

## Proposals to Streamline IP Processes and Support Small Business Submission

We wish to make a submission in response to the Consultation Paper *Proposals to streamline IP processes and support small business*.

We have advised local and overseas companies extensively on the protection of their IP rights both in Australia and in other countries for many years. In particular, our firm has one of the pre-eminent trade mark practices in the world.

Drawing on this experience, we comment on some issues relevant to the proposals in the Consultation Paper.

### 1. Proposal 3: Extensions of time

We see a number of potential issues with the proposed changes to extension of time provisions.

#### Special circumstances extension

It is proposed to amend the trade marks legislation to provide a non-exclusive list of examples of situations covered by the "special circumstances" extension. We note that the Consultation Paper does not provide any examples that are proposed to be included in the non-exclusive list. While we consider that clarification of the situations covered by this extension could be useful and note that the list of examples is intended to be non-exclusive, care will need to be taken in drafting the amendments to the legislation so as to ensure that they do not unintentionally have the effect of limiting the availability of this extension compared with current practice. This will be particularly important as, with the proposed abolition of extensions of the acceptance timeframe under regulation 4.12(3), the special circumstances extension is likely to be more heavily relied upon.

#### Streamlined process for short extensions

Based on the details of the proposed streamlined process for short extensions of time provided, we are not sure that it will meet the objectives set out in the Consultation Paper. While it is clear that the streamlined process would only apply in the case of requests for extensions of 3 months or less, it appears that an applicant could seek extensions using this process indefinitely unless and until a third party successfully objects to one of the extension requests. This would be beneficial for the applicant seeking the extensions but would not necessarily assist third parties by reducing the uncertainty caused by long extensions.

The proposal would place a considerable burden on third parties who would be required to take action to prevent an extension being granted rather than being able to rely on IP Australia to review each extension request and determine whether it should be granted. Not all third parties will be sufficiently sophisticated or have access to legal advice to enable them to understand their rights and may therefore be disadvantaged by the proposed change. Further, we assume that, in order for the extension request to be refused, it would still be the case that the request would need to fail to meet the relevant requirements for the extension being sought, rather than a third party simply being disadvantaged by the extension. The third party will therefore likely need to have access to a copy of the extension request in order to decide whether there are grounds for objecting.

On the other hand, the proposed change could lead to uncertainty for the party requesting the extension of time if it is unclear whether a third party might object. This would be exacerbated if a period of up to 2 months were allowed for third parties to object. In our view, such a period is too long in the case of short extensions of time and may in some cases mean the time taken to resolve any

objection would be longer than the extension requested. It would be appropriate for objections to be dealt with in a shorter period to provide certainty for all parties. We consider a period of no more than 1 month would work better in these circumstances.

In view of the above points, we consider that it would be difficult to implement this proposed change in a way that satisfactorily balances the interests of the different parties involved while also meeting the objectives of reducing delays and increasing uncertainty. We therefore suggest that IP Australia considers carefully whether this proposed change should be implemented in its current form, or at all.

## **2. Proposal 4: Writing requirements**

It is proposed to align the notification provisions for examination, grant and certification of the various IP rights to simply require notification. Other provisions requiring written notification or a certificate to be provided to a person would also be identified and amended to simply require notification. The means of notification would be left open to IP Australia. However, IP Australia intends to continue to provide written notification for the foreseeable future.

We welcome this proposed change but consider that it does not go far enough. In our view, IP Australia should introduce without delay the functionality for users of the IP system to receive all correspondence electronically through eServices or a similar portal. Users could still be given the option to receive written correspondence by post but the default position should be electronic delivery. This would significantly decrease administrative burdens for both IP Australia and users and enable the IP system to operate more efficiently. In particular, given the delays in sending correspondence by post and issues that have been encountered with post not reaching the recipient in some cases, it would be much more reliable. It would also be of assistance in view of the proposed changes under Proposal 6 that would effectively reduce the time available for parties to take certain actions (see our comments below).

## **3. Proposal 6: Official Journals and Registers**

It is proposed that:

- all legislative requirements to maintain and publish Official Journals be removed - and for the various IP Australia databases to provide official information about applications, granted rights and IP Australia practices;
- time periods commencing when notification occurs in the Official Journal to be changed in order to instead commence from the date the action occurred, that is, when the information was entered on the database; and
- all specific public notification requirements be replaced with general requirements to record prescribed particulars in the Register and to publish particulars after they are entered, and the Registrar would still be required to notify the applicant or owner.

We have the following concerns relating to these proposed changes:

- The consolidated publication of particular categories of actions, such as the filing of non-use removal applications, the amendment of trade marks and the seeking of certain extensions of time within the existing Official Journals, has been useful for parties needing to monitor such information which cannot be easily obtained from the current databases. If the Official Journals are no longer to be published, the existing databases will need to be modified to allow such

consolidated information to be searched or notified to interested parties through an automatic periodic search that can be set up.

- The publication of certain actions, such as the amendment of a trade mark or a request for an extension of time of more than three months under subsections 224(2) or (3), is intended to allow for interested parties to oppose such actions. If Proposal 3 is implemented, this would also apply to short extensions of time under the proposed streamlined process. If these actions are only published on the databases on the record of the particular IP right affected, such actions may be overlooked unless the prospective opponent has a watch in place for the particular IP right. It would be onerous on the prospective opponent to have to keep on watch all possible IP rights of interest especially in the case where the prospective opponent needs to monitor particular parties. Such parties may have many IP rights, the number of which can change from day to day. In addition, as submitted in connection with Proposal 3 above, not all prospective opponents will be sufficiently sophisticated to be able to monitor IP rights of interest and may therefore be disadvantaged by the proposed change. Information on actions which are open to objection by third parties should be able to be accessed in a consolidated form as it currently appears in the Official Journals.
- In relation to the proposed changes to time periods in order for them to start from when information is entered on the database, these may lead to a risk of deadlines being missed as the time periods will effectively be shortened. This may occur, for example, in the case of non-use removal applications where registered owners are not likely to have prior notice of third parties filing such applications. Given that it takes some time for the hard copy notifications of the filing of the removal applications to reach the registered owner (as these are currently sent by mail only), and the fact that there have been instances where the notifications have never reached the registered owner, the effective shortening of the period to oppose may result in registered owners having insufficient notice and/or failing to file the Notice of Intention to Oppose in time.

### **3. Proposal 9: Certificates**

We support the proposal to amend IP legislation so that certificates would not be required to be issued for examination, registration and grant, and to enable customers instead to download extracts of the Register at any time. This is consistent with the IP systems in a number of other countries - for example, the Canadian and Community Trade Mark systems issue registration certificates electronically. It will also accomplish IP Australia's aim of streamlining processes and reducing its own administrative burden and that of customers.

We note that the Consultation Paper does not specifically address the process for obtaining certified copies of the Register, which are often required for applications overseas (for example, in order to claim priority under the Paris Convention). We suggest that the proposed change also include the ability for customers to request and access certified copies electronically similar to the system in other countries, such as New Zealand. This would further assist in reducing the administrative burden and costs for users of the IP system.

### **4. Proposal 14: Acceptance timeframe for trade marks**

While we accept that the majority of trade mark applicants satisfactorily respond to the examination report within six months, we have a number of concerns regarding the proposed reduction of the acceptance timeframe from 15 months to 6 months for those applicants who require a longer period of time to respond to the issues raised:

- Currently, applicants are required to respond to the examination report at least 4 weeks (or 20 business days) prior to the final date for acceptance. If this requirement will remain after the proposed reduction of the acceptance timeframe is implemented, the period for the applicant to respond to the examination report will effectively be 5 months. We suggest that this requirement be abolished. Instead, applicants should be able to respond at any time up to and including the final date for acceptance, with a new date for acceptance to be set if a second or subsequent examination report is issued (see our comments below).
- While we accept that six months is commensurate with the acceptance timeframe for trade marks in many other countries, the Consultation Paper does not address the situation where a further examination report is issued and whether the applicant must still respond within the original six month acceptance timeframe or whether a new acceptance timeframe will be provided. In our experience, in many of the major trade mark jurisdictions where the acceptance time frame is shorter than in Australia, a further period of time will usually be provided to respond to a second or subsequent examination report - for example:

Country	Standard acceptance timeframe (months)	Additional acceptance timeframe for 2nd report (months)
Canada	6	6
Hong Kong	6	3
Singapore	4	4
United Kingdom	2	2
United States	6	6

We suggest that consideration be given to specifying an additional timeframe that will be provided if a second or subsequent examination report is issued. This would provide certainty for those applicants who are not able to satisfactorily resolve all issues in the examination report within the original six month acceptance timeframe. It is also reasonable to provide an additional period without requiring the applicant to go to the expense of obtaining an extension of time based on the approach in other jurisdictions. Such an approach should not significantly affect certainty for competitor Australian businesses given the relatively small percentage of applications that would be affected.

- We note the proposal to abolish the extensions available under regulation 4.12(3). If this is to be done in conjunction with shortening the acceptance timeframe to 6 months, it only makes sense if an applicant is given additional time to respond in the event that a second or subsequent examination report is issued as we have suggested above.
- We support in principle the proposal to expand the grounds for deferment under regulation 4.13 to include overcoming a ground for rejection under section 41. What is not clear from the Consultation Paper is whether the period of deferment allowed would be limited (as is the case currently for rejections under section 44 where the applicant is seeking to satisfy the Registrar as to a matter in section 44(3) or 44(4)) or unlimited. As gathering evidence to overcome a

distinctiveness objection may take considerable time, we consider that limiting the period of deferment to 6 months may not be sufficient. A period of at least 12 months would be more appropriate in the case of a rejection under section 41.

## **5. Other proposals**

The other proposed changes contained in the Consultation Paper generally seem sensible and we do not have any comments to make at this stage. However, for a number of the proposed changes, the detail of the legislative changes will need to be considered carefully. We refer in particular to Proposal 2: Re-examination/ revocation and Proposal 7: Self-service amendments. We may therefore have further comments once the draft bill of the legislative changes is released.

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