Dear Mr. Massey,


The Law Institute of Victoria (‘LIV’) is grateful for the opportunity to provide comments on Draft Legislation: Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill and Regulations released by IP Australia (the ‘Draft Bill’ and ‘Draft Regulations’ respectively; together, the ‘Draft Legislation’).

**Introduction – LIV submission process**

The LIV is Victoria’s peak body for lawyers and represents more than 19,500 people working and studying in the legal sector in Victoria, interstate and overseas. The LIV has a long history of contributing to, shaping and developing effective state and federal legislation, and has undertaken extensive advocacy and education of the public and of lawyers on various law reform and policy issues. The LIV also assures the standards and professionalism of lawyers, including accreditation and specialisation in contemporary legal disciplines.

This submission has been informed by contributions from experienced practitioners on the LIV’s Intellectual Property & Information Technology Committee (‘the Committee’).

The LIV has not had an opportunity to consider the Law Council of Australia’s (‘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.

**Background**

The LIV has contributed a number of submissions in response to the Productivity Commission’s Review of IP Arrangements in Australia (‘PC Review’), as well as in response to consultations on the implementation of recommendations arising from the Review.

In particular, the LIV wishes to draw IP Australia’s attention to its previous submissions (including attachments, if any) on:

- the Draft Legislation: Intellectual Property Laws Amendment Bill and Regulation, dated 17 February 2017 (Attachment A); and

- IP Australia’s Public Consultation on Several IP Matters, dated 17 November 2017 (Attachment B).
These submissions considered the relevant proposals both in terms of their effect on IP practice, and broader impact on the industry and economy.

The LIV notes that the Draft Legislation will introduce amendments to:

1. commence the abolition of the innovation patent system (‘PC recommendation 8.1’);
2. repeal s 76A of the Patents Act 1990 (Cth) (‘Patents Act’), which requires patentees to provide certain data relating to pharmaceutical patents with an extended term (‘PC recommendation 10.1’).
3. reduce the grace period for filing non-use applications under the Trade Marks Act 1995 (Cth) (‘Trade Marks Act’) (‘PC recommendation 12.1(a)’);
4. clarify the circumstances in which the parallel importation of trade marked goods does not infringe a registered trade mark (‘PC recommendation 12.1(c)’); and
5. expand the scope of essentially derived variety (‘EDV’) declarations in the Plant Breeder’s Rights Act 1994 (Cth) (‘PBR Act’) (‘PC recommendation 13.1’);

The submissions below address each of the above amendments in turn. Where appropriate, the submissions respond directly to specific Consultation Questions in the draft explanatory materials, for ease of reference.

Submissions

1. **PC recommendation 8.1 – Abolition of the innovation patent system**

   The LIV notes that the Draft Legislation will abolish the innovation patent system, in accordance with PC recommendation 8.1. As this has already been agreed to by the Government, the LIV does not propose to make any submissions on the merits of this abolition.

   We have reviewed the proposed drafting and do not consider that there will be any unintended consequences.

2. **PC recommendation 10.1 – Repeal of s 76A of the Patents Act**

   The LIV welcomes the proposed repeal of s 76A of the Patents Act, which imposes an additional notification requirement for extensions of term for pharmaceutical patents.

   The repeal of s 76A would reduce the regulatory burden on patent owners under circumstances where the relevant data can be obtained from other available sources. We consider that a forward-looking approach articulating the intended use of any data that patentees must provide is efficient and appropriate.

3. **PC recommendation 12.1(a) – Reduction of the grace period for filing non-use applications under the Trade Marks Act**

   The LIV considers that the Draft Legislation implements the PC recommendation as intended. However, it provides the following general comments:

   - It is presumed that applications filed before the Draft Legislation is enacted will be subject to the existing s 93(2) (not vulnerable to non-use until five years from filing date). If this is the case, the commentary for Item 40 in the draft explanatory memorandum to the Draft Bill should be amended as follows:

     ‘This item provides that the amendments in item 39 apply to trade mark applications with a filing date on or after the commencement of this Part. Accordingly, the new time period in subsection 93(2) applies only to trade marks where the application for the registration of the trade mark has a filing date on or after the date item 39 commences. A non-use application made in relation to a trade mark which has a filing date that is earlier than the commencement date of this Part will be subject to the previous s 93(2) and therefore cannot be made within five years from that filing date.’

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• The LIV submits that the proposals may give rise to a potential unintended consequence where, unless the proposed reduction of examination timeframes and abolition of extension requests is introduced, applicants can seek multiple extensions of an acceptance deadline to defer registration of a trade mark, until there is use, to avoid the registration being vulnerable to cancellation for non-use.

4. PC recommendation 12.1(c) – Clarification of circumstances in which parallel importation of trade marked goods does not infringe a registered trade mark

The LIV has not sought to respond directly to Consultations Questions 1 and 2. However, we provide the following general comments regarding potential unintended consequences and drafting issues in the Draft Legislation:

• Implied consent

S 97A of the Trade Marks Act 2002 (NZ), which was introduced to address the exhaustion of rights of registered trade mark owners, refers to ‘express or implied’ consent of the trade mark owner. That language is not mirrored in the Draft Bill, which only refers to ‘consent’. Therefore, it is unclear as to whether the Draft Bill contemplates implied consent as a defence under the proposed s 122A.

For example, in Lonsdale Australia Limited v Paul’s Retail Pty Ltd [2012] FCA 584, the respondent (‘Paul’s’) argued that the applicant (‘Lonsdale’) granted consent to the parallel importation activities conducted by Paul’s. This was on the basis that Lonsdale did not take action against its foreign licensee, Punch, for not taking steps to prevent its customers from on-selling goods that Punch had marked with the Lonsdale trade mark outside of Punch’s licensed territory. This argument was unsuccessful in the first instance, and ultimately unsuccessful on appeal.

It is not clear whether the proposed protections under s 122A would extend to a parallel importer where the consent they are relying on is implied (by conduct, omission or otherwise).

• Associated or connected entities

In its 2014 submission, titled Parallel Importing of Trade Marked Goods, to the Competition Policy Review3, the Advisory Council on Intellectual Property (‘ACIP’) proposed that the term ‘connected entity’ in s 64B of the Corporations Act 2001 (Cth) (‘Corporations Act’) be adopted, rather than the term ‘associated entity’ in s 50AAA of the Act. Connected entity is a broader concept, which includes natural persons, partnerships and bodies corporate, whereas an associated entity must be a corporation.

Further, even in respect of bodies corporate, connected entity is broader than an associated entity. For example, a connected entity that is a body corporate only needs to have material influence over the body’s activities or internal affairs. In comparison, an associated entity must not only have significant influence, but also a qualifying investment in an entity, and its interest must be material. Which term is used depends on how broadly the defence in s 122A is intended to extend.

The onus of proof remains on the parallel importer to establish that it was reasonable for them to assume the trade mark had been applied with consent of one of the persons in s 122A(c). By contrast, ACIP’s submissions proposed that the onus should be on the complainant to prove that they did not consent. This is because parallel importers may not have, and have no feasible way of obtaining, the information necessary to satisfy the onus of proof. This reasoning remains applicable, despite the Draft Legislation requiring the parallel importer to establish that it was reasonable for them to assume that a trade mark was applied with the consent of the relevant person, rather than proof of actual consent.

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2 Lonsdale Australia Limited v Paul’s Retail Pty Ltd [2012] FCA 584.
5. PC recommendation 13.1 – Expansion of the scope of EDV declarations in the *PBR Act*

**Consultation Question 3**

Part 12 of Schedule 2 provides for a PBR exclusive licensee to bring infringement proceedings. Should an exclusive licensee of the PBR grantee also be able to make an application for a declaration?

The LIV agrees with the amendment to give the exclusive licensee the right to bring an action for infringement of a PBR, aligning the *PBR Act* with, for example, the *Patents Act* in this respect.

Given the similarity between the objectives of the two acts – broadly, to incentivise innovation by protecting a rightsholder’s ability to profit from their inventions or plant varieties – and the established use and workability of a similar provision for exclusive licensees of patents, it would be appropriate to extend this right to exclusive licensees of PBRs.

An application for a declaration that a plant variety is an EDV, with the resulting extension of the PBR to include the EDV, is an important means to protect the interests of the rightsholder, in addition to bringing infringement proceedings.

The reasoning that an exclusive licensee may want to enforce the rights that they have licensed even where this is not in the interest of the PBR grantee (as set out, for example, in Part 12 of the Explanatory Memorandum) is similarly applicable to the right to seek a declaration that a variety is an EDV. If strengthening the ability of exclusive licensees to enforce their licensed rights is desired, this right should be included.

An unintended consequence may arise in relation to the exclusive licensee, as contemplated by question 6. If a declaration for an EDV is made, ‘the right granted in the initial variety extends, with effect from the date of the declaration, to that other plant variety’⁴. This means the right to the EDV accrues to the grantee of the PBR for the initial variety.

If an exclusive licensing agreement exists between the grantee and a license holder, it may or may not contemplate the possibility of declarations for EDVs being subsequently made in addition to the initial variety subject of the license, depending on how the scope of the license is drafted. Prior to any EDV declaration being made, such a license excluding rights in subsequent EDVs would be exclusive, as any future EDV rights are merely a contingency.

After a declaration of an EDV is made, and the PBR right expands to encompass the right in the EDV, the licensee may no longer be considered an exclusive licensee in relation to the PBR that now encompasses both rights in the initial variety and the new variety (LIV’s response to Question 7 contains further details about the meaning of exclusive licensee). This is because the question of whether a licensee is considered an exclusive licensee must be answered by reference to the contractual arrangements granting the license, not by reference to the statutory rights held by the grantee.

For the licensee, this may mean losing enforcement rights such as the right to bring an infringement action, or to seek a declaration for a subsequent EDV.

This consequence of an EDV declaration would not have arisen previously because the exclusive licensee lacked the right to bring infringement proceedings, or to seek an EDV declaration.

**Consultation Question 4**

Is it appropriate for the second variety to meet all the ordinary criteria for registration in subsection 43(1)? If there are reasons why a particular criterion is not appropriate to include, please provide reasons. For example, is the requirement in s 43(1)(e) an unreasonable requirement to impose on the applicant for a declaration when they may not be aware of previous sales by the second breeder?

The criteria under s 43(1) should apply but with the requirement under s 43(1)(e) *PBR Act* modified to exclude prior use other than recent use in relation to the priority date of the initial variety. Such a requirement would support the objective of EDV declaration as protecting the rights of the grantee of the initial PBR.

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⁴ *Plant Breeder’s Rights Act 1994 (Cth)* s 12.
**Consultation Question 5**

Does the commercial-in-confidence test strike the right balance between protecting the privacy of parties and ensuring that all information relevant to the decision is available to all interested parties?

The LIV considers that it does, and suggest that applicants should be required to clearly indicate which parts of their applications they consider to be commercial-in-confidence.

**Consultation Question 6**

Is it appropriate for the applicant for a declaration to pay all costs associated with the test growing, or is another arrangement more appropriate? For example, should the second breeder instead pay those costs?

If it were required that the second breeder would pay the costs of the test growing, there might be a higher risk that a first breeder would bring an application for an EDV declaration in relation to a competitor exploiting a competing variety, even if there is no reasonable basis to consider the variety to be essentially derived. However, it could be considered if an award of such costs from the breeder of the EDV could be made where an application leads to an EDV declaration being made, taking a ‘loser pays’ approach.

**Consultation Question 7**

Is the definition of exclusive licensee appropriate? Would it be interpreted as requiring an assignment or a transmission to the licensee?

In view of the close and intentional alignment between the PBR Act and Patents Act, any interpretation of the intended provision defining exclusive licensee would be informed by the extensive case law around the analogous provision in the Patents Act.\(^5\)

Whether a party is relevantly considered to be an exclusive licensee is a matter of fact and degree under the circumstances, particularly the details of the licensing agreement between the licensee and the grantee, indicating whether the grantee has retained any of the exclusive rights afforded to the patent owner.\(^6\) An interest as licensee of a patent must also be relevantly registered.\(^7\)

Overall, it appears likely that the proposed definition of exclusive licensee to amend the PBR Act would be enlivened by an exclusive licensing agreement that meets the common law requirements as developed in relation to exclusive patent licensees.

**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 at bwu@liv.asn.au, to arrange a time to meet together with representatives of the Committee.

Yours faithfully,


Belinda Wilson  
President  
Law Institute of Victoria

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5 Patents Act 1990 (Cth) sch 1 (definition of ‘exclusive licensee’).  
6 See, eg, Actavis Pty Ltd v Orion Corporation [2016] FCAFC 121; see also LexisNexis, Patents, Trade Marks and Related Rights (at Service 197) [18.105].  
7 See, eg, Patents Act 1990 (Cth) s 187; Patents Regulations 1991 (Cth) reg 19.1.
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).

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<th>Item in Draft Explanatory Memorandum</th>
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<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>
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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)

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<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>
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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.

| Amendment Bill Item 479 | Inserts new subsection 128(1A) | Additional damages for unjustified threats of infringements |

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.

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

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<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>
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<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>
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<td>There are only three grounds for extension under subsection 224A(2):</td>
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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
Item 423
Amends subregulation 4.12(2)
Reduce the acceptance time frame from fifteen (15) months to nine (9) months

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
Item 116
Repeals current subsection 84A(6) and substitutes with new subsections 84A(6)-(10)
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

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.

Item 484
Inserts new subsection 129(2A)
Additional damages for unjustified threats of infringements

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.
Mr Sean Applegate  
Assistant Director  
Domestic Policy  
IP Australia  
PO Box 200  
Woden ACT 2606

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
Dear Ms Bailey,

**Submission to IP Australia Regarding the Exposure Draft of the Intellectual Property Legislation Amendment (Single Economic Market) Regulation 2016**

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
17 November 2017

Ms. Lisa Bailey
IP Australia
Ground Floor, Discovery House
47 Bowes Street
Phillip ACT 2606

By email: IP.PCinquiry@industry.gov.au

Dear Ms. Bailey,

**IP Australia consultation on several Intellectual Property matters**

The Law Institute of Victoria (the LIV) welcomes the opportunity to provide submissions to IP Australia on its consultation on several Intellectual Property (IP) matters.

The LIV’s submission has been informed by contributions from members of the LIV’s Intellectual Property & Information Technology Committee, and is enclosed for your consideration.

Yours faithfully,

Belinda Wilson
President
Law Institute of Victoria

Encl.
IP Australia Consultation on Several IP Matters

LAW INSTITUTE OF VICTORIA SUBMISSION

To: IP Australia (consultation@ipaustralia.gov.au)
Date: 17 November 2017

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SUMMARY OF PREFERRED OPTIONS

The LIV’s preferences as to proposed reform options are summarised as follows (references to any ‘Productivity Commission’s Recommendations’ are references to recommendations made by the Productivity Commission in its Intellectual Property Arrangements Inquiry Report dated 23 September 2016, except where indicated otherwise):

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<td>The purpose of this Act is to provide a patent system in Australia that enhances the wellbeing of society by promoting technological innovation and the transfer and dissemination of technology. In so doing, the patent system should balance over time the interests of producers, owners, users of technology, and the public.</td>
<td></td>
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| Paper 3: Amending the provisions for Crown use of patents and designs | Option 2c: 
Implement the Productivity Commission’s Recommendations*, but refine the remuneration standard  
*Recommendations made in the Productivity Commission Inquiry Report on Compulsory Licensing of Patents, No. 61, 28 March 2013 |
|---|---|
| Paper 4: Amending the provisions for compulsory licensing of patents | Implement a combination of:  
Option 1: 
Public education and awareness  
and  
Option 3: 
Implement a refinement of the Productivity Commission’s Recommendation 6.2 only  
Option 1: 
Amend subsection 133(3B) of the *Patents Act 1990* (Cth) so that it applies only to dependent patent owners |
| Paper 5: Introducing divisional applications for international trade marks | The LIV welcomes the proposal to implement the division of International Registrations Designating Australia and proposes further practical improvements (see *Paper 5: Introducing divisional applications for international trade marks* section of this submission, page 21)  
The LIV welcomes the reintroduction of mergers for all trade mark applications. |
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GLOSSARY OF KEY TERMS


ADR  Alternative Dispute Resolution


Common Regulations  Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement

Competition and Consumer Act  Competition and Consumer Act 2010 (Cth)

the Consultation  IP Australia public consultation on several Intellectual Property matters

Designs Act  Designs Act 2003 (Cth)

EPC  European Patent Convention

EPO  European Patent Office

IB  International Bureau of the World Intellectual Property Organization

IP Arrangements Inquiry  Productivity Commission Inquiry on Intellectual Property Arrangements in Australia

IP/IT Committee  LIV Intellectual Property and Information Technology Committee

IPA  IP Australia

IRDA  International Registrations Designating Australia

LCA  Law Council of Australia

LIV  Law Institute of Victoria

Paper 1  Paper 1: Amending the inventive step requirements for Australian patents

Paper 2  Paper 2: Introduce an objects clause into the Patents Act 1990

Paper 3  Paper 3: Amending the provisions for Crown use of patents and designs

Paper 4  Paper 4: Amending the provisions for compulsory licensing of patents

Paper 5  Paper 5: Introducing divisional applications for international trade marks
**Patents Act**  
*Patents Act 1990 (Cth)*

**PC**  
Productivity Commission

**Raising the Bar Bill**  
Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 (Cth)

**Trade Marks Act**  
*Trade Marks Act 1995 (Cth)*

**Trade Marks Regulations**  
*Trade Marks Regulations 1995 (Cth)*

**TRIPS**  
*Agreement on Trade-Related Aspects of Intellectual Property Rights*

**USPTO**  
United States Patent and Trademark Office
INTRODUCTION

The Law Institute of Victoria

The Law Institute of Victoria (LIV) is the peak body for the Victorian legal profession and represents more than 19,500 members in Victoria, interstate and overseas. Together with its members, the LIV advocates justice for all and promotes excellence in the practice of law, advancing social and public welfare in the operation of the courts and legal system as well as advancing education and public confidence both in the legal profession and in the processes by which the law is made and administered.

Accordingly, the LIV has a long history of contributing to, shaping and developing effective state and federal legislation, and has undertaken extensive advocacy and education of the public and of lawyers on various law reform and policy issues. The LIV also assures the standards and professionalism of lawyers, including accreditation and specialisation in contemporary legal disciplines.

The current consultation

Background

In 2015, the PC conducted a 12 month public inquiry on IP Arrangements in Australia.


Both the LIV and LCA, to which the LIV is a constituent body, provided submissions at various stages of the IP Arrangements Inquiry process:

- LCA Response to the Productivity Commission Issues Paper, Intellectual Property Arrangements (1 December 2015);
- LCA’s Intellectual Property Committee: Business Law Section’s Response to the Draft Report – Australia’s IP Arrangements (3 June 2016);
- LIV Submission to the Productivity Commission on the Productivity Commission Draft Report: Intellectual Property Arrangements Key Points and Recommendations (6 June 2016) (Appendix A);
- LCA Submission in Relation to the Productivity Commission Inquiry Report: Intellectual Property Arrangements Overview and Recommendations (23 September 2016) (14 February 2017); and

The LIV understands that IPA will be responsible for consulting on and implementing changes to the patents, trade marks, and plant breeder’s right systems. Consultation and implementation of changes to the copyright system is to be conducted by the Department of Communications and the Arts.
This submission

The LIV is pleased to provide its submission in response to IPA’s Consultation on several IP matters.

The Consultation consists of the following five separate consultation papers:

- **Paper 1**: Amending the inventive step requirements for Australian patents
- **Paper 2**: Introduce an objects clause into the Patents Act 1990
- **Paper 3**: Amending the provisions for Crown use of patents and designs
- **Paper 4**: Amending the provisions for compulsory licensing of patents
- **Paper 5**: Introducing divisional applications for international trade marks

This submission was informed by contributions from members of the LIV’s IP/IT Committee. The Committee formed five working groups, consisting of subject-matter experts within the Committee, to address each of the individual consultation papers. For ease of reference, responses to each of the consultation papers have been consolidated to form a single submission.

The LIV has not had an opportunity to consider the LCA’s submission in response to the Consultation. As a constituent body of the LCA, however, this submission may be taken as an endorsement of the LCA submission insofar as the two submissions may be consistent or where the LIV has not made comment.

A summary of the LIV’s preferences as to proposed reform options are contained in the Summary of Preferred Options (page 1).

Further consultation and contact

The LIV would be pleased to engage in further discussions with IPA in relation to this submission. Please contact Barton Wu, LIV Commercial Law Section lawyer, on (03) 9607 9357 or at bwu@liv.asn.au, to arrange a time to meet, together with representatives of the IP/IT Committee.
Inventive step options for reform

Four options are presented for amending Australia's inventive step threshold. The LIV notes that IPA has not yet formed a view on the preferred option for implementing the recommendation of the PC:

- **Option IS-1**: Implement the PC recommendation verbatim
- **Option IS-2**: Implement Option IS-1 with clarification of prior art base and interpretation
- **Option IS-3**: Implement Option IS-2 with amendments to Section 45 to codify that the Commissioner must determine if an invention is a solution to a technical problem
- **Option IS-4**: Enshrine the EPO problem-and-solution approach in the Patents Act

The LIV submits that of the four options presented, Option IS-2 is preferred.

Option IS-2 provides the most practical approach for raising the inventive step threshold in Australia in line with the EPO. In particular, Option IS-2 most appropriately balances predictability and adaptability considerations without unnecessarily increasing red tape.

Assessment of Option IS-1

The LIV does not support the implementation of the PC's recommendation verbatim.

The LIV agrees with sentiments raised in Paper 1 that the 'scintilla' of invention threshold may have been incorrectly characterised by the PC as incorporating quantitative analysis. Statements relating to a 'scintilla' do not refer to quantitative analysis of invention, but rather highlight the dichotomous relationship between the existence of, or the lack of, an inventive step. An invention either comprises an inventive step or it does not, and there is no gradation between the two. References to a 'scintilla' of invention merely highlight that fact.

The LIV also does not support the removal of the 'directly be led as a matter of course' threshold without indicating the appropriate replacement or what is otherwise intended to be applied. The 'directly be led as a matter of course' threshold forms part of the 'Cripps Question', that generally asks:

> **[w]ould the person skilled in the art (in all the circumstances) directly be led as a matter of course to try the claimed invention in the expectation that it might well produce a solution to the problem?**

The Option IS-1 proposal states that the Cripps Question, in its present form, could not be applied whilst the 'worthwhile to try' test utilised in Europe would apply in some instances. The LIV submits that this does not provide sufficient clarity as to what would apply outside these limited circumstances.

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1. AstraZeneca AB v Apotex Pty Ltd; AstraZeneca AB v Watson Pharma Pty Ltd; AstraZeneca AB v Ascent Pharma Pty Ltd [2015] HCA 30 at [12]; Mölnlycke AB v Procter & Gamble Ltd (No 5) [1994] RPC 49 at [112].
As an illustration of this issue, it is not entirely clear from statements to be included in the Explanatory Memorandum, whether the Cripps Question is to be removed entirely from consideration, or merely altered such that it would become:

‘[w]ould the person skilled in the art (in all the circumstances) try the claimed invention in the expectation that it might well produce a solution to the problem?’

The LIV queries whether threshold requirements existing in other tests arising under Australian law should also be changed if such an option were to be adopted. For example, should the similarly applicable ‘matter of routine’ test⁴ now remove the ‘matter of routine’ threshold?

If the intent is to alter the Cripps Question as set out above or, alternatively, to apply the European problem-solution approach in its place,⁵ this intent ought to be more clearly stated in the Explanatory Memorandum.

**Assessment of Option IS-2**

The LIV favours Option IS-2, as it overcomes the deficiencies noted above in relation to Option IS-1. Specifically:

- there is no reference to a removal of the ‘scintilla’ threshold; and
- it clarifies that the test is to be applied in a similar manner to Arts 56 and 54(2) of the EPC,⁶ and that the problem-solution approach as established by the EPO Technical Boards of Appeal is to be generally applied.

**Assessment of Option IS-3**

As stated in the Paper 1, the additional requirement under Option IS-3 is intended to:

'[i]nclude an examination requirement to consider the “objective technical problem” while reporting on inventive step.’

The LIV queries the value of this requirement and whether it would work as intended. The legislative change proposed simply provides that the Commissioner must report, in addition to other reporting requirements set out in s 45 of the Patents Act, on whether the invention represents a solution to an objective technical problem. This appears to be a separate requirement, additional to inventive step, such that the two are not clearly linked beyond relating to similar issues.

The LIV is concerned that this requirement would be superfluous and submits that if the intent is to require an invention to solve an objective technical problem as part of the test for inventive step, s 7 of the Patents Act would be the appropriate section to provide such an amendment, and not s 45.

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⁴ The ‘matter of routine’ test being: whether the hypothetical addressee faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention, whether they be the steps of the inventor or not. See, in particular, *Wellcome Foundation Ltd v VR Laboratories (Aust) Pty Ltd* (1981) 148 CLR 262, 286.

⁵ Although noting relevant differences such as whether to have regard to technical and non-technical features.

As an example, s 7(2) could be worded such that:

An invention is considered as involving an inventive step if, having regard to the prior art base:

- it is not obvious to a person skilled in the relevant art, and
- it solves an objective technical problem.

The LIV submits that it is not clear how requiring the invention to solve an objective problem, as part of s 45 of the Patents Act, would provide any additional benefit to existing requirements under the Act, specifically those of manner of manufacture and usefulness.

**Manner of Manufacture**

Recent decisions on manner of manufacture have established that one must look to the ‘substance’ of the invention to identify whether it involves a manner of manufacture.\(^7\) At least in the context of computer-implemented business methods, this consideration has centred on whether:

> the contribution of the invention is technical in nature, and/or whether the invention solves a technical problem within the computer or outside the computer, irrespective of the data being processed.\(^8\)

That being the case, it is unclear how any additional requirement that the invention solve an ‘objective technical problem’ would provide anything above the requirement pre-existing within manner of manufacture that there be a technical contribution.

**Usefulness**

The test for usefulness, as currently applied, requires a claimed invention to have a specific, substantial and credible use. According to the Explanatory Memorandum to the Raising the Bar Bill,\(^9\) the intent of the legislature is that ‘specific’, ‘substantial’ and ‘credible’ be given the same meaning as is currently given by courts in the United States and the USPTO.

In the 2005 United States Federal Circuit Court case of *In Re Fisher*\(^10\) the word ‘substantial’ was construed as requiring the invention to provide an immediately available real-world use. The LIV queries whether an invention, which provides an immediately available real-world use, would not also solve some form of objective technical problem. There is also the possibility that such a requirement might be interpreted as only applying to certain types of inventions.

In the view of the LIV, it appears that this requirement is being included solely to remind examiners to identify an objective technical problem to be solved when examining for inventive step. The LIV does not consider this a sufficient reason to incorporate a new and untested requirement into the Patents Act, thereby imposing an additional burden on applicants. We believe that it would be sufficient to require patent examiners to identify a relevant technical problem as part of the process to review inventive step set out in the APO Manual,\(^11\) if this was the intention.

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\(^7\) Research Affiliates LLC v Commissioner of Patents [2014] FCAFC 150 [106]; Commissioner of Patents v RPL Central Pty Ltd [2015] FCAFC 177, [98].

\(^8\) Research Affiliates LLC v Commissioner of Patents [2014] FCAFC 150 [45], [114]; Commissioner of Patents v RPL Central Pty Ltd [2015] FCAFC 177 [99], [103].

\(^9\) Explanatory Memorandum, Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 (Cth) [6].

\(^10\) *In Re Fisher* 421 F.3d 1371, 1376 (Fed Cir, 2005).

Assessment of Option IS-4

The restated test would be as follows:

‘A claimed invention is taken not to involve an inventive step if, starting from the closest prior art information and the objective technical problem, it would have been obvious to the person skilled in the art, in light of the common general knowledge and the prior art information.’

The LIV does not favour restating the test as above, and queries whether it accurately implements the inventive step test that has been applied by the EPO.

In Europe,12 as well as Australia,13 there is an acknowledgement that the problem-solution approach does not always apply, particularly where the invention lies in identifying the problem, or the real nature of the problem (so called ‘problem inventions’), or in the idea of the invention (as opposed to the means of carrying it out).

The proposed test presumes that the person skilled in the art has already obtained possession of any relevant objective technical problem, regardless of whether the person would have known of or identified the problem. If that is the case there can be no invention in identifying the problem, such that the legislated test would not apply law developed by the EPO as intended.

Technical features options for reform

In proposing to implement the PC’s recommendation that ‘IP Australia should reform its patent filing processes to require applicants to identify the technical features of the invention in the set of claims’14 Paper 1 presents three options:

- **Option TF-1:** Assessment by examiner through modified claim requirements
- **Option TF-2:** Assessment by examiner through inventive step requirements
- **Option TF-3:** Assessment by examiner through a separate document requirement

The LIV queries the necessity of implementing the PC’s recommendation and whether there is any patent on the Register containing a claim that incorporates no technical features. If there is, the LIV queries whether such a claim would not have been invalidated by other current requirements. To that extent, the recommendation appears to present an additional burden to be overcome by applicants without rendering any otherwise valid claim invalid.

The LIV submits that it is unclear whether this intended requirement would affect:

- the drafting of a given claim, or
- the explanation of the invention as provided in the body of the specification.
Affecting the drafting of a claim

If the requirement is intended to cover a situation where a technical feature necessary to work the invention were not defined in a claim, then the LIV suggests this requirement may already be covered by the current requirements of usefulness (s 18(c) Patents Act) and support (s 40(3) Patents Act).

In general, to meet the usefulness requirement, an invention must not include within its scope any matter which would not achieve the promise of the invention. In practice, this can mean any technical features necessary to achieve the promise of the invention would need to be included in a claim in order for it to be useful. Otherwise, a claim may define matters that do not achieve the promise of the invention.

To meet the support requirement, the scope of a claim should correspond to the inventor’s technical contribution to the art. In practice, this means that a claim must be enabled across its scope by instructions provided in the body of the specification. Where particular technical feature(s) are taught or understood to be necessary in order to enable the invention, or where no alternatives to such technical feature(s) are otherwise taught, then those technical feature(s) will often need to be defined within the claim.

Affecting the explanation of the invention in the body of the specification

If the requirement is intended to assist examiners to distinguish between technical and non-technical features by providing greater explanation in the body of the specification, then:

- it underestimates the ability of examiners to independently perform this task; and
- it means that examiners will need to independently assess whether the applicant has accurately portrayed or identified the technical features, providing another forum for disagreement between applicants or applicants’ representatives and examiners.

For the above reasons, the LIV only considers Option TF-2 to be an appropriate option among those provided.

Transitional arrangements options

In seeking to implement the PC’s proposed changes to inventive step as quickly as possible, Paper 1 presents three transitional arrangement options:

- **Option TA-1**: Changes affect all patent applications without a first examination report
- **Option TA-2**: Changes affect all patents applications without an examination request
- **Option TA-3**: Changes affect all newly filed patent applications

In relation to TA-2, the LIV notes the same approach was adopted in implementing the amendments in the Raising the Bar Bill. This led to a spike in filing of national phase entries and requests for examination prior to its implementation as applicants sought to avoid the increased patentability standards. The LIV submits that it would be undesirable to see a repeat of this behaviour.

In terms of ensuring procedural fairness the LIV would favour Option TA-3.

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15 Norton and Gregory Limited v Jacobs (1937) 54 RPC 271, 276.
16 Fuel Oils/EXXON (T 409/91) [1994] OJEPO 653, [14].
18 Intellectual Property Laws Amendment (Raising the Bar) Act 2012 (Cth) sch 3 s 32.
PAPER 2: INTRODUCE AN OBJECTS CLAUSE INTO THE PATENTS ACT 1990

Options for reform

The LIV welcomes the decision to incorporate an objects clause into the Patents Act. The LIV considers the introduction of an objects clause will clarify the purpose of the Act, and promote consistency in interpretation and resolve ambiguity.

Two options are identified in Paper 2:

- **Option A:**
  
  The purpose of the legislation is to enhance the wellbeing of Australians by promoting technological innovation and the transfer and dissemination of technology. In so doing, the patent system should balance over time the interests of producers, owners and users of technology.

- **Option B:**
  
  The purpose of this Act is to provide a patent system in Australia that enhances the wellbeing of society by promoting technological innovation and the transfer and dissemination of technology. In so doing, the patent system should balance over time the interests of producers, owners, users of technology, and the public.

Preferred option

Of the two options the LIV considers Option B to be preferable.

In particular, the LIV prefers the following wording in Option B: ‘The purpose of this Act is to provide a patent system in Australia that enhances the wellbeing of society…’ over the wording in Option A that ‘The purpose of the legislation is to enhance the wellbeing of Australians…’ (emphasis added).

As the predominant purpose of the Act is to provide a patent system, Option B better recognises this. This is consistent with the LIV’s previous suggested wording in its submission to the Draft 2016 PC Report (Appendix A).

The more general wording of ‘society’ in Option B is preferable to the reference in Option A to ‘Australians’. This is more consistent with the international nature of patent law and Australia’s obligations under the TRIPS, including Art 3.1 which provides:

> ‘Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection (3) of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits…’

---

The LIV further notes that Option A does not reference the public as an interested stakeholder. The LIV considers it is important that the interests of the public as a whole are referenced – as is the case in Option B.

Finally, the LIV acknowledges the deletion of 'competing' before the word 'interests' in both options. This is a significant improvement, as stakeholders' interests do not always compete.
Background

Historically, Crown use provisions have been justified to ensure the Crown would not be impeded from acting in the public interest by patents of its own grant. It is generally agreed that the Crown, as provider of public services, should be in a special position in relation to the use of patented inventions. However, Crown use provisions should also be compatible with the policy goal of promoting and incentivising innovation through the patent system. Any changes to the current Crown use provisions should aim to maintain a balance between these competing policy aims.

Crown use provisions are rarely litigated, with only two known instances in Australia so far. Notably, there appear to be no documented instances of attempted use of Crown use provisions in relation to inventions used in healthcare or related fields. While there is no data on successful – that is, undisputed – use of Crown use provisions, it seems reasonable to assume that the incidence is low.

The 2013 PC Report proposed several reasons for the underuse of Crown use provisions including:

- crown use provisions by general agreement are intended for unusual, likely urgent circumstances;
- government are reluctant to rely on the provision to limit the rights of patent holders;
- there is a paucity of situations where government cannot secure reasonable licensing agreements; and
- there is a lack of transparency of and knowledge around the Crown use provisions.

The LIV recognises that this is not an exhaustive list and there are likely other reasons for the limited use of the provisions. Indeed, in previous consultations, there was submission evidence referencing alleged instances where the existence of the provisions was used to support the bargaining position of government entities in licensing negotiations.

The limited evidence about the current operation of the crown use provisions makes it difficult to assess the potential economic impact of proposed changes for the public or rights holders. Any changes should ensure that the provisions remain broadly applicable and fit to accommodate the conflicting policy goals as set out above, rather than importing rules that are specific to purposes, uses, or technologies.
Current consultation

The LIV notes that the basis for Paper 3 are recommendations 7.1 and 7.2 of the 2013 PC Report\(^\text{25}\), and not the more recent 2016 PC Report.

Previous inquiries into Crown use provisions have highlighted concerns about access to health services in general and access to gene patents on isolated DNA sequences in particular.\(^\text{26}\) This is less of a concern following the High Court of Australia’s decision in *D’Arcy v Myriad Genetics Inc.* which held that such sequences were not patentable.\(^\text{27}\)

The LIV agrees that the framework for Crown use provisions under the *Patents Act* should remain aligned with that under the *Designs Act*. This is to avoid any fragmentation of process for inventions subject to patents, as well as embodying registered designs in the event that the Crown use provisions are invoked. Therefore, the following comments similarly apply to any changes to the *Designs Act*.

Options for reform

The following options are presented for reform of Australia’s existing Crown use provisions:

- **Option 1:** Public education and awareness
- **Option 2a:** Implement the Productivity Commission’s Recommendations
- **Option 2b:** Specify services of the Crown in a list
- **Option 2c:** As per option 2a, but refine the remuneration standard
- **Option 2d:** As per option 2a, but permit a waiter for ministerial approval in certain circumstances
- **Option 3:** Implement the Bandt Amendments

Preferred option

In view of the above considerations, the LIV agrees with the preferred Option 2c in Paper 3, with the following elements:

- amended ss 163 and 164 of the *Patents Act* as detailed, including the clarification of the availability of Crown use for provision of a service that Commonwealth, state or territory governments have the primary responsibility for funding;
- insertion of a ‘just and reasonable’ remuneration standard in s 165; and
- no prescribed ADR regime.

Option 2c sets out a more clearly defined scope for what services allow for Crown use provisions to be invoked, but also increases the threshold for any actual invocation by requiring ministerial approval and an explanation. Following these changes, the LIV submits that the Crown use provisions would operate in a more transparent way. Instances where the provisions were relied on, and the underlying reasons, could also be used to guide future decision-making if made transparent.

While this process imposes an additional administrative burden, the additional cost to the public would be justified on the basis that it is intended to be used only in rare and exceptional circumstances.

\(^\text{25}\) Ibid.
\(^\text{26}\) Ibid.
\(^\text{27}\) *D’Arcy v Myriad Genetics Inc.* [2015] HCA 35.
Comments on other options
The LIV agrees that Option 1 is not sufficient to address the identified issues, namely the lack of transparency and clarity with the current Crown use provisions.

In addition, the provision of a list of acceptable Crown use purposes as proposed in Option 2a would unnecessarily restrict the availability of the provisions in unusual and unpredictable situations.

Waiver of ministerial approval
The LIV does not support the proposal that a waiver of ministerial approval is permissible in certain circumstances.

The LIV accepts that in emergency situations, use should be allowed to commence without ministerial approval. However, such approval should be obtained as soon as reasonably possible, or use should otherwise cease within a reasonable timeframe.

There should be no waiver for specific types of Crown use, in keeping with the technology neutral framework of the patent system at large.
Compulsory licensing options for reform

The following options are presented for reform of Australia’s existing compulsory licensing provisions:

- **Option 1**: Public education and awareness
- **Option 2**: Implement the Productivity Commission’s Recommendations in full
- **Option 3**: Implement a refinement of Recommendation 6.2 only

The LIV agrees that the suggested combination of Options 1 and 3 is the preferred option, with combined elements of:

- education and awareness raising;\(^{28}\)
- a modified ‘public interest test’ (but not ‘substantial’ public interest); and
- retention of s 136 of the *Patents Act* which requires compliance with international obligations.

The LIV submits that a public interest test that focuses on unmet public demand for products or services that makes the exploitation of a patent desirable, as opposed to the requirements of a specific industry, is appropriate. In addition, the statutory requirement to comply with Australia’s obligations under international treaties should be maintained.

The LIV agrees that the removal of clear provisions providing for compulsory licensing from the *Patents Act*, and reliance on the *Competition and Consumer Act* in its place, is not desirable given the absence of any indication of problems in the application of s 133(2)(b) of the Act.

The LIV does not consider that raising the threshold on the public interest test in ss 133(2) and 135 of the *Patents Act* by inserting the word ‘substantial’ is justified in the absence of evidence that the provisions are currently being used to an extent that negatively impacts on rights holders and the patent system at large.

Dependent patents options for reform

The following approaches to compulsory licensing in circumstances of patent dependence were suggested:

- **Option 1**: Amend subsection 133(3B) so that it applies only to dependent patent owners
- **Option 2**: Repeal subsection 133(3B)

The LIV considers Option 1 to be the preferred option – specifically, to amend s 133(3B) of the *Patents Act* so that it applies for applications for compulsory licensing by dependent patent owners but not third party applicants. This removes the unintended operation of the compulsory licensing provision in the event of the grant of a compulsory license for a dependent patent to a third party, namely the requirement for the dependent patent owner to cross-license the invention to the owner of the original patent.

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\(^{28}\) Although, considering the relative obscurity of the provisions allowing for compulsory licensing it is arguable that a lack of awareness is keeping parties from relying on them.
A removal of s 133(3B) altogether, which would remove the limitation that compulsory licenses for dependent patents require such patents to provide ‘important technical advance of considerable economic significance’ over the original patent, is not the preferred option.
PAPER 5: INTRODUCING DIVISIONAL APPLICATIONS FOR INTERNATIONAL TRADE MARKS

Introduction of division of International Registrations, and alignment of the process for domestic divisional applications

The LIV welcomes IPA’s proposal to implement the division of IRDAs in accordance with Rule 27bis(1) of the Common Regulations.

The LIV proposes the following practical improvements to the proposal in Paper 5:

- **Request to divide be submitted by holder or representative**

  The LIV notes that the proposal is to allow an IRDA holder to send a request to divide the International Registration to IPA. As applications for divisionals are frequently filed during the course of prosecuting an application, the LIV recommends the filing requirement be clarified so that a request to divide can be filed either by the holder or its representative.

- **Response to irregularity notice be filed by holder or representative**

  Similarly, if the IB issues an irregularity notice concerning the International Registration divisional application, the LIV recommends clarifying that a response can be filed either by the holder or its representative.

The LIV is concerned that the alignment of domestic divisional applications with IRDA divisional applications will impact negatively on Australian businesses prosecuting applications on the basis of trade mark use. In particular, domestic divisional applications will no longer be separately examined and reported on by the Registrar and afforded a new 15-month acceptance period. Instead, at filing, key dates for the domestic divisional application will match those of the parent application.

Applicants often divide out goods and services which have encountered a descriptiveness objection with a view to filing evidence of use in order to overcome that objection. If an applicant has only used its mark for two years, it may divide out the problematic goods or services and defer lodgement of evidence for a further 12 months knowing that IPA considers three years use of a mark or more necessary in order to overcome a descriptiveness objection. In this case, an applicant is not abusing the divisional application process.

The LIV recommends that IPA ensure that an additional ground for deferment under Regulations 4.13 and 17A.21 of the Trade Marks Regulations, to include overcoming a ground for rejection under s 41 of the Trade Marks Act, be adopted with the proposed changes to divisional applications. If the parent application is close to the 15th month deadline, the applicant should be able to defer acceptance on the divisional application in order to address a s 41 objection.
Benefits and costs for use of the trade mark systems as a whole arising out of the proposed process

The LIV welcomes the availability of divisional applications for IRDAs as this facilitates and encourages trade mark protection in Australia. On costs, the LIV proposes:

- **The official fees implemented by IPA for divisional applications should not be cost prohibitive**
  
  Given the IB will be issuing an official fee of CHF177 for divisional applications, the fee issued by IPA should take this into consideration and perhaps be less than the official fee for domestic divisional applications.

- **IPA consider issuing a ‘one-off’ official fee for domestic divisional applications regardless of the number of classes claimed in the divisional applications**
  
  IPA proposes domestic divisional applications not be re-examined but simply carry over the status of the parent application. In this case, it would be difficult to justify the application of the same official fees for a new standard trade mark application applying to a divisional application.

**Mergers**

The LIV welcomes the reintroduction of mergers for all trade mark applications. The LIV believes that a number of trade mark owners would exercise the option to merge a divisional back with its parent to save on multiple renewal fees and the associated administrative burden, or managing multiple registrations for the one mark.
APPENDIX A:

Dear Commissioners,


The Law Institute of Victoria (LIV) welcomes the opportunity to comment on the Productivity Commission’s Draft Report on Australia’s Intellectual Property Arrangements (the Draft Report). The LIV notes that the Law Council of Australia (LCA) has provided a submission on the Draft Report to the Productivity Commission (the Commission). The LIV endorses the LCA’s submission subject to the following comments. The LIV’s submission is informed by contributions from the LIV’s Intellectual Property and Information Technology Committee.

Innovation threshold

**Draft Recommendation 6.1**

The Australian Government should amend ss. 7(2) and 7(3) of the *Patents Act 1990* (Cth) such that an invention is taken to involve an inventive step if, having regard to the prior art base, it is not obvious to a person skilled in the relevant art.

The Australian Government should state the following in the Explanatory Memorandum:

- the intent of this change is to better target socially valuable inventions

- the test should be applied by asking whether a course of action is required to arrive at the invention or solution to the problem would have been obvious for a person skilled in the art to try with a reasonable expectation of success.

The Australian Government should explore opportunities to further raise the overall threshold for inventive step in collaboration with other countries in international forums.
The LIV agrees in principle to Draft Recommendation 6.1. The LIV submits that raising the innovation threshold required for patent protection would reduce the number of low-value patents. The proposed change would also simplify the test for inventive step and align Australia with international jurisdictions such as the European Union and the United States of America.

The LIV does not support the proposed statement for the Explanatory Memorandum. In particular, the LIV does not consider that the term ‘socially valuable inventions’ is a useful or objective standard.

**Objects clause**

**Draft Recommendation 6.2**

The Australian Government should incorporate an objects clause into the *Patents Act 1990* (Cth) (Patents Act). The objects clause should describe the purposes of the legislation as being to enhance the wellbeing of Australians by providing patent protection to socially valuable innovations that would not have otherwise occurred and by promoting the dissemination of technology. In doing so, the patent system should balance the interests of patent applicants and patent owners, users of technology – including follow-on innovators and researchers – and Australian society as a whole.

The Australian Government should amend the Patents Act such that, when making a decision in relation to a patent application or an existing patent, the Commissioner of Patents and the Courts must have regard to the objects of the Patents Act.

The LIV is in favour of incorporating an objects clause into the Patents Act. The LIV believes that having an objects clause in the Patents Act would encourage greater certainty and clarity in decision making regarding patent matters.

The LIV, however, queries the wording of the objects clause as it appears in Draft Recommendation 6.2. The LIV submits that an objects clause should adopt the wording the LIV previously supported in its submission to IP Australia’s Paper *Patentable Subject Matter – Consultation on an objects clause and an exclusion from patentability* (September 2013). A copy of the LIV’s previous submission is enclosed. The object clause wording that the LIV supported in its previous submission is as follows:

“The purpose of the patent system is to provide an environment that enhances the well-being of Australians by promoting innovation and the dissemination of technology and by balancing the competing interests of patent applicants and patent owners, the users of technology, and Australian society as a whole.”

**Linking the Trade Mark On-line Search System database with the business registration portal**

**Draft Recommendation 11.1 (extract)**

IP Australia should:

- in conjunction with the Australian Securities and Investments Commission, link the Australian Trade Mark On-line Search System database with the business registration portal, including to ensure a warning if the registration may infringe an existing trade mark, and to allow for searches of disclaimers and endorsements.

The LIV endorses this recommendation as in its experience, there is still considerable consumer confusion regarding the differences between business name and trade marks, including the impact of
registration and the rights provided under both registration systems. The LIV therefore considers that linking the two databases will allow consumers to more easily search for and understand the availability of particular words as both trade marks and business names. However, given the continued consumer confusion, the LIV submits that linking the databases would work best if clear guidance is provided to ensure that consumers understand the difference between a business name and a trade mark.

If you would like to discuss any of the matters raised in this submission please contact me or Ms Mollie Tregillis, Commercial Law Section Lawyer, on

Sincerely yours,

Steven Sapountsis

President
Law Institute of Victoria
APPENDIX B:

LIV submission: Government Response to the Productivity Commission’s Inquiry into Intellectual Property Arrangements
14 February 2017

Dr. Lynn Bloomfield  
Collaboration and Intellectual Property Policy  
Department of Industry, Innovation and Science  
GPO Box 9839  
Canberra ACT 2601

By email: IP.PCinquiry@industry.gov.au

Dear Dr. Bloomfield

Government Response to the Productivity Commission’s Inquiry into Intellectual Property Arrangements

The Law Institute of Victoria (the LIV) welcomes the opportunity to provide submissions on the Department of Industry, Innovation and Science’s consultation to inform its response to the Productivity Commission’s Inquiry into Intellectual Property Arrangements (the Inquiry).

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

Background

The LIV previously made a submission in response to the Productivity Commission’s consultation on its draft Inquiry report (Draft Report). The LIV submission endorsed the Law Council of Australia’s (the LCA) submission, subject to different views in relation to Draft Recommendation 6.1 (changes to the innovation threshold), Draft Recommendation 6.2 (introduction of an objects clause in the Patents Act 1990 (Cth)) and Draft Recommendation 11.1 (linking the Australian Trade Mark On-line Search System database with the business registration portal).

The LIV’s submission is enclosed for reference.

The LIV has not had an opportunity to consider the Law Council of Australia’s (the LCA) submission in response to the current consultation. 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 may be consistent or where the LIV has not made comment.

Submissions

The LIV acknowledges the Department’s intention to consult on issues raised in the Final Report which stakeholders may not have had the opportunity to comment on through the Productivity Commission’s consultation on its Draft Report.

In light of this intention, the LIV seeks to limit its comments on the Final Report to the following Recommendations which were either newly introduced or have undergone significant change since the Draft Report.
Recommendation 5.1

The Australian Government should amend the Copyright Act 1968 (Cth) to:

- make unenforceable any part of an agreement restricting or preventing a use of copyright material that is permitted by a copyright exception
- permit consumers to circumvent technological protection measures for legitimate uses of copyright material.

The LIV supports Recommendation 5.1 in principle. It is noted that the Final Report claims that technological protection measures are being used to restrict access to public domain material and prevent lawful use of copyright material. The LIV agrees that circumvention of protection measures in these circumstances should not be prohibited.

Recommendation 6.1

The Australian Government should accept and implement the Australian Law Reform Commission’s final recommendations regarding a fair use exception in Australia.

The LIV supports Recommendation 6.1.

Recommendation 7.1

The Australian Government should incorporate an objects clause into the Patents Act 1990 (Cth). The objects clause should describe the purpose of the legislation as enhancing the wellbeing of Australians by promoting technological innovation and the transfer and dissemination of technology. In so doing, the patent system should balance over time the interests of producers, owners and users of technology.

The LIV maintains its support for the introduction of an objects clause, on the basis that it would encourage greater certainty and clarity in decision-making regarding patent matters.

However, the LIV suggests that rather than the wording proposed for the clause in the Final Report, it would be preferable to adopt the following alternative wording, as set out in IP Australia’s ‘Patentable Subject Matter – Consultation on an objects clause an exclusion from patentability’ consultation paper:

“The purpose of the patent system is to provide an environment that enhances the wellbeing of Australians by promoting innovation and the dissemination of technology and by balancing the competing interests of patent applicants and patent owners, the users of technology, and Australian society as a whole.”

Recommendation 7.2

The Australian Government should amend ss. 7(2) and 7(3) of the Patents Act 1990 (Cth) such that an invention is taken to involve an inventive step if, having regard to the prior art base, it is not obvious to a person skilled in the relevant art. The Explanatory Memorandum should state:

- a ‘scintilla’ of invention, or a scenario where the skilled person would not ‘directly be led as a matter of course’, are insufficient thresholds for meeting the inventive step
- the ‘obvious to try’ test applied in Europe would in some instances be a suitable test.

IP Australia should update the Australian Patent Office Manual of Practice and Procedure such that it will consider the technical features of an invention for the purpose of the inventive step and novelty tests.
The LIV agrees in principle with Recommendation 7.2. As per its previous submission, it is submitted here that raising the innovation threshold required for patent protection would reduce the number of low-value patents.

The proposed change in the Recommendation would also simplify the inventive step test and align Australia with international jurisdictions such as the European Union (EU) and the United States (US).

The LIV did not support the proposed statement in the Explanatory Memorandum in Draft Recommendation 6.1, which is equivalent to Recommendation 7.2, on the grounds that the term ‘socially valuable inventions’ was not a useful or objective standard. It is noted, however, that this term was removed from the final Recommendation.

Recommendation 8.1

_The Australian Government should abolish the innovation patent system._

The LIV does not support Recommendation 8.1. It refers to the LCA’s submission on the Draft Report which suggests that the innovation patent system can be improved via legislative reform.

Recommendation 12.1

_The Australian Government should amend the Trade Marks Act 1995 (Cth) to:_

- reduce the grace period from 5 years to 3 years before new registrations can be challenged for non use
- remove the presumption of registrability in assessing whether a mark could be misleading or confusing at application
- ensure that parallel imports of marked goods do not infringe an Australian registered trade mark when the marked good has been brought to market elsewhere by the owner of the mark or its licensee. Section 97A of the Trade Marks Act 2002 (New Zealand) could serve as a model clause in this regard.

**IP Australia should:**

- require those seeking trade mark protection to state whether they are using the mark or ‘intending to use’ the mark at application, registration and renewal, and record this on the Australian Trade Mark On line Search System (ATMOSS). It should also seek confirmation from trade mark holders that register with an ‘intent to use’ that their mark is actually in use following the grace period, with this information also recorded on the ATMOSS
- require the Trade Marks Office to return to its previous practice of routinely challenging trade mark applications that contain contemporary geographical references (under s. 43 of the Trade Marks Act)
- in conjunction with the Australian Securities and Investment Commission, link the ATMOSS database with the business registration portal, including to ensure a warning if a business registration may infringe an existing trade mark.
Reduction of grace period

The LIV does not support the proposal to reduce the grace period from 5 years to 3 years before new registrations can be challenged for non-use. Expanding companies find it difficult, if not virtually impossible to secure their rights and set up businesses in every relevant territory within a 5 year timeframe, and third parties have been known to profit unduly from this fact in the EU.

It is submitted that most trade mark owners are likely to perceive this negatively. If the proposed 3 years grace period is insufficient, brand owners will need to rely on, for example, divisional strategies (which would be the preferable course of action) or rely on the Registrar’s discretion not to remove the registration as a last resort. The outcome of this change would mean a growth in the categories of ‘excusable or justifiable non-use’ and place an additional cost burden on businesses and IPOs seeking to establish these categories.

The LIV also queries the rationale for seeking to reduce the non-use time period when there are indications, in Australia, that there is generally a long gestation period between registration and the realisation of a commercial product. Considering that most businesses fail in the first 1 to 2 years, the LIV considers that 3 years for market-launch may not be sufficient.

‘Intend to use’ requirements

The LIV agrees that the ‘de-cluttering’ of registers is worth pursuing in some respects. However, it queries whether requiring trade mark owners to state whether they are using or ‘intending to use’ a mark is the appropriate mechanism to achieve this outcome.

The LIV submits that there needs to be further consideration of:

- whether cluttering is genuinely a problem, and not simply a sign of confidence in filing and the effect of business creation and growth in Australia;
- the balance between any potential benefits with the cost and administrative burden on IP Australia and applicants (particularly small and medium-sized enterprises who accounted for 33% of all applications in 2015\(^1\)); and
- the need to bring Australia in line with other jurisdictions such as the US, where there has not been adequate analysis of the effectiveness of these measures and their economic impact to justify wholesale adoption.

The LIV would welcome further consultation in relation to the above points.

Applications containing contemporary geographical references

The LIV is uncertain of the evidence supporting the need for the Trade Marks Office to return to its previous practice of routinely challenging trade mark applications that contain geographical references. The LIV considers that this recommendation implies a misinterpretation of section 43 of the Trade Marks Act or of other sections that can be raised in geographical references.

Linking ATMOSS with the business registration portal

The LIV supports, in principle, the proposal to link ATMOSS with the business registration portal. However, it reiterates its comments in its submission on the Draft Report that clear guidance is required to ensure consumers understand the difference between a business name and a trade mark.

Recommendation 15.1

The Australian Government should repeal s. 51(3) of the Competition and Consumer Act 2010 (Cth) (Competition and Consumer Act) at the same time as giving effect to recommendations of the (Harper) Competition Policy Review on the per se prohibitions.

The Australian Competition and Consumer Commission should issue guidance on the application of part IV of the Competition and Consumer Act to intellectual property.

The LIV does not support Recommendation 15.1. It refers to the LCA’s submission on the Draft Report which suggested that the repeal of subsection 51(3) of the Competition and Consumer Act would increase costs and undermine investment incentives.

Recommendation 17.2

The Australian Government should charge the interdepartmental IP Policy Group (recommendation 17.1) and the Department of Foreign Affairs and Trade with the task of developing guidance for IP provisions in international treaties. This guidance should incorporate the following principles:

- avoiding the inclusion of IP provisions in bilateral and regional trade agreements and leaving negotiations on IP standards to multilateral fora
- protecting flexibility to achieve policy goals, such as by reserving the right to draft exceptions and limitations
- explicitly considering the long term consequences for the public interest and the domestic IP system in cases where IP demands of other countries are accepted in exchange for obtaining other benefits
- identifying no go areas that are likely to be seldom or never in Australia’s interests, such as retrospective extensions of IP rights
- conducting negotiations, as far as their nature makes it possible, in an open and transparent manner and ensuring that rights holders and industry groups do not enjoy preferential treatment over other stakeholders.

The LIV supports the spirit of Recommendation 17.2 in principle. It considers that strong guidance, with an emphasis on transparency and considered policy-making, for processes behind the negotiation of significant IP provisions in international treaties is imperative to achieving positive outcomes.

The LIV suggest the IP Policy Group adopt the calibre of consultation process, quality and transparency that the Productivity Commission, European Commission and the United States Trade Representative’s Office of Intellectual Property and Innovation (IPN) demonstrates, especially relating to IP provisions in all treaties (not just trade agreements).

In addition, the LIV submits that the IP Policy Group should not adopt a blanket position of “avoiding the inclusion of IP provisions in bilateral and regional trade agreements, and leaving negotiations on IP standards to multilateral fora”. The LIV refers to the LCA’s submission on the Productivity Commission’s Inquiry into IP Arrangements Draft Report and, in particular, reiterates its views that “given the difficulty in reaching agreement at a multilateral level, bilateral and plurilateral agreements will inevitably be part of the landscape for the foreseeable future” and the need for a high level of scrutiny when entering into any agreement containing IP provisions.

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3 Ibid 37.
Recommendation 19.1

The Australian Government should expand the safe harbour scheme to cover not just carriage service providers, but all providers of online services.

The LIV supports Recommendation 19.1, and notes that the Recommendation expands on Draft Recommendation 18.1 which proposed the expansion of the safe harbour scheme to cover “the broader set of online service providers intended in the Copyright Act”.

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.