

**GOVERNMENT RESPONSE TO THE ADVISORY COUNCIL ON INTELLECTUAL PROPERTY
RECOMMENDATIONS**

Information Package

ACIP Recommendation	Government Response
<p><i>Recommendation 1</i></p> <p>IP Australia -</p> <p>A. Develop and deliver education programs designed to help owners of IP rights understand what their right entails, and how to manage their right, including enforcement strategies;</p> <p>B. encourage business and IP education providers to include IP management elements in courses;</p> <p>C. encourage industry associations to provide IP information opportunities for their members;</p> <p>D. work with industry and professional associations such as AMPICTA, IPTA, LCA and LES in the delivery of these programs; and</p> <p>E. work with the Australian Institute of Judicial Administration to develop IP awareness programs for the judiciary.</p>	<p>Accept.</p> <p>IP Australia is already implementing most of these recommendations through its ongoing marketing program. For example, IP Australia is looking to assist owners of IP rights in the management and commercialisation of IP rights. The programs target business advisers, such as lawyers and accountants, and universities.</p> <p>IP Australia is also investigating whether IP management can be included as an accredited subject and qualification in areas such as CPAs etc.</p> <p>IP Australia will encourage industry associations to be advocates and a distribution point for information for their members.</p> <p>IP Australia will work with the Australian Institute of Judicial Administration to develop IP awareness programs.</p>
<p><i>Recommendation 2</i></p> <p>Amend section 49(1) of the Act to the effect that in considering whether there is a lawful ground of objection, the consideration should be objective and the rule giving the benefit of doubt to the applicant should be abrogated in so far as they relate to novelty and obviousness.</p>	<p>Accept.</p> <p>The proposed change is in line with international standards. The recommendation aligns with a recommendation of the IPCR report, which the Government accepts, to replace the benefit of the doubt test with a test on the balance of probabilities.</p>
<p><i>Recommendation 3</i></p> <p>The Act should be amended to state that a patent is presumed valid.</p>	<p>The Government does not accept that an amendment to the Patents Act is necessary. The IPCR Committee investigated this issue and concluded that no legislative change was needed on the basis that currently a granted patent right is presumed valid until proven otherwise. The Government accepts the findings of the IPCR Committee.</p>
<p><i>Recommendation 4</i></p> <p>Amend IP Australia examination practice so that where there is a claim to priority from an Australian provisional specification, examiners will examine the broadest claim in the patent application to check that it complies with the first leg of</p>	<p>Not accepted.</p> <p>The IPCR Committee noted this recommendation as part of their consideration of provisional patent applications. The Committee was not convinced that this recommendation would achieve the desired effect of increasing the certainty of granted patents. Furthermore the Committee was concerned that it may have some</p>

<p>the <u>Mond Nickel</u> rules, ie. an examination of whether the subject matter of the claim is broadly described in the provisional documents. Where the examiner has a doubt then they should object to it and give the applicant an opportunity to amend the specification.</p>	<p>harmful effects on competition if an applicant is allowed to make overly broad claims in a patent application, based on a provisional application that does not reasonably support the later claims. The Government accepts the IPCR Committee's view that the recommendation may effectively reduce competitive innovation by allowing the provisional applicant an unfair advantage over competitors and may also decrease the certainty of granted patents. The Government agrees with the Committee's finding that the introduction of a grace period is a better way to interface the innovation period with the patent system.</p>
<p><i>Recommendation 5</i></p> <p>In order to correct the tendency in a number of recent decisions by the courts to overly restrict the permissible ambit of claims and the right to claim priority, replace the 'fairly based' provisions in section 40 of the Act and the relevant regulations with provisions along the lines of s14(c) of the UK 1977 Patents Act. The amendment should clearly express that the claims are not to be confined by a particular disclosure, but may extend to all legitimate expressions of the concept of the invention disclosed.</p>	<p>Not accepted at this stage.</p> <p>There is discussion on this issue at the international level. The Government will monitor the situation and act to ensure the Patents Act is aligned with international standards.</p> <p>The IPCR Committee also considered this recommendation in conjunction with recommendation 4. For similar reasons to those given above for recommendation 4 the Committee felt that the introduction of a grace period would better address the issues of interfacing the innovation period with the patent system. Furthermore the Committee felt that there was some inconsistency between recommendations 4 and 5. The Government agrees with the IPCR Committee's findings and accepts that Committee's recommendation concerning the introduction of a grace period.</p>
<p><i>Recommendation 6</i></p> <p>Amend the Act to remove the jurisdiction of state and territory supreme courts to revoke a patent.</p>	<p>Accept.</p>
<p><i>Recommendation 7</i></p> <p>Encourage the Federal Court to promote further specialisation of IP judges, with initiatives including; specialist judges sitting interstate where there is not a specialist judge in that registry; and programs to assist specialist judges keep up to date with international trends.</p>	<p>Accept in principle.</p> <p>The Government will ask that the issue be drawn to the attention of the Federal Court.</p> <p>The part of the recommendation concerning education of judges should be tied in with recommendation 1E above.</p>
<p><i>Recommendation 8</i></p> <p>Amend the Act to require an applicant, or where the applicant is a corporation, a person employed by that applicant who is at the relevant time concerned with the</p>	<p>Accept in principle.</p> <p>The Government notes the IPCR Committee's comments on this recommendation. The thrust of the recommendation will be implemented by the Government's response to the IPCR report.</p>

<p>preparation or prosecution of the application, to disclose to IP Australia any prior art material that has come to their attention in the course of preparing or prosecuting the patent application, and in any corresponding patent application in other countries.</p>	
<p><i>Recommendation 9</i></p> <p>Establish an appeal board within IP Australia, which reports directly to the Director General of IP Australia, to replace the current hearings function, with the Director General having the same powers that the Commissioner of Patents currently has.</p>	<p>Not accepted.</p> <p>The IPCR Committee took this recommendation into account in their consideration of the hearing mechanism. The Committee believed that making the person managing the hearing process directly responsible to the Director General would have little effect on the independence of the process or the quality of the decisions. The Committee made a recommendation, which the Government accepts, to improve the perception of independence of the hearing process. The Government has asked IP Australia to appoint a senior officer directly responsible to the Commissioner of Patents for hearings.</p>
<p><i>Recommendation 10</i></p> <p>Provide the Director General, the Commissioner of Patents and an appeal board with the power to restrict access to commercial-in-confidence information provided as evidence at hearings to hearings officers and legal counsel or other specified or agreed persons.</p>	<p>Not accepted.</p> <p>This recommendation presupposes that all parties at a hearing are represented by legal counsel. The Government's position is that people should be able to represent themselves. In order to demonstrate that a decision is fair and equitable, there should be free access to all the material relevant to the making of that decision. The Government notes the advice from the Australian Government Solicitor concerning the practical difficulties to be addressed to implement and enforce orders for restriction of material and will further investigate these issues.</p> <p>Since this recommendation was made the Patents Regulations have been amended to prevent publication of certain documents which have been the subject of an order for production. This will alleviate many of the concerns about the access to commercial-in-confidence information.</p>
<p><i>Recommendation 11</i></p> <p>Provided most of the recommendations in this report regarding strengthening patent validity are implemented, amend the Act to insert provisions for exemplary damages along the lines of section 115(4) of the Copyright Act 1968. This is in addition to the courts' ability to order either ordinary compensatory damages or an account of profits.</p>	<p>Accept.</p> <p>The majority of the recommendations in the IPCR report and the ACIP report regarding strengthening patent validity will be accepted by the Government.</p> <p>In cases of blatant infringement it seems reasonable to provide for the award of exemplary damages, and the Patents Act will be amended accordingly.</p>

<p><i>Recommendation 12</i></p> <p>Give consideration to amending the Act to reflect the importation of infringing goods provisions of Part 13 of the Trade Marks Act 1995 so that similar provisions apply to infringing patented material. This should include indemnity and seizure provisions.</p>	<p>Accept.</p> <p>The Government notes that similar provisions have been enacted in overseas legislation. Consideration will be given to implementing a process to enable seizure of imported goods that infringe patent rights. Consultation with Customs is under way to see how this could be administered.</p>
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