Proposal 20: Customs notice of seizure**

*Amend the Trade Marks Act to allow customs to notify the designated owner of the goods and the trade mark owner notices by "approved means", which would allow notices to be issued electronically.*

- NZIPA agrees with this proposal.

**Technical fixes**

**Proposal 21: Publishing personal information of IP attorneys**

*Amend the patents and trade marks legislation to enable the Professional Standards Board to publish name and address information of all registered attorneys. Under the current legislation IP attorneys can prevent their names and addresses from being published by the Professional Standards Board.*

- NZIPA agrees with this proposal.

**Proposal 22: Prosecution of IP attorney offences**

*Amend the Patents Act and the Trade Marks Act to allow an incorporated attorney to be prosecuted for an offence within five years of the date of the offence.*
the current legislation an incorporated attorney can only be prosecuted for a number of offences within 12 months of the commission of the offence.

- NZIPA agrees with this proposal.

Yours faithfully,

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