

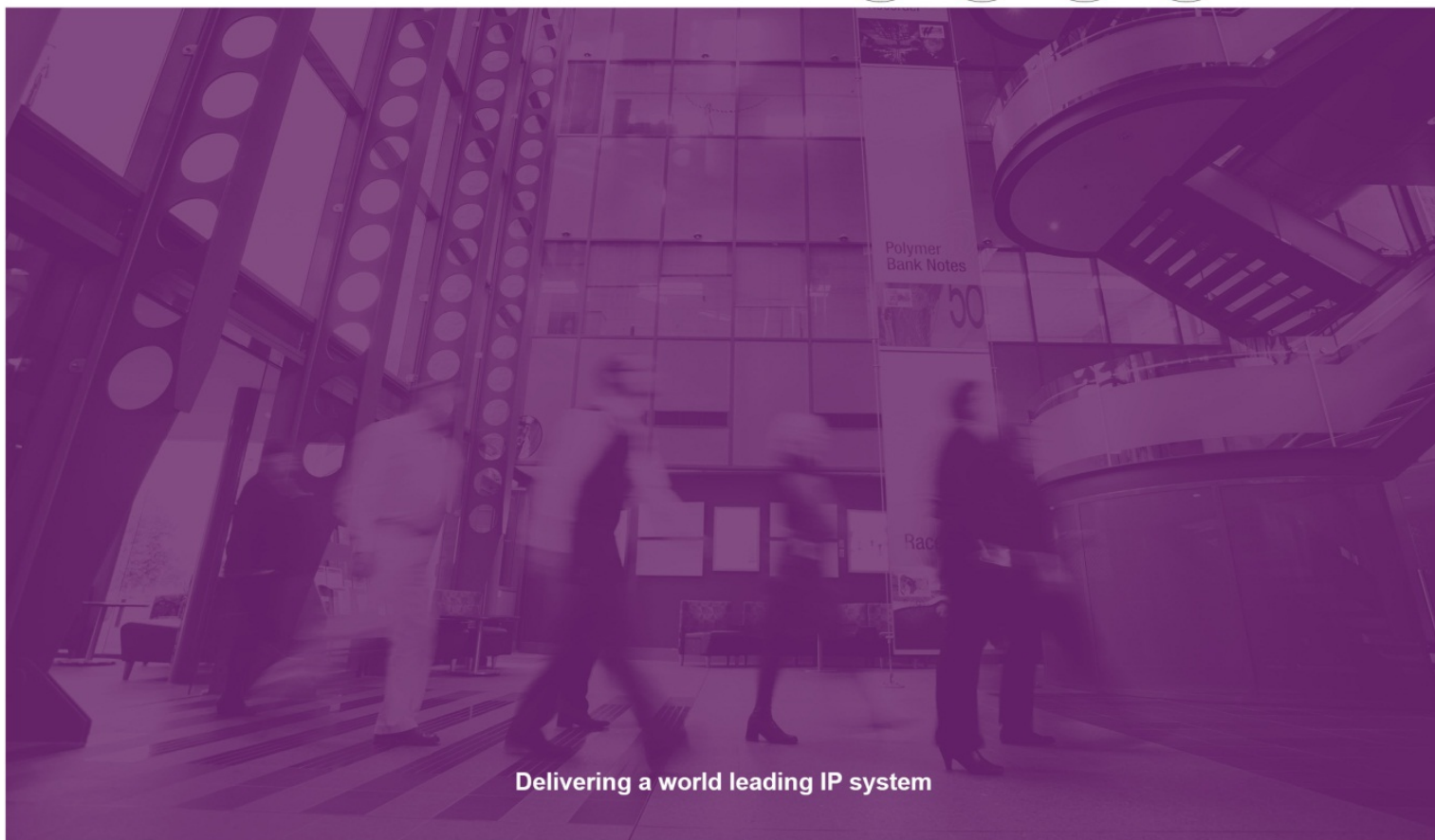


Australian Government

IP Australia

Public Consultation: Expanded use of automated processes by IP Australia

June 2015



Delivering a world leading IP system

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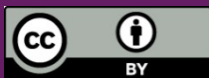
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Call for submissions

This paper seeks views on the expanded use by IP Australia of automated processes. IP Australia invites interested parties to make written submissions on the proposals by **15 July 2015**. IP Australia will consider the submissions and undertake further consultation as necessary.

Written submissions should be sent to consultation@ipaaustralia.gov.au.

For accessibility reasons, please submit responses by email in Word, RTF or PDF format. We are also happy to receive responses by telephone.

The contact officer is Jacqueline Carroll, who may be contacted on (02) 6283 2152.

Please note that, unless requested otherwise, written comments submitted to IP Australia may be made publicly available on our website and may be disclosed to other Commonwealth agencies, including, but not limited to, the Department of Industry and Science.

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- how you may seek access to and correction of the personal information we hold;
- how you may make a complaint about a breach of the Privacy Act and how we will deal with your complaint; and
- IP Australia's Privacy Contact Officer details.

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

Submissions should be received no later than 15 July 2015.

Expanded use of automated processes by IP Australia

Introduction

IP Australia is continually working to improve the organisation's business systems and processes so that we can deliver timely and efficient services to our customers. IP Australia recently consulted the public about a number of proposals to streamline IP processes and support small businesses. The Government is currently considering the proposals in view of the input received. A draft bill of the legislative changes will be released for public comment with a view to introducing the bill to Parliament in late 2015, for commencement in 2016.

IP Australia is intending that a further proposal on the expanded use of automated processes is also included in the draft bill. This paper seeks stakeholder comments on this proposal. Once stakeholders have commented on the general approach, the specifics of the proposal will be determined in the exposure draft of the bill.

Under the government's regulation framework, the impact on the community of all proposed changes to regulation must be assessed. IP Australia considers that there will be no expected administration or other costs to our customers as a result of this proposal, but nevertheless welcomes comments about this aspect.

Overview

The objective of the Australian intellectual property (IP) system is to encourage innovation and investment by providing researchers and businesses with protection for their ideas and brands. Businesses benefit by being able to make a return on their investments in new ventures or by protecting their reputation in the market. Consumers benefit by having access to new technologies, products and services and by knowing who these are provided by. IP Australia's administration of the patents, trade marks, designs and plant breeder's rights systems helps to realise these benefits.

IP Australia is investigating ways to align and streamline its processes, improve service delivery and reduce unnecessary delays. This will make administration of the system more efficient for users of the system and for IP Australia.

IP Australia has commenced a significant body of work to improve its business processes and to consolidate and modernise its information technology (IT) systems. At present, IP Australia uses over 40 different IT systems to administer the four IP rights. This is costly and makes it more difficult to align processes and introduce new services that meet the needs of customers into the future. The first stage of this business improvement program will occur with the introduction of a new system for Designs in late 2015.

Implementation for the other IP rights will occur in subsequent years.

IP Australia currently uses automated processes to a limited extent to guide users through relevant facts and close off irrelevant paths. IP Australia's eServices portal, where customers can access a range of transactions and services, is an example of this.

In this context, IP Australia is considering extending its use of automated processes as follows:

- to make simple, high-volume decisions involving no exercise of judgement, where clear rules are applied with rigid criteria; and
- to perform specific non-discretionary actions following from an earlier decision, action or lack of action.

Case study

The following case study illustrates a current scenario where automated processing is expected to increase administrative efficiency:

Requests for extensions of time

Section 137 of the Designs Act empowers the Registrar to extend the time for doing a relevant act. The Registrar has certain obligations in relation to this power – she must advertise an application for an extension of time of more than 3 months¹, and if it is opposed she must give a copy of the notice of opposition to the applicant.²

Currently, the delegate will consider the request, and if it is allowable will arrange for it to be advertised. If no opposition to the request is filed within the prescribed period, the delegate will then grant the extension. This process is inefficient, as the delegate always needs to deal with the case twice.

In such a scenario an automated process at the end of the prescribed period would be preferred, as the delegate could consider the case initially, with a set of subsequent predetermined steps (publication, and grant of the request after the prescribed period which follows, if the request is not filed). The delegate would only need to reconsider the case again if an opposition to the request was filed, otherwise the grant of the request would be made using an automated process.

¹ Designs Act 2003 s 137(4).

² Designs Regulations 2004, r 11.13(3A).

Problem

The *Patents Act 1990*, the *Trade Marks Act 1995*, the *Designs Act 2003* and the *Plant Breeder's Rights Act 1994* (the IP legislation) do not clearly provide for automated processes to make decisions or undertake actions that relate to a delegate's exercise of a power or obligation.

This is a problem for two reasons.

Firstly, some of the provisions in the IP legislation are worded so that certain simple non-discretionary actions are considered to be the decisions and actions of a delegate of the Commissioner of Patents or Registrar of Trade Marks, Designs or Plant Breeder's Rights. **Attachment A** contains several examples of such actions.

In one example, section 115 of the Designs Act requires the Registrar to record the revocation of a design in the Register if the design has been revoked by the Registrar or a court. This section could be reworded to remove reference to the Registrar making an entry in the Register, and simply say that '...an entry must be made in the Register...' if the design has been revoked by the Registrar or a court. There are already examples in the IP legislation where non-discretionary actions are not performed by the decision-maker or their delegate. For example, section 48 of the Designs Act states that 'The registration of a design ceases if...' and then outlines a series of conditions under which it would cease. Some of these conditions involve the actions and discretion of the Registrar, but others do not.

For the sake of clarity and consistency, there is an argument for amending the IP legislation to ensure that actions of a similar type are worded in a similar manner. This would ensure that simple, non-discretionary actions cannot be construed as the exercise of a power of obligation of the decision-maker, and would remove any doubt as to whether they could be undertaken by automated processes. Alternatively, the relevant IP legislation could be amended to make it clear that such actions may be performed by automated processes.

The second problem is that some of the provisions in the IP legislation have a number of potential outcomes, with some that involve the discretion of the decision-maker and others that do not. The case study on requests for extension of time, discussed earlier, falls into this category. **Attachment B** contains several additional examples of such actions.

In these cases, it would not be appropriate to remove the reference to the decision-maker carrying out the action. A preferable solution would be to clearly provide for such actions to be performed by automated processes where appropriate, while ensuring that the lawfulness and fairness of discretionary administrative decisions are preserved.

Options

Option 1 – no change

IP Australia would continue to use automated processes to provide useful information and commentary to the decision-maker at relevant points in the decision-making process, and/or to recommend a decision to the decision maker. All decisions and actions that relate to a delegate's exercise of a power or an obligation would continue to be carried out by delegates of the Commissioner of Patents and Registrars of Trade Marks, Designs and Plant Breeder's Rights.

Option 2 –remove reference to delegate for simple non-discretionary actions

This option would amend the patents, trade marks, designs and PBR legislation to ensure that simple, non-discretionary actions are not linked to a delegate's exercise of a power or an obligation. This would enable IP Australia to introduce automated processes for actions such as those listed in Attachment A.

Option 3 – authorise automated processes to make decisions, as prescribed in the Regulations

This option would amend the patents, trade marks, designs and PBR legislation to enable decisions and actions that relate to a delegate's exercise of a power or an obligation to be made by automated processes as prescribed in the Regulations. The Regulations would prescribe only simple, non-discretionary actions. This would enable IP Australia to introduce automated processes for actions such as those listed in both Attachments A and B.

Proposed option

At this stage, option 3 is proposed as this is the quickest and simplest way to make it clear that IP Australia could use automated processes for certain actions of decision-makers, such as those listed in both Attachments A and B. This clear legislative sanction would provide IP Australia with additional confidence as it works to improve its business processes and to consolidate and modernise its information technology (IT) systems.

Amendments to the IP legislation would ensure that the following criteria are satisfied:

- the automated processes must be under the decision-maker's control;
- the automated processes can be overridden by the decision-maker or their delegate;
- the decision-maker or their delegate will still be able to undertake the prescribed action, independent of the automated processes; and
- actions undertaken by automated processes are subject to administrative or judicial review, where appropriate.

The proposed option would give stakeholders certainty, as the actions of a decision-maker that were to be undertaken by automated processes would be prescribed in the Regulations. Any expansion to the list of prescribed actions would involve regulatory change, in which stakeholders would be consulted, and approval by the Minister and the Federal Executive Council would be needed.

Examples of simple, non-discretionary decisions that could be automated in all situations

Note: this list is not exhaustive

Notification of an action having occurred or a decision having been made

- eg Patents Act s27(2) (this is only one of many examples from all Acts and Regulations)

Publication of certain information

- eg Patents Act s49(5)(b), (this is only one of many examples from all Acts and Regulations)

Entry in or amendment to the Register

- eg Patents Act 101E(2)(d), (this is only one of many examples from all Acts and Regulations)

Issue of a certificate

- eg Patents Act s101E(2)(c),
- eg Trade Marks Act s71(b),
- eg Designs Act 45(3), 67(3), 116(a)

Issue of a direction or invitation

- eg Patents Regulations 3.2A(3), (this is only one of many examples)

Renewal of a right

- eg Trade Marks Act s79, 80E(1), 80G(1),
- eg Designs Act 47(3),

Cancellation or revocation of a right

- eg Trade Marks Act s84(1), 189,
- eg Plant Breeder's Rights Act s50(1)(b)

Examples of decisions that could be automated in specific situations (at which point they are simple and non-discretionary)

Note: this list is not exhaustive

Filing

Application does not meet minimum filing requirements and is taken never to have been filed (if no response to delegate filed within the prescribed period)

- eg Patents Regulations 22.16(4)

Amendments

Refusal of request to amend (if no response filed within the required period)

- eg Patents Regulations 10.4(b), 10.4(c)
- eg Designs Act s43(2), Designs Regulations 3.09(2), 5.05(2)(b)

Grant of request to amend (if no opposition filed within the required period/opposition is withdrawn and all other criteria satisfied)

- eg Patents Regulations 5.10(1) & (2), 10.6(2), 10.6(4)(c)
- eg Trade Marks Act s83A(5)

Extension of time

Extension of time and opposition processes where automatic completion of actions occurs after an elapsed period of time with no customer response:

- Grant of application for extension of time (if no opposition filed within the prescribed period and all other criteria satisfied) – eg Patents Act s223, Trade Marks Act s224, Designs Act s137
- Refusal of application for extension of time (if no response to delegate filed within the required period)

Extension of term

Grant of application for extension of term (if no opposition filed within the prescribed period and all other criteria satisfied):

- eg Patents Act s76(1)(a),

Grant / register a right

Grant / register a right (if no opposition filed within the prescribed period and all other criteria satisfied):

- eg Trade Marks Act s68(1)(a), 68(1)(b).

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