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IP Australia

Via email only to: consultation@ipaustralia.gov.au

Attention: Sean Applegate

Dear Mr Applegate

Public Consultation: Proposals to streamline IP processes and support small business

Submissions

Background

Acacia Law almost exclusively represents SMEs, which are the target for the proposed streamlined IP processes. We therefore believe that we can add value to the discussion around this as opposed to the larger IP firms that have vested interests with large non-SME clients.

We set out our response to the consultation paper below. Not all questions are answered where we believe we have nothing to contribute.

1. Aligning renewals

We prefer option A3 as this is in keeping with our major trading partners and it also means that IP rights holders do not get to keep competitors out of the market by doing

nothing during the grace period. A3 would not increase administration costs significantly as all that needs to be recorded is that the right was not renewed by the due date and then another entry advising that the rights resumed from the date of payment during the 6 month grace period.

Option C1 is preferred. The more notice of this that is given the better, especially as we are dealing with a long period of a 10 year time-frame, where IT systems can change and silently fail without anyone realising this. It acts as a double check to ensure that renewals are not missed and rights holders do not miss out on renewing their trade mark rights. It is also the least complex system as it is already in place.

2. Re-examination / revocation

Option 4 is partially preferred. However, none of the options address important issues. A re-think of the re-examination process in relation to innovation patents and registered designs may be warranted if IP Australia truly wants to help SMEs.

For a small business third party, it is expensive to conduct an examination process for every potentially relevant competitor's registered design and innovation patent to their business on the register that is unexamined/uncertified as this involves official fees and the preparation of submissions, collection, collation and analysis of prior art in each case. Such an approach is often uneconomical and beyond the reach of many SMEs.

Many designs and innovation patents are never certified and to require a third party to seek examination of each design and innovation patent on the off-chance that such a design or innovation patent would be examined or certified at some time in the future is therefore not economical.

Therefore, for examinations of registered designs and innovation patents, it is important to permit third parties to see when examination has been requested and to

enable them to make submissions to an examiner prior to a certificate of examination/certification issuing.

At present, there is no publicly available system in ADDS or in the AUSTRALIAN OFFICIAL JOURNAL OF DESIGNS for determining whether examination has been requested by an applicant or a third party on a registered design.

The issue here is that once a certificate of examination issues / certification occurs, a registered design or innovation patent is immediately enforceable against third parties. Unlike with standard patents (which have pre-grant oppositions and pre-grant re-examinations) and trade marks (oppositions), there is no warning that a registered design or innovation patent is going to be enforceable against a third party until it already is.

The first time that a third party might be made aware that a registered design or innovation patent is enforceable is when they get a letter of demand, which puts a large burden on them as they then need to conduct expensive court proceedings to contest the validity of the registered design or innovation patent at that stage as such proceedings are removed from IP Australia to the courts. Such proceedings can be very damaging to the survival of SMEs and their ability to function in a market.

Even if a third party requests re-examination after certification on an innovation patent or a subsequent examination of an examined registered design then they may still be technically infringing, even if this is later found to be invalid. Given this, courts are likely to issue interlocutory injunctions against these third parties and lock them out of the market until a final determination of validity can be established. Further examination after examination/certification is the only option open to third parties at the present time other than court proceedings and using these mechanisms can attract court litigation leading to a waste of resources on the re-examination.

If a third party were to be given warning that the examiner intends to issue a certificate of examination for a registered design or certify an innovation patent and is given an opportunity (say 3 months, as with a standard patent opposition) to then apply for and take part in a re-examination prior to a certificate of examination issuing / certification taking place that would be a more equitable outcome as it enables the validity of a registered design or innovation patent to be more comprehensively tested in public prior to a certificate of examination issuing / certification occurring.

None of the proposed options that have been presented in the discussion document alleviate these issues.

3. Extensions of time

The preferred options stated appear reasonable except for B2. B3 is preferred by us as this is not blunt and mechanical (B2) but balances the rights of the IP holder and third parties.

6. Official Journals and Registers

We conditionally prefer option 3. There must be a way of easily searching e.g. ADDS for recent particular changes and potentially also lodging a request to be notified if a particular IP of interest changes for this to be economical and usable. Currently, ADDS is a blunt instrument that is not usable to replace a journal.

7. Self- service amendments

We agree that a combination of options 2, 4 and 5 is preferred.

8. Signatures

We agree that option 2 is preferred.

9. Certificates

Option 2 would be preferred as having a certificate represents the end of the process for the applicant. We have had no instances where a business has not wanted a

certificate. On the contrary, we have had instances where even electronic certificates have caused uninformed applicants concern as they want a physical certificate. Our experience is that applicants see the certificate as an important milestone in the process of gaining IP rights.

Also there is a legal mine-field concerning the production of a certificate in court proceedings. How does an applicant evidence their rights in court other than by way of a certificate?

Option 3 is therefore problematic and not preferred.

10. Address for correspondence

We agree that option 2 is preferred.

11. Third party requests for examination

We agree that option 2 is preferred.

12. Colour drawings

We agree that option 2 is preferred. However, at present, if correspondence is submitted to IP Australia and this contains colour, it appears in AusPat in black and white. If specifications are to be in colour then all documents that are available through AusPat should also reproduce colour. This will enable the use of colour in responses and other documents.

15. Registration of designs

We agree that option 4 is preferred.

16. Multiple copies of representations

We agree that option 2 is preferred.

17. Unjustified threats of infringement

We prefer option 3. However, a definition would have to be included that defines “blatant” and “unjustified threats” as this could be abused by infringers who take on small businesses who have alleged infringement of an IP right. Examples of such abuse could include:

1. Where a SME elects not to ultimately pursue infringement proceedings due to lack of funds.
2. Where an IP right is restricted or otherwise invalidated but where this was not clear at the time the right was asserted.

20. Customs notice of seizure

We agree that option 2 is preferred.

22. Prosecution of IP attorney offences

Option 3 is preferred. IP rights now have a compressed time-frame and the longer period leads to uncertainty.

If you have any questions or issues that you would like to discuss, please feel free to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read "Mark Warburton", written in a cursive style.

Mark Warburton