Dear Ms Bailey,

Exposure Draft of the Intellectual Property Laws Amendment Bill 2017 (the ‘Bill’)

Telstra welcomes the opportunity to make a submission on the proposed Bill.

We are engaged across the innovation ecosystem from our support for incubation and early stage innovation investment, to our development of new products and services, through to our co-creation and collaboration with a range of organisations. Underpinning our innovation work is an extensive intellectual property (IP) portfolio, including copyright, trade marks, patent and design rights in Australia and overseas.

As an IP rights holder, collaborator, sponsor, licensor, licensee, user and intermediary we have a keen interest in the administration of Australia’s IP system. We support the Bill’s purpose to improve and streamline that administration to reduce regulatory costs, and to better meet the needs of businesses dealing with the system.

This submission addresses only those aspects of the Bill that are of particular interest or concern to Telstra and our customers. Our references to an item are references to the designated item of the Bill (or relevant draft Regulations).

Extensions of Time and Protection of 3rd Parties

Trade Marks - Items 167 of the Bill / Item 421 of the Regulations

The Bill and Regulations propose to repeal the Registrar’s ability to grant six months extensions of time (with an opportunity for third party opposition) as of right under regulations 4.12(3) and (4), and to replace this with a new process for requesting and granting extensions of time (proposed new sections 224A, 224B and 224C).

We do not support these amendments for the following reasons:

- Complexity, uncertainty, cost and delay - The proposed process introduces complexity, uncertainty, cost and delay including by introducing differentiated ‘Short Extensions’ and ‘Long Extensions’; as to whether an extension of time will be granted; how long the extension will be; publication; and where an application is subject to third-party objection.

- The use of the terminology “object” and “objection” in s224B is inconsistent with the usual terminology “oppose” and “opposition”, particularly as it is used in s224C, and is likely to give rise to confusion.
• Objection - The Bill provides for all extension of time requests to be published for third-party objection, and in the case of Short Extensions before determination by the Registrar. We query the benefit of requiring that extensions for less than three months be advertised and able to be “objected to” by a third party within one month. Should an objection be granted against a Short Extension request, it would allow a third party to take part in the objection hearing.

• Ground for Special Circumstances - Proposed s224A(2)(c)(ii) and (iii) are confusing - howas it does not make clear how an applicant should differentiate between ‘special circumstances’ (iii) and ‘circumstances beyond the applicant’s control’ (ii).

In relation to the proposed amendments we submit that:

• proposed wording of s224B be amended to provide for an automatic grant of Short Extensions (which are not objected to), for the time period requested; to allow at least one three months (currently six months) extension of time as a right; and to remove the objection process for Short Extensions;

• the scope of circumstances which are to constitute ‘special circumstances’ are defined; and

• the requirement for publication of, and objection to, Short Extensions be removed.

Patents – Item 143 (s 223H) of the Bill / Item 97 of the Regulations

The Bill and Regulations propose to amend the current wording of s 223(9) and r 22.21 to give automatic right to a third party to commence exploitation of a patented invention during the period of time when the patent application is in a state of lapse/ patent has ceased, without having to apply for a licence.

We do not support this amendment, for the following reasons:

• the proposed wording of s223H is too broad; and

• it creates an ‘infringement exemption” and risks eroding any rights of a patentee to an unjustifiable extent.

In relation to the proposed amendment we submit that:

• the proposed rights provided to third parties who commence exploitation of a patented invention during a period of time when a patent is in a state of lapse should be narrowed, to ensure that they do not create an infringement exception; and

• the rights should only apply when there is a causal connection between the lapsing of the application or patent, and the exploitation by a third party.

Acceptance Deadlines

Trade Marks – Items 421, 423-425 of the Regulations

The Bill proposes to reduce the acceptance period for Australian trade mark applications (and Australian designations of international registrations) from 15 months to nine months.

We do not support this amendment for the following reasons:
• 15 months is a reasonable period for a trade mark applicant to respond to substantive objections by IP Australia, particularly objections which require the applicant to prepare evidence and detailed submissions.

• The amendment fails to meet the stated purpose of the Bill - to align and streamline processes for obtaining IP rights. A nine month acceptance period for trade marks is less than the current acceptance period for patents (12 months).

• The amendment would unnecessarily prejudice Australian trade mark applicants who file related an application in jurisdictions with different acceptance timeframes (e.g. New Zealand provides a 12 months response deadline).

We support retaining the current 15 months acceptance period. If, however, the trade mark acceptance period is to be reduced, we submit that (as for patents applications) the period should be set at not less than 12 months.

Unjustified Threats of Infringement

Trade Marks (Items 475-478 and 484)

The Bill replaces references to a "groundless threat" with references to an "unjustified threat" and proposes an amendment to allow a court to award additional damages against a person for making flagrant unjustified threats of trade mark infringement.

We do not support these amendments for the following reasons:

• we are concerned that the legislation is not clear in relation to the types of activities that could constitute an unjustified threat;

• we query the benefit of introducing the concept of additional damages as we are concerned it could increase the exposure of trade marks owners to actions for unjustified threats; and

• we are concerned it would deter trade marks owners from enforcing their rights.

In relation to the proposed amendments we submit that:

• greater clarity should be provided around the concept of "Unjustified Threats", in the context of what type of conduct would allow an award for additional damages;

• the Trade Marks Act 1995 should align the provisions for unjustified threats with the legislation for designs and patents so it’s clear that the mere notification of a trade mark application does not amount to unjustified threat.

Yours Sincerely,

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