



**Australian Government**

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**IP Australia**

## **Consultation Paper**

**Removal of the obligation to lodge search results  
under subsection 45(3) and section 101D of the  
*Patents Act 1990***

**May 2007**

## Background

In April 2006, following consultation with stakeholder groups, IP Australia released a position paper proposing amendments to the search result disclosure regime set out in regulations made under subsection 45(3) and section 101D of the *Patents Act 1990* (the Act).<sup>1</sup> These proposed amendments were broadly aimed at simplifying the regime without adversely affecting the achievement of the underlying policy objectives. Amendments to the following aspects of the regime were outlined:

- the fee structure;
- search results required on divisional applications and patents of addition;
- search results which are not received directly from a foreign patent office; and
- definitional issues relating to the expression “corresponding application”.

Even with these amendments, IP Australia is concerned that the search result disclosure regime would continue to impose a significant compliance burden on applicants and patentees and their legal representatives, and that this burden would not be balanced by the benefits to the patent system of the search result disclosure regime.

Developments in the availability of foreign patent office search and examination results over the Internet have led IP Australia to consider whether further simplifications to the search result disclosure regime are now possible.

This consultation paper seeks views as to whether it is now appropriate to remove the obligation for applicants and patentees to inform the Patent Office of the results of documentary searches.

### *History of the duty of disclosure provisions*

#### **Recommendations on which the provisions are based**

The 1984 report *Patents, Innovation and Competition in Australia*, by the Industrial Property Advisory Committee (IPAC), recommended that applicants be obliged to notify the Patent Office of the results of patent office searches carried out up to the date of acceptance. The IPAC considered that the disadvantages of limiting the requirement to foreign patent office searches, rather than covering all prior art known to the applicant, was outweighed by the advantage of certainty as to what was required.

Similar recommendations were made by the Advisory Council on Intellectual Property (ACIP) in its 1999 *Review of Enforcement of Industrial Property Rights* and by the Intellectual Property and Competition Review Committee (IPCRC) in its 2000 report *Review of Intellectual Property Legislation under the Competition Principles Agreement*.

The ACIP’s recommendation was aimed at contributing to a greater presumption of validity by extending the disclosure requirement for patent applications. It recommended requiring applicants to disclose prior art of which they are aware. The recommended disclosure obligation covered *all* prior art that came to the applicant’s attention in the course of preparing and prosecuting the application, and in any corresponding application in other countries.

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<sup>1</sup> See [http://www.ipaustralia.gov.au/pdfs/news/position\\_paper\\_searchresults.pdf](http://www.ipaustralia.gov.au/pdfs/news/position_paper_searchresults.pdf).

The IPCRC's recommendation was aimed at making the process of finding prior art more reliable by requiring applicants to disclose all prior art known to them. The IPCRC considered that this was particularly relevant in fields such as information technology, biotechnology and business systems, when prior art was considered at the time to be generally not in the patent literature and consequently difficult to find.

### **Amendments to the Patents Act**

In light of the ACIP and IPCRC recommendations, subsection 45(3) and section 101D of the Act were amended by the *Patents Amendment Act 2001*. The disclosure requirement added by this Act was very broad, including all searches carried out by or for the applicant prior to the grant of the patent. A sanction for non-disclosure was also introduced.

These provisions were subsequently amended by the *Intellectual Property Laws Amendment Act 2003*. The disclosure obligation is now limited to documentary searches carried out by or for foreign patent offices. The justification for this limitation was given in the Explanatory Memorandum to the Intellectual Property Laws Amendment Bill 2002:

based on initial experience with the new provisions, it has recently become apparent that those amendments will not achieve the Government's policy objectives because they lack certainty and impose an undue burden on applicants and patentees.

As a result of these amendments, the present search result disclosure regime is significantly narrower than the regime recommended by the ACIP and the IPCRC. The system currently focuses on disclosure of searches by foreign patent offices, rather than on disclosure of *all* prior art known to the applicant or patentee.

### ***Availability of search results over the Internet***

Since the ACIP and IPCRC reports were completed, several foreign patent offices have made their search *and* examination reports available over the Internet, principally:

- Search and examination results from the trilateral patent offices – the European Patent Office (EPO), the Japanese Patent Office (JPO) and the United States Patent and Trademark Office (USPTO);
- International Search Reports (ISRs) and International Preliminary Reports on Patentability (IPRPs) established under the Patent Cooperation Treaty (PCT).

Other patent offices, including IP Australia, are expected to make their search and examination results available over the Internet in a similar manner in the future. In addition, search (but not examination) results from other foreign patent offices are available over the Internet, and can be accessed by IP Australia staff without having to be informed of their existence by applicants or patentees.

Patent Office staff have been routinely accessing and using these search and examination results during examination of standard and innovation patents in recent years. Patent Office experience has been that much of the most relevant material that is filed under the search result disclosure provisions is already available over the Internet. It is also frequently the case that search and examination results can become available over the Internet *before* the applicant or patentee has informed the Patent Office of their existence.

Experience has also shown that the presence of search *and* examination results from these offices adds significantly more value to the examination process than do the search results alone that are received under the current disclosure regime.

## **Proposal**

### ***Removal of requirement to lodge search results***

In light of this, IP Australia proposes that the regulations under subsection 45(3) and section 101D of the Act be amended to remove the obligation to file *any* foreign patent office search results at any stage of the patent application process.

Instead, patent examiners would access over the Internet relevant foreign patent office search and examination results, and would be able to access new foreign search and examination reports as required throughout the examination process.

### ***Extension of period for lodging notices under section 27***

Under section 27 of the Act, persons may notify the Commissioner of matters affecting the validity of applications for standard patents. Under regulation 2.5 of the Regulations, such notices must be filed before acceptance.

If the change to the search result disclosure regime described above is made, IP Australia proposes also amending regulation 2.5 to extend the period for lodging notices under section 27 of the Act until three months after advertisement of the notice of acceptance.

This change is proposed as an additional means of ensuring that the validity of granted patents is not adversely affected by the change to the search result disclosure regime. The extended period in which to lodge section 27 notices would provide a further avenue for third parties to provide relevant documentary material, including foreign patent office search results, for consideration by the Commissioner. This documentary material would, if appropriate, form the basis of a re-examination of the application under subsection 97(1) of the Act.

Note that a similar change is not proposed to section 28 of the Act, relating to innovation patents.

## ***Discussion***

### **Electronic access to foreign search and examination results**

As indicated above, foreign search and examination results are currently available over the Internet for Australian patent applications that have a US, EP or JP family member, or which were filed through the PCT. Search results from a number of other patent offices, eg the United Kingdom Patent Office, are also available on-line (although without examination reports). This comprises a large proportion of Australian patent applications. For example, in 2006, around 85% of Australian patent applications were filed under the PCT, and a similar proportion was filed in one or more of the trilateral offices. These search and examination results are already available to the Patent Office over the Internet without the need for applicants and patentees to inform the Patent Office of their existence.

It is acknowledged that the Patent Office would be aware of a smaller number of foreign patent office search results under this proposal. However, as stated above, IP Australia's experience has been that the search and examination results that are available over the Internet are frequently the most relevant foreign results that are available.

### **International comparisons**

IP Australia is aware that its search disclosure regime imposes a significantly heavier obligation on parties seeking patents in Australia than is faced by patent applicants in other countries. The United States patent legislation has a search results disclosure regime that requires applicants to continually disclose search results. The exposure draft of the New Zealand Patents Bill includes provisions that would operate substantially similarly to the present Australian provisions.

However, most jurisdictions have significantly less onerous, or no, search result disclosure obligations. For example, rule 27(1)(b) of the *Implementing Regulations to the Convention on the Grant of European Patents* made under the European Patent Convention only requires that the description indicate the background art known to the applicant to be useful for understanding the invention. A similar provision exists under the PCT – rule 5.1(a)(ii).

The proposed changes will therefore ease a burden that applicants for patents in Australia face.

### **Prior art for information technology, biotechnology and business systems**

The IPCRC observed that prior art was more difficult to search in the fields of information technology, biotechnology and business systems. In such areas of technology, according to the report, such prior art was generally not to be found in the patent literature and was consequently difficult to find.

Since 2001, when the IPCRC report was released, a significant amount of patent prior art has become available in these fields, as the level of patent activity in these areas has increased. In addition, more non-patent prior art sources have become accessible and are routinely searched by patent examiners. Therefore some of the reasons for the recommendation by the IPCRC may no longer be relevant.

### **Searches unavailable during the examination period**

Under the present regime, search results for a standard patent may be filed up to six months after grant of the patent. Where appropriate, patent applications and patents are re-examined on the basis of search results received after acceptance or after grant. Around 35 re-examinations are carried out each year based on section 45(3) search results under the present regime.

Under the proposal, patent examiners would consider foreign search and examination results that become available electronically before acceptance of a patent application, but would not routinely view search results that become available after that date. IP Australia considers that this would not significantly impede achievement of the policy aims of the present provisions, nor would it significantly weaken the strength of granted patents, for the following reasons:

- The IPAC, ACIP and IPCRC reports recommended search results being supplied up to acceptance or advertisement of acceptance, so this proposal would be fully consistent with that aspect of those recommendations;

- Relatively inexpensive opposition and re-examination procedures would remain available;
- Under the proposed change to regulations made under section 27 of the Act, third parties would have an additional opportunity to bring relevant search results to the Commissioner's attention;
- Patent examiners would be able to view search results immediately as they become available over the Internet, without having to await their later supply under the disclosure provisions;
- To ensure that there is no adverse impact resulting from the proposal, IP Australia would monitor its implementation to assess the impact these arrangements have on patent quality.

## **Consultation process**

IP Australia invites written comments on the above proposals to:

- remove the onus for applicants and patentees to inform the Patent Office of the results of documentary searches, and instead place the onus on Patent Office staff to retrieve these from the Internet; and
- extend the time period for lodging notices under section 27 of the Act until three months after advertisement of the notice of acceptance.

Please e-mail comments to [Michael.ORourke@ipaaustralia.gov.au](mailto:Michael.ORourke@ipaaustralia.gov.au). Comments may also be sent by mail or fax to:

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Please provide comments by **COB Wednesday 13 June 2007**.

## ***Confidentiality***

All comments will be treated as public unless the author clearly indicates to the contrary.

A request made under the *Freedom of Information Act 1982* for access to a comment marked confidential will be determined in accordance with that Act.