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Official Notice

Passage of the Intellectual Property Laws Amendment Bill 2006

After an inquiry by the Senate Economics Legislation Committee (the Committee), the report of which was tabled in the Senate on 17 August 2006, the Intellectual Property Laws Amendment Bill 2006 (“the Bill”) was passed by the Senate on 14 September 2006. The Bill will not commence until the Governor General has given it the Royal Assent.

The Bill amends the *Patents Act 1990*, the *Trade Marks Act 1995*, the *Designs Act 2003*, the *Plant Breeder’s Rights Act 1994* and the *Olympic Insignia Protection Act 1987*.

The Bill amends the Patents Act to give effect to some outstanding recommendations of the Government’s response to the Intellectual Property and Competition Review Committee’s (IPCRC) 2000 report *Review of the Intellectual Property Legislation under the Competition Principles Agreement* and the Advisory Council on Intellectual Property’s (ACIP) report *Review of Enforcement of Industrial Property Rights*.

The Bill also implements wider springboarding provisions than those currently available by allowing springboarding on any pharmaceutical patent at any time. Springboarding refers to using the subject matter of a patent to collect the data required to obtain regulatory approval of a generic version of the product to which the patent relates, during the life of the patent.

Other amendments made by the Bill:

- give effect to some outcomes of the recently concluded trade marks legislation review;
- allow the Registrar of Trade Marks to revoke the registration of trade marks in certain circumstances, providing a quick and inexpensive means of addressing incorrectly registered trade marks;
- amend the Trade Marks Act to make publicly available prescribed documents that relate to particular trade marks; and
- make a number of minor, technical and administrative amendments to the above Acts to correct some technical errors and to ensure that the legislation functions as intended.

The Bill itself, the explanatory memorandum (EM) to the Bill, and a further EM that was tabled in response to concerns raised by the Committee should be considered for a detailed understanding of the provisions. The Bill and the EM are available on-line at BillsNet www.aph.gov.au/ParlInfo/BillsNet/main.htm.

Different provisions of the Bill will commence at different times, as set out below.

1. Provisions commencing on the day after Royal Assent

The following provisions will commence on the day after the Act receives the Royal Assent. However, note should be taken of the transitional and application provisions in order to ascertain whether or not the amendments apply in any given case.

Schedule 3, Part 1 - Registration process for certification trade marks

The Bill amends the Trade Marks Act to clarify the requirements of the rules governing the use of a certification trade mark (CTM), and modernises the language in which they are expressed. The proposed amendments also clarify that the CTM owner is responsible for determining whether an approved certifier possesses the qualifications, skills or abilities specified in the rules. Other amendments clarify the requirements that must be satisfied before the Registrar is able to accept an application for registration of a CTM.

The amended provisions only apply to rules that are filed on or after commencement of the amendments.

Schedule 5 - Relief for infringement of patents

The Bill amends the Patents Act to allow for exemplary damages to be awarded by a court in patent infringement actions, for example, in the case of flagrant or wilful infringement of a patent. Allowing the award of exemplary damages will serve as a deterrent against patent infringement, which will in turn strengthen patent rights. This amendment implements a recommendation of the IPCRC report.

The amendments only apply to infringements of patents occurring on or after the commencement of the Schedule.

Schedule 6 - Exemption of continued prior use from patent infringement

The Bill amends the prior user defence in the Patents Act to clarify that the prior user's rights include exploiting the product, method or process, that the prior use be only in Australia and that the prior use right may be assigned but not licensed. This amendment reaffirms the Government's commitment to ensuring that the legitimate interests of third parties are not compromised by the grant of a patent. This amendment implements a recommendation of the IPCRC report.

The amended provision only applies to patents granted as a result of applications filed on or after commencement of the amendment.

Schedule 8 - Compulsory licensing and patents

In order to further promote the efficient use of patents and promote competition, the Bill adds a new provision to the existing compulsory licence provisions in the Patents Act. This provision will provide for a compulsory licence to be available as a remedy if a person has contravened the anti-competitive conduct provisions of the *Trade Practices Act 1974*. This amendment implements the Government's response to a recommendation of the IPCRC report.

These amended provisions apply to all patents, whether granted before, on or after commencement of the amendments. However, they only apply to conduct that occurs after commencement.

Schedule 9 - Specifying claims for innovation patents

The Bill includes an amendment to clarify that the claims of an innovation patent define the invention.

This amendment applies to complete specifications relating to applications for innovation patents filed before, on or after commencement of the amendments.

Schedule 11 - Setting dates by regulation

The Bill amends the Trade Marks Act and the Plant Breeder's Rights Act so that the 'filing date' of an application for registration of a trade mark and the 'priority date' of an application for grant of a plant breeder's right (PBR) in a plant variety may be set by the regulations made under those Acts. This will for example, allow

regulations to be made allowing these dates to be re-set if an application under those Acts has been partially received as a result of a disruption of on-line filing services. This brings those Acts into line with the Patents Act and the Designs Act. Introducing this flexibility in the Trade Marks Act and the Plant Breeder's Rights Act will provide the ability to accommodate circumstances that may otherwise jeopardise applicants' rights.

The amended provisions apply to applications filed under the Trade Marks Act or lodged under the Plant Breeder's Rights Act after commencement of the amendment.

Schedule 13 - Extensions of time

The Bill clarifies that the right of review under subsection 224(7) of the Trade Marks Act is limited to a decision of the Registrar not to extend the time for the doing of a 'relevant act'.

The amendment applies to all decisions made by the Registrar after commencement of the Schedule.

Schedule 14 - Approving forms

The Bill includes amendments to provide that approved forms under the Plant Breeder's Rights Act will no longer be "legislative instruments" for the purposes of the *Legislative Instruments Act 2003*. This brings the Plant Breeder's Rights Act in line with other IP legislation and will mean that approved forms will no longer have to be registered on the Federal Register of Legislative instruments, and will not be subject to disallowance by Parliament.

Schedule 15 - Delegation

The Bill provides for the powers or functions under the Plant Breeder's Rights Act to be delegated to a prescribed employee or class of employees. This will allow for more efficient administration of the plant breeder's rights system, and brings the Plant Breeder's Rights Act into alignment with the Patents, Trade Marks and Designs Acts.

2. Provisions commencing 28 days after Royal Assent

Schedule 7 - Springboarding and patents

The Bill amends the provisions in the Patents Act that relate to springboarding of patents for pharmaceuticals. The purpose of this amendment is to allow springboarding as an exception to patent infringement on any pharmaceutical patent at any time for purposes solely in connection with gaining regulatory approval of a pharmaceutical product in Australia or another territory, consistent with Australia's international obligations.

Prior to these amendments, the Patents Act contained a limited provision that only allowed springboarding on pharmaceutical patents after they had received an extension of patent term. This amendment aims to bring Australia's springboarding provisions closer to those of competitor countries and improve the environment for generic pharmaceutical companies conducting research and development in Australia.

These amendments apply in relation to the exploitation, at or after commencement of the amended provisions, of all patents in force after that time.

3. Provisions commencing on proclamation

Some provisions of the Bill require regulations to be made in order to be implemented fully.

These provisions will commence on Proclamation, or at the latest, six months beginning on the day on which the Act receives Royal Assent.

IP Australia intends to consult on the content of these regulations further before the regulations are made.

Schedule 1 - Revoking registration of trade marks

The Bill amends the Trade Marks Act to allow the Registrar of Trade Marks to revoke the registration of trade marks in circumstances in which the trade mark should not have been registered in the first place. This

provision would be used, for example, when a trade mark is registered as a result of an error or oversight on the part of the Trade Marks Office while assessing an application for registration of a trade mark.

If a trade mark registration is revoked, it will revert to a pending application for registration of a trade mark. This will allow the application to be examined, or an opposition to the registration of the application to be heard, and a correct decision whether or not to register the trade mark to be made.

Schedule 2 - Non-payment of fees relating to trade marks

The Bill amends section 223 of the Trade Marks Act to repeal many of the fee payment requirements, and to provide that the details of how fees are paid will be prescribed in the *Trade Marks Regulations 1995*. This will enable this administrative function to be handled more flexibly by the Trade Marks Office, including streamlining fee payment methods and introducing modern methods of fee payment. These amendments will bring the fee payment provisions of the Trade Marks Act into line with the fee payment provisions in the Patents Act and the Designs Act.

This amendment will not, in itself, alter any of the fees payable under the Trade Marks Act.

Schedule 3, Part 2 - Registration process for certification trade marks

The amendments allow for administrative procedures relating to certification trade marks to be specified in the regulations, to enable these procedures to be handled more flexibly by the Trade Marks Office and the Australian Competition and Consumer Commission. The amendments also allow the rules to be published at an earlier stage than they are currently published.

Schedule 4 - Availability of documents about trade marks

The Bill amends the Trade Marks Act to make prescribed documents that relate to trade marks available for public inspection at an early stage in the trade mark application process. This amendment will enable the provision of a quick and efficient system that simplifies the processing of requests for information on trade mark files whilst balancing the interests of applicants for registration, who must sometimes file sensitive business information in order to obtain registration. The Registrar will be able to receive such information on an explicit understanding of confidentiality, and documents containing this information will not be made available for public inspection.

Schedule 10 - Making divisional applications for innovation patents

The Bill includes an amendment to clarify that a divisional application from a granted innovation patent may only be made, in accordance with the regulations, between the period starting when the examination of the first innovation patent begins and ending when the first innovation patent either ends, ceases or is revoked.

Schedule 12 - Effect of office not being open for business

The Bill includes provisions to specify how actions may be done when the Patent, Trade Marks, Designs or Plant Breeder's Rights Offices or sub-offices are not open for business, for example, between the Christmas and New Year's public holidays, or when the office is forced to close down as a result of an emergency situation. These amendments also allow regulations to specify when the Offices and sub-offices are not open for business.

4. Provisions commencing retrospectively

Schedule 16 items 1, 2 and 3 - Statute law revision amendments

The Bill includes some technical amendments to correct minor errors in the Patents and Trade Marks Acts.

- Item 1 amends the definition of the Australian Register of Therapeutic Goods, with effect from 4 October 2002.
- Item 2 amends a formatting error in subsection 84(2) of the Trade Marks Act, with effect from 1 January 1996.
- Item 3 amends a cross-reference of paragraph 206(2)(b) to the *Public Employment (Consequential and Transitional) Amendment Act 1999*, with effect from 5 December 1999.

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