17 February 2017

Ms Lisa Bailey
Contact Officer
IP Australia
PO Box 200
Woden ACT 2606

By email: consultation@ipaustralia.gov.au

Dear Ms Bailey,


The Law Institute of Victoria (the LIV) welcomes the opportunity to provide submissions on the Exposure Drafts of the Intellectual Property Laws Amendment Bill 2017 and Intellectual Property Laws Amendment Regulations 2017 (the Amendment Bill and Amendment Regulations respectively).

The current submissions are informed by contributions from members of the LIV’s Intellectual Property & Information Technology Committee (the Committee).

Background

The LIV seeks to distinguish this submission from its previous submission in response to the Consultation on Proposals to streamline IP processes and support small business, on the basis that this submission will be limited to responding directly to the Draft Legislation. The previous submission is enclosed for your reference.

The LIV has not had an opportunity to consider the Law Council of Australia’s (the LCA) final submission on the Draft Legislation. As a Constituent Body of the LCA, however, this submission is to be taken as an endorsement of the LCA submission insofar as the two submissions are consistent or where the LIV has not made comment.

Limitations

The Committee has not considered the administrative and regulatory measures required to give effect to the Bilateral Arrangement for the trans-Tasman regulation of patent attorneys in detail in this submission. However, it would like to draw the Consultation’s attention to its previous submission on the Exposure Draft of the Intellectual Property Legislation Amendment (Single Economic Market) Regulation 2016. The submission is enclosed for your reference.

It is noted that the Draft Legislation proposes very minor changes of an administrative nature to the Copyright Act 1968, and that Australia’s copyright system is considered in more depth in the Department of Industry, Innovation and Science’s Consultation on the Government’s Response to the Productivity Commission’s Inquiry into IP Arrangements Final Report.
Submissions

The comments in the table below correspond with the relevant items in the Draft Explanatory Memorandums to the Amendment Bill and Amendment Regulations. They are organised according to the types of intellectual property (designs, patents and trade marks) regulated under specific Acts. The LIV makes no comments in relation to changes to the Plant Breeders’ Rights Act 1994 (Cth).

The LIV generally agrees with the proposed changes that provide for electronic communications and lodgement to be used to increase efficiency and timeliness of relevant processes.

In relation to the provisions for decision-making by means of appropriate computer programs (see Part 9 of the Draft Bill, which sets out changes to the relevant acts relating to designs, plant breeders' rights, patents and trade marks), the registrar has power for all such decisions to substitute the decision of a human decision-maker where such a computer-generated decision in the opinion of the registrar is incorrect. The LIV considers that in the interest of transparency, it may be beneficial to impose an obligation on the relevant registrar in each case to note such incorrect decisions in some form of publically accessible register (so far as this is commensurate with any obligation of confidentiality).

<table>
<thead>
<tr>
<th>Item in Draft Explanatory Memorandum</th>
<th>Reference to Draft Bill or Regulations</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendment Bill Item 81</td>
<td>Inserts new sections 68A-68G</td>
<td>Sets out process for re-examination after a design has been registered</td>
</tr>
</tbody>
</table>

The Consultation Paper on Streamlining IP processes and supporting small business notes that there is an existing ability to have a design that has been examined and certified, to be examined again, but that this is rare. It is unclear whether third parties currently do not seek re-examination because the process has not been formalised, or for other reasons. Little information was provided in the Consultation Paper on when third parties currently request re-examination.

The LIV does not object to formalising a process for re-examination in line with other areas of intellectual property law, however there are concerns that formalising re-examination will increase the number of requests; possibly creating uncertainty for rights holders and placing an administrative burden on IP Australia.

| Amendment Bill Item 474 | Inserts new subsection 77(1A) | Additional damages for unjustified threats of infringements |

The LIV submits that the term “flagrancy” of unjustified threats (subsection 77(1A)(a) in the Draft Bill) needs to be clarified or defined, given the significant consequences which are proposed for the making of such threats.
### Changes to the *Patents Act 1990* (Cth)

<table>
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<tbody>
<tr>
<td>Amendment Bill Items 135, 136, 138,139</td>
<td>Amends sections 41 and 150</td>
<td>Exploitation of lapsed patents where exploitation by third parties commenced during the period of lapse (applicable to patents for certain micro-organisms and “secret” defence-related patents)</td>
</tr>
</tbody>
</table>

Under the current legislation, a causal connection between the lapse and the exploitation is required so the exploiting party had to be aware of the lapse. The Draft Bill removes this requirement. This means that if someone does not do a sufficient, or indeed, any search before engaging in exploitation that would otherwise constitute an infringement of an existing patent, they would nevertheless be able to exploit, and continue to exploit, the invention, even if the lapsed patent is subsequently renewed.

The LIV suggests that the right to continue to exploit the invention should be limited to circumstances where the exploiting party relied on the lapse to commence their exploitation, as is currently the case under the Patents Act.

<table>
<thead>
<tr>
<th>Amendment Bill Item 479</th>
<th>Inserts new subsection 128(1A)</th>
<th>Additional damages for unjustified threats of infringements</th>
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</thead>
</table>

The LIV submits that the term “flagrancy” of unjustified threats (subsection 128(1A)(a) in the Exposure Draft Bill) needs to be clarified or defined, given the significant consequences which are proposed for the making of such threats.

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### Changes to the *Trade Marks Act 1995* (Cth) and *Trade Marks Regulations 1995* (Cth)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Regulations Item 426</td>
<td>Amends subregulation 4.13(1)(a)</td>
<td>Removes the ability to obtain six (6) months of extensions upon written request and payment of a fee.</td>
</tr>
<tr>
<td>Bill Items 166 and 167</td>
<td>Repeals current subsections 224(2) to (8) and substitutes with new sections 224A-224E</td>
<td>All extension requests to include a statement justifying the extension sought and a declaration (if specified).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>There are only three grounds for extension under subsection 224A(2):</td>
</tr>
</tbody>
</table>

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New sections 224A-224E provide for two types of extensions:

1. extensions of less than three (3) months; or
2. extensions of more than three (3) months.

The LIV submits that the following issues need to be addressed regarding the proposals under the Draft Legislation:

- **Statements/declarations**
  
  Subsections 224A(2)(d) and (e) require lodgement of a statement justifying the request for an extension and a declaration, if specified. However, it is not clear what requests will require an accompanying declaration.

  If a declaration is only required for extensions over three (3) months then this should be made clear in the legislation. It would also be useful to have guidelines on what should be contained in a statement.

- **Special circumstances**

  Subsection 224A(3) provides that the Registrar may, by a “notifiable instrument”, determine circumstances that constitute “special circumstances”. It would be useful to have examples or guidelines of what constitutes “special circumstances” in the Act or Regulations.

- **Time limit on special circumstances**

  New regulation 21.25 provides that an extension based on “special circumstances” will not be available if two (2) months has passed since the circumstances ceased to exist or the applicant became aware of the circumstance.

  If this limitation is to apply to “late extensions” only, then this should be made clear. At the moment it appears that the restriction on “special circumstances” applies to all section 224A extension requests which could result in an extension request being rejected in circumstances where an extension is otherwise warranted. For example: the legal counsel of an applicant company resigns and the applicant is not able to employ new counsel for four (4) to five (5) months. The applicant company would not be able to rely on its situation to obtain an extension of time for more than two (2) months under the proposed regulation.
- **Rejection/objection process for extensions under three (3) months**

  An extension request under three (3) months can be rejected in two ways:

  1. **By an objector under subsection 224B(2) within one (1) month of the publication of the extension request (both the objector and applicant have the opportunity to be heard under subsection 224B(6))**

     As IP Australia noted in the Consultation on Proposals to streamline IP processes and support small business, 88% of applicants currently have their trade marks accepted within six (6) months. This suggests that the process of obtaining extensions is not being abused by trade mark owners. Further, the LIV submits that, of those 12% of applicants who do require extensions, most are for genuine reasons. For example, large organisations with layers of business units often have various channels through which they obtain instructions which can be time consuming and difficult as people leave and/or move within the business. Small businesses may come across situations which compel them to devote resources elsewhere.

     Allowing objections to extensions of less than three (3) months risks unwarranted or vexatious objections being filed adding further costs and time to the application process.

     Also, because IP Australia will not examine an extension request until the time frame for objections has passed, it places the burden on trade mark owners to scrutinise and object to extension requests.

  2. **By the Registrar who can refuse an extension request under subsection 224(4)**

     If no objection is filed, then the Registrar can grant or refuse an extension. It is not clear if the applicant has the opportunity to request a hearing on the rejection decision. The only avenue of redress appears to be by way of an appeal to the Administrative Appeals Tribunal (AAT). Potentially an applicant who submits a deficient request for an extension of one (1) to three (3) months could lose their entire application and rights without any opportunity to be heard by IP Australia.

     It is suggested that the legislation could benefit by including a provision allowing an applicant to request a hearing of a decision to reject an extension request made under section 224B (where no objection is lodged but the Registrar rejects the extension request).

     If the objection process is to remain then the LIV believes it would be beneficial for IP Australia to be able to conduct a review of the extension request and issue a decision to grant or reject, and then publication could occur for the objection only if the extension was granted.

- **Potential for more oppositions for extensions longer than three (3) months**

  The proposed amendments change the calculation of subsequent extensions from the original due date, rather than from the last date of the last extension, which prevents applicants from obtaining multiple short extensions for the same matter. This means that any extension request more than three (3) months past the original examination response deadline will be subject to an opposition. This adds a layer of uncertainty and potential cost to the application process.
**Amendment Regulations**

<table>
<thead>
<tr>
<th>Item 423</th>
<th>Amends subregulation 4.12(2)</th>
<th>Reduce the acceptance time frame from fifteen (15) months to nine (9) months</th>
</tr>
</thead>
</table>

If IP Australia wish to reduce the acceptance period to nine (9) months then it would be useful for the Act or Regulations to set a time frame by which Examiners must respond to an Examination Report Response. Also, the reduction to nine (9) months is inconsistent with the Patent examination time frame, which is twelve (12) months.

**Amendment Bill**

<table>
<thead>
<tr>
<th>Item 116</th>
<th>Repeals current subsection 84A(6) and substitutes with new subsections 84A(6)-(10)</th>
<th>Revocation of registration may be on the Registrar’s own initiative, and may be made on request by a third party where the Registrar must consider whether to revoke</th>
</tr>
</thead>
</table>

Section 84C is still unclear on the exact status of a revoked registration, whether the application is to be re-examined or lapses altogether. Subsection 84C(5) permits the Registrar to examine before revoking, but does not oblige the Registrar. It is also unclear as to what circumstances re-examinations would be appropriate.

The LIV suggests that this is an opportune time to clarify this issue.

<table>
<thead>
<tr>
<th>Item 484</th>
<th>Inserts new subsection 129(2A)</th>
<th>Additional damages for unjustified threats of infringements</th>
</tr>
</thead>
</table>

The LIV submits that the term “flagrancy” of unjustified threats (subsection 128(1A)(a) in the Exposure Draft Bill) needs to be clarified or defined, given the significant consequences which are proposed for the making of such threats.

**Further consultation and contact**

The LIV would be pleased to discuss this submission with you in greater detail. Please contact Barton Wu, LIV Commercial Law Section Lawyer, on (03) 9607 9357 or bwu@liv.asn.au, to arrange a time to meet together with representatives of the Intellectual Property & Information Technology Committee.

Yours sincerely,

Belinda Wilson
President
Law Institute of Victoria

*Encl.*
Submission to IP Australia Regarding the Proposals to Streamline IP Processes and Support Small Business Consultation

These Submissions are lodged on behalf of the Law Institute of Victoria (the LIV) and are informed by contributions from the LIV’s Intellectual Property and Information Technology Committee. The below comments are numbered according to the questions raised in the consultation paper.

Aligning and Simplifying

1. Aligning Renewals

   A. Renewal grace periods: Trade Marks

   The LIV supports a change to the renewals process that provides greater certainty around the application of Trade Mark rights during the grace period.

   The LIV submits that Option A2, as proposed by IP Australia, provides the desired outcome with the least amount of significant change, as it clarifies the current position by stating with certainty the operation of rights during the grace period and the effect of a failure to renew by the renewal deadline.

2. Re-examination / Revocation

   Trade Marks

   The LIV does not support Option 2 and submits that, currently, no practical need or systemic issue requiring the period for trade mark revocation be extended from its current position (12 months post-registration) to a period ranging between two and five years.

   The LIV submits further evidence or research should be obtained or undertaken to demonstrate a need for an extension of the proposed two to five year period with further opportunity for public consultation on this point. We note that applications for revocation under the current provisions appear to be rare.

   The LIV does not support Option 4 and submits that allowing re-examination of an accepted application up to 12 months from registration upon applications by third parties is unnecessary in the context of trade mark applications.

   Currently, trade mark applications are examined for both relative and non-relative grounds. In addition, the current Office practice of alerting owners of trade marks cited during the application process of acceptance of an application (thereby giving them the opportunity to oppose) provides sufficient opportunity for a thorough and fair examination process.

   The LIV acknowledges that, under section 84A (6) of the Trade Marks Act 1995, there is no obligation for the Registrar to act on a request for revocation from a third party. The proposal
is to allow applications for revocation by third parties and is to contain the re-examination process by limiting revocation to the grounds that currently apply. On this basis, it seems unlikely it will be used as a de facto opposition forum to deal with, for example, ownership disputes between parties.

The LIV fails to see how effectively introducing another layer of examination will “reduce IP Australia’s administrative costs.”

The LIV submits that the proposed re-examination process appears at odds with the philosophy underpinning the Consultation, as the proposed examination will likely only lead to prolonged periods of uncertainty for trade mark applicants and possible costs due to lost opportunities.

The LIV and the Committee would welcome further opportunities to participate in public consultation on this process, followings the provision of more extensive details regarding the underpinning processes behind the implantation of Option 4.

14. Acceptance Time Frames

The LIV does not support a reduction of the acceptance timeframe from 15 months to six months or abolishing the extension available under regulation 4.12(3).

The LIV has concerns that requiring all extension applications to be made under section 224 of the TMA will result in an increase in the costs payable by all applicants.

The LIV submits that many small business applicants find it difficult to commit the time required to respond to an examination report, even where a report only raises specification objections.

The LIV submits that, where a reduction in the acceptance timeframe is introduced, the period should be greater than the currently proposed six month period identified in Option 2. Similarly, the LIV submits that applicants should be able to obtain at least one three or six month extension without a requirement to provide reasoning forming the basis of their request, which is currently the position under regulation 4.12(3).

The LIV welcomes further detail on the proposal to expand the grounds for deferment under regulations 4.13 and 17A.21 to include overcoming a ground for rejection under section 41. For example, the LIV may have concerns where an applicant would need to demonstrate that it intends to file formal evidence of use (in a Declaration) in order to invoke the deferment.

Please contact Jonathan Lambrianidis on 03 9607 9476 if you wish to discuss the matters raised in this submission.

Sincerely yours,


Katie Miller  
President  
Law Institute of Victoria
Ms Lisa Bailey
IP Australia
PO Box 200
Woden ACT 2606

Dear Ms Bailey,


Please find below the Law Institute of Victoria’s (the LIV) submission on the Exposure Draft of the Intellectual Property Legislation Amendment (Single Economic Market) Regulation 2016. This submission has been prepared in conjunction with the LIV Intellectual Property and Information Technology Committee of the Commercial Law Section.

The below comments are numbered according to the proposals in the Explanatory Statement and provisions in the Exposure Draft.

Amendments to Patent Regulations 1991 (Patent Regulations)

Items 4-7 and Items 163-167; paragraph 3.2C(2)(a) and sub-regulation 22.10: Address for service

Having regard to the widely reported and experienced difficulties with the delivery of physical mail, and also acknowledging the general approach of businesses to increasingly rely on electronic mail, the LIV suggests that the opportunity be taken to add to paragraph 3.2C(2)(a) and sub-regulation 22.10 a provision allowing delivery of relevant documents by email address.

Item 16; paragraph 20.6(1)(a): Patent Attorney Qualifications

The LIV agrees with the position put forward in the submission provided by the University of Technology Sydney that Level 5 AQF is not a sufficient qualification for professional practice as a patent attorney and that a level 7 or higher AQF (or corresponding NZQF qualification) should be a pre-requisite for registering as a patent attorney.

The Level 5 AQF is a diploma level qualification that provides skills commensurate to a paralegal position. However, patent attorneys are required to be highly skilled professionals who must possess in-depth knowledge and robust skills (including legal skills) beyond that of a paralegal. Given the requirements and scope of the practice of a patent attorney, the LIV submits that a higher qualification level of at least AQF 7 would better service and protect consumers who wish to engage the services of a patent
attorney, by ensuring their training is of a sufficiently high standard to meet the requirements of the patent attorney’s role.

**Item 74; paragraph 20.48: Matters that may be considered in determining penalties**

Where a patent attorney is also a legal practitioner in Australia or New Zealand, they will be subject to jurisdiction specific conduct rules for legal practitioners. Where the legal practitioner is non-compliant with these conduct rules in their jurisdiction, they may be subject to disciplinary action by the regulator in that jurisdiction (for example, the Victorian Legal Services Board in Victoria). Accordingly, the LIV submits that proposed paragraph 20.48 of the Patent Regulations should be amended to include a sub-paragraph 20.48(1)(c) which would state ‘(c) if the patent attorney is also an admitted legal practitioner, any other relevant disciplinary proceedings relating to the same conduct’.

By proposing the above amendment, the LIV is concerned to ensure that all relevant disciplinary proceedings relating to the same conduct (including in an individual’s capacity as a legal practitioner) are taken into account by a Panel of the Disciplinary Tribunal when considering the scope of any penalties in a disciplinary matter brought before it.

**Item 113; paragraph 20.63: Trans-Tasman Attorneys Disciplinary Tribunal eligibility**

The LIV notes that a person is not eligible to be appointed as President of the Trans-Tasman IP Attorneys Disciplinary Tribunal (the Tribunal) unless the person is currently enrolled as a legal practitioner in Australia or New Zealand, and has been enrolled for at least seven years.

However, legal practitioners are not able to become ‘other’ Tribunal members unless they also satisfy other criteria within 20.63(2) (essentially that they are currently or have previously been a patent or trade marks attorney). Given the high standard of professional and ethical conduct required of legal practitioners, and generally their expertise in dispute resolution, they are eminently qualified and appropriate to be a Tribunal Members. This is reflected in the fact that the President is required to be a legal practitioner who had been admitted for at least 7 years. Accordingly, the LIV recommends that a sub-paragraph 20.63(2)(e) be added to this section which states ‘a qualified legal practitioner in Australia or New Zealand’.

**Amendments to Trade Marks Regulations 1995 (Trade Mark Regulations)**

**Item 12 and Item 65, sub-regulations 17A.74(2) and 21.74A – Address for service**

The LIV’s comments above in respect of the proposed amendments to the address for service provisions at paragraph 3.2C(2)(a) and reg 22.10 of the Patent Regulations are also applicable to these proposed amendments.

**Items 15-16, sub-regulations 20.6(a) and 20.6(b) – Academic qualifications**

The LIV’s comments above regarding Paragraph 20.6(1)(a) of the Patent Regulations in relation to patent attorneys are also applicable in respect of the proposed amendments to the required qualification level of registered trade mark attorneys, particularly as there is no required period of supervised workplace training for trade mark attorneys (unlike legal professionals and patent attorneys).
Amendments to the *Designs Regulations 2004* (Designs Regulations) and *Plant Breeder’s Rights Regulations 1994* (Plant Breeder’s Rights Regulations)

The LIV again refers to its comments regarding paragraph 3.2C(2)(a) and reg 22.10 of the Patent Regulations and notes that these comments are also applicable to the proposed amendments under the Designs Regulations and the Plant Breeder’s Rights Regulations.

If you have any questions regarding the above submission, please contact Ms Mollie Tregillis, Senior Lawyer for the Commercial Law Section at the LIV on (03) 9607 9318 or mtregillis@liv.asn.au.

Sincerely yours,

Steven Sapountsis  
President  
Law Institute of Victoria