

IP Australia
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Submission re Draft Legislation concerning amendments to Australia's IP Laws

AusBiotech, informed by its AusMedtech IP Expert Panel, provides the following comment in regard to the Draft Legislation (Intellectual Property Laws Amendment Bill 2017; Intellectual Property Laws Amendment Regulation 2017).

This comment is in addition to that noted in AusBiotech's submission regarding IP Australia's public consultation - '*Proposals to streamline IP processes and support small business*' - made 26 March 2015.

AusBiotech and its membership, broadly support the thrust of what is being proposed, however we offer the comments below for your consideration.

Part 1 - Renewals/Maintenance Fees

AusBiotech supports the notion that when a maintenance fee is paid during the six month grace period, the application/patent does not lapse/cease on the anniversary, but rather remains continuously in-force.

Part 2 – Re-examination

Currently, the various review mechanisms are inconsistent and potentially problematic with respect to the procedural steps, transparency, and fees. The proposed amendments appear to overhaul and standardise processes for re-examination of various granted rights and, as such, AusBiotech supports the proposal.

Part 3 - Extension of time provisions in section 223 of the Patents Act

The proposal for Section 223 to be split into eight sections, numbered 223 and 223A to 223H, is supported:

- New section 223 equivalent to subsection 223(1), deals with the grant of extensions of time required as a result of official errors and omissions (that is, by IP Australia).
- New sections 223A, 223B and 223C correspond with the existing subsection 223(2), dealing with extensions required due to unintentional errors or omissions by applicants and/or their agents or attorneys, or circumstances beyond the control of the applicant.
- Section 223A would deal with the requirements for a valid application for an extension, while sections 223B and 223C, respectively, would address the processing of applications for periods of up to three months (inclusive), and greater than three months, respectively.
- As we understand it, the Proposals remove discretion to refuse an extension of time where the Commissioner is satisfied, on the balance of probabilities, that the extension is required as a result of an error or omission by the applicant or their agent, or circumstances beyond the control of the applicant. Instead, an explicit deadline would apply; two months from the discovery of the error or omission, or two months from the circumstances beyond the applicant's control cease to exist (proposed subregulation 22.11(1)).

Review and publication of extensions in the Official Journal:

- an application for a short extensions will be subject to an automated formalities check, and (assuming it passes) automatically published without human review;
- an objection to the short extension could be filed within one month of publication; and
- an objection would be dealt with via a streamlined process of written submissions and possible hearing;
- an objection to an extension of more than three months would continue to be handled via human evaluation and the more formal opposition proceedings (as is currently the case).

The amendments would repeal subsection 223(2A), which currently provides for an extension of time where a deadline is missed despite the applicant having taken 'due care'.

Currently, under subsection 223(9) and subregulation 22.21(2), a person who took definite steps to exploit an invention in the period between a patent application lapsing or patent ceasing and its later restoration must seek a license from the Commissioner. The applicant/patentee may oppose the granting of the licence. Furthermore, subsection 223(10) provides that an applicant or patentee cannot bring court proceedings for infringements that occur during a period in which the rights have officially expired.

As we understand it, proposed section 223H would replace the requirement to seek a license from the Commissioner for exploiting an invention in the period between an application or patent lapsing/ceasing and its later restoration, with automatic protection that amounts to a personal defence to infringement.

The new protection would be triggered in any case where the relevant conduct commences during the period between expiry and restoration of the right, whether or not the expiry was a causal factor in the decision to exploit the invention.

There would no longer be any basis for opposition.

It would appear that the draft legislation does not limit the extension that can be sought (a proposal that is welcomed by AusBiotech) but does impose a requirement to seek the extension of time within two months of the discovery of the error or omission. While it is appropriate to balance the needs of third parties, two months to act on the discovery of an error or omission is regarded as quite short. A longer period (perhaps six months) would seem more reasonable.

The proposal to provide "automatic protection" to third parties when patentees seek an extension of time is appropriate.

Part 4 – Written requirements

As we understand it, this Part provides IP Australia with greater flexibility in which notifications are communicated, particularly removing the need for communications to be 'in writing'. This seems sensible.

Part 5 – Filing requirements

This Part highlighting amendments across all IP rights to streamline how documents are filed with IP Australia, including how fees are paid, is supported.

Part 6 – Official Journal

So long as documents are already freely available through IP Australia's searchable databases for Patents, AusBiotech agrees that publication of Official Journals seems obsolete.

Part 7 – Amendments of applications or other documents

For designs, these provisions will give IP Australia with greater flexibility in making changes to administrative details of applications in a single step, rather than having to submit a form requesting the amendments, which is then considered and actioned. Also this would allow IP Australia to correct obvious errors, such as misspellings of names or addresses.

While we support this, it needs to be clear which amendments are allowed and which are not-allowed. Also we suggest clarification is required as to what are considered obvious errors.

Part 8 - Signatures

The proposal to remove signature requirements that are now considered unnecessary, seems sensible, specifically in relation to PCT applications and international patent requests.

Part 9 – Computer decision making

New legislation (incl. for patents and designs) to allow computer programs to make decisions under the Act appears acceptable, although there would seem to be a need to ensure that the legislative rules sensibly limit the range of decisions that can be made in this way.

The intention is for simple decisions to be made by CPs, although the legislation seems to allow any decisions, subject to limitations which we note will be set forth in a legislative instrument.

Part 11 – Examination of patent applications

The most notable change is that a third party would now be able to directly request examination, not just request a direction to be issued. There is some potential for this to be abused, for example, by a larger company forcing a smaller company to incur costs and make decisions. As such, it would seem desirable to retain a discretion by the Commissioner to not institute examination in all instances, particularly if the Commissioner of the view the system is being abused. Given this, AusBiotech would prefer to see third parties being able to request issuance of a Direction rather than request examination directly.

Part 12 – Requirements for patent documents

Establishing requirements for complete and provisional specifications is to now be set out in an instrument, so that it can be adapted to allow colour imaging in accordance with soon-to-be introduced PCT rules and seems unobjectionable.

Part 14 – Registration of designs

Proposed changes make it no longer possible to have a design published rather than registered. It also makes the process towards registration automatic. This appears sensible as the “publication-only” provision was rarely used.

Part 15 – Unjustified threats

This Part may be considered to be of concern given Australia’s already-strict approach to assessing unjustified treats (i.e. any threat that ultimately turns out not to result in a finding of infringement is unjustified, no matter how reasonable it may have been when made). Punitive damages should be reserved for unjustified threats that are particularly flagrant.

We suggest that the proposed UK approach would be a good example to follow, as it allows for a safe harbour for certain communications not seen to be actionable threats. Ideally liability for unjustified threats would only be imposed where the patentee does not have reasonable grounds for asserting infringement, whether or not the assertion of infringement ultimately turns out to be correct.

Part 19

The PSB can now publish an attorney’s work email address. This is unobjectionable.

Should you wish to discuss AusBiotech’s comments in more detail, I can be contacted on 03 9828 1404 or at gcross@ausbiotech.org

Yours sincerely



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