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Australia – United States Free Trade Agreement Examining the Impact on Intellectual Property

This fact sheet highlights the impact of the Australia/United States Free Trade Agreement (AUSFTA) on the Australian intellectual property (IP) regime. While IP Australia's focus is on patents, trade marks, designs and plant breeder's rights (PBR), changes to other areas of IP are mentioned as well to provide a more comprehensive picture.

Background to the Agreement

The AUSFTA is a major bilateral trade agreement for Australia which was signed by Australia's Minister for Trade and the United States Trade Representative on 18 May 2004.

The text in the Agreement was negotiated after extensive consultation with government and non-government organisations, business and professional groups and the general public. In November 2002, the Department of Foreign Affairs and Trade invited public submissions. Some 200 submissions were received and considered during the negotiation.

Legislation giving effect to the obligations under the Agreement was passed by Parliament. On 17 November 2004, Australia and the US exchanged notes accepting each other's implementation

processes. The Agreement came into force on 1 January 2005.

AUSFTA and intellectual property

IP is covered in Chapter 17 of the AUSFTA. This is the longest chapter in the Agreement, reflecting the importance of a strong and effective IP protection regime to both countries.

The subject matter covered in the chapter includes:

- copyright;
- trade marks;
- domain names;
- designs;
- patents;
- regulated products; and
- IP enforcement.

The Agreement provides Australia with the flexibility to implement the Agreement in a way that reflects Australia's interests and our legal and regulatory environment.

Legislative changes under the AUSFTA

The *US Free Trade Agreement Implementation Act 2004* was passed by the Australian Parliament on 13 August 2004 and received Royal Assent on 16 August 2004. The Act has ten schedules,



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five of which relate to the changes required under the IP chapter of the Agreement.

Little legislative change was required to the legislation administered by IP Australia as most of the AUSFTA provisions reflect current practices or restate existing international obligations.

Of the legislation for which IP Australia is responsible, only the patents legislation required amendment to ensure it is consistent with the FTA. This change is reflected in Schedule 8: Patents of the implementing legislation.

The grounds for revocation in the *Patents Act* were broader than the grounds on which a patent could be refused. Amendments extended the grounds upon which the grant of a patent can be refused to include the invention not being useful, or being secretly used. This means that patents can continue to be revoked on these grounds.

The Trade Marks Office will take on additional functions in relation to assisting the Australian Wine and Brandy Corporation (AWBC) determine geographical indications for wine. These changes are reflected in amendments to the *Australian Wine and Brandy Corporation Act (AWBC Act)* in *Schedule 3: Australian Geographical Indications (GI's) for Wine* of the implementing legislation. The amendments to the *AWBC Act*:

- allow the owner of a trade mark to object to the determination of an Australian GI; and
- introduced procedures to allow for a GI to be cancelled.

As well, administrative guidelines have been prepared for registration and cancellation of GIs of foreign countries. These guidelines can be accessed at www.awbc.com.au

Besides the legislative changes in Schedule 3 and 8 relating to protection of trade marks, geographical indications and patents, the other legislative changes relating to the IP chapter of the FTA included:

Schedule 2: Agriculture and Veterinary Chemicals

There will be no changes to the existing data protection regime for pharmaceutical products, only to that for agricultural and veterinary chemicals.

The reforms introduced measures that were part of a suite of domestic reforms already agreed by Australian stakeholders prior to the negotiation of the AUSFTA. These changes boosted existing data protection provisions to stimulate innovation in agricultural chemistry in support of Australian agriculture and to increase the transparency of decision-making.

Schedule 7: Therapeutic Goods

Applicants seeking to include goods (other than therapeutic devices and medical devices) in the Australian Register of Therapeutic Goods will now have to provide one of two certificates. They must either:

- certify that they do not propose to market the therapeutic good in a way that would infringe a patent; or
- certify that they propose to market therapeutic goods while a relevant patent is in force and have notified the patent owner of their application.

The requirement to notify a patent owner will *only* be required if the generic company intends to market a product during the term of the patent and it is merely a notification requirement. This does not give the pharmaceutical company that owns the patent any additional rights.



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Schedule 9: Copyright

The major changes resulting from the IP chapter of the agreement were made to Copyright legislation.

These changes included:

- new rights, both economic and moral for performers in sound recordings;
- extension of the term of protection for most copyright material by 20 years;
- implementation of a scheme for limitation of remedies available against Carriage Service Providers for copyright infringement;
- wider criminal provisions for copyright infringement;
- broader protection for electronic rights management; and
- protection against a wider range of unauthorised reproductions.

Who can help?

For more information on the AUSFTA in relation to patents, trade marks, designs and PBR, contact IP Australia by calling 1300 65 10 10 or (02) 6283 2999, or visit the website www.ipaustralia.gov.au.

For general information on the AUSFTA, visit the Department of Foreign Affairs and Trade website www.dfat.gov.au/trade/negotiations/us.html.

Further information relating to agriculture and veterinary chemicals may be found on the Department of Agriculture, Fisheries and Forestry website www.daff.gov.au.

Information relating to therapeutic goods may be found on the Department of Health and Aging website www.health.gov.au or www.tga.gov.au.

Information relating to copyright issues may be found on the Attorney-General's Department website www.ag.gov.au.

Information relating to geographical indications for wine may be found on the Australian Wine and Brandy Corporation website www.awbc.com.au.

Disclaimer:

This information is intended to help the reader gain a basic understanding of some IP principles. It is not designed to provide legal, business or other relevant professional advice. IP Australia recommends that you seek independent legal, business or other relevant specialist advice.

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