



10 April 2015

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Mr Sean Applegate  
Contact Officer  
IP Australia

Dear Mr Applegate

On behalf of FICPI Australia, we make the following submissions in response to the IP Australia paper of February 2015 entitled: "Public Consultation: Proposals to streamline IP processes and support small business". FICPI thanks IP Australia for the opportunity to provide submissions as part of the public consultation process.

### FICPI Australia

FICPI Australia is the National Association of the International Federation of Intellectual Property Attorneys (FICPI). Membership of FICPI Australia is restricted to patent and trade mark attorneys who have at least five years' experience in practice and who are proprietors of patent attorney businesses operating in Australia.

The International Federation of Intellectual Property Attorneys takes its membership from patent and trade mark attorneys in private practice from more than 85 countries. The organisation was founded in 1906.

### General comments regarding the proposals

FICPI Australia thanks IP Australia for its initiative in proposing the 22 areas for reform which are aimed at streamlining IP processes and supporting small businesses. FICPI Australia supports many of the recommendations for reform either in their entirety or in part, subject to the comments below in which FICPI Australia responds to each of the proposals.

### Aligning and simplifying - Proposals that affect all four IP rights

#### Proposal 1: Aligning Renewals

IP Australia proposes to amend the legislation to align the renewal fee payment requirements for all four IP rights. The proposed changes would introduce a 6 month grace period for renewal of Plant Breeders Rights and require changes to the Patents and Designs Acts to clarify that rights can be infringed during the grace period (option A2). IP Australia also proposes to limit payment of renewal fees to 12 months before the renewal date (option B2), and to remove the requirement for IP Australia to issue trade mark renewal notices, except in relation to unrepresented trade mark owners (option C2).

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FICPI Australia generally supports these proposals, particularly options A2 and B2. For option C2, FICPI Australia notes that it is IP Australia's practice to issue renewal notices to unrepresented owners of patents, designs and PBR, although there is no legislative requirement to do so. FICPI Australia notes that this additional service to unrepresented rights holders is subsidised by other rights holders who are typically small businesses and SMEs that do not receive the same level of service from IP Australia. This seems to be at odds with the objective to "streamline IP processes" and "support small business".

### **Proposal 2: Re-examination/revocation**

IP Australia proposes to align formal re-examination processes for all four IP rights (option 4) while still accounting for important differences between the rights. For trade marks, designs and PBR, this involves legislative amendments that require the Commissioner/Registrar to respond to all requests for post-grant re-examination (limited for trade marks to requests filed within 12 months of registration) and requiring the requesting party to contribute to the re-examination fee. For patents, the re-examination process would be amended to allow multiple examination reports, introduce a six month time limit for completion of re-examination, and allow third parties who have requested re-examination to participate in a revocation hearing. For trade marks and designs, the applicant/owner and the third party requestor would have one opportunity each to respond to the re-examination report.

FICPI Australia generally supports the proposed changes in option 4 although a 6 month period for completion of all matters in patent re-examination may be too short. A provision to extend that deadline, particularly in circumstances where there is a delay in a re-examination report issuing, would achieve better balance between streamlining the process and supporting small businesses who have many competing tasks and limited resources.

### **Proposal 3: Extensions of time**

IP Australia is of the view that the current differences between the extension of time provisions between the IP rights creates unnecessary complexity for customers and increases administration costs for IP Australia and therefore, proposes to align extensions of time for all four IP rights. A combination of the following options is proposed by IP Australia:

- A2 – Align PBR extensions with those for patents and for a wider range of actions
- A4 – Specify the grounds for the 'special circumstances' extension in the trade marks legislation and align circumstances beyond control across the rights
- A5 - Allow extensions of time for renewal grace periods but not renewal dates, for all IP rights
- A6 - Make the 'despite due care' extension available for all IP rights and have no limit on the period of the extension
- B2 - For all rights, limit the 'error or omission by applicant/owner' extension to 12 months
- C2 – Streamlined process for short extensions of time
- C3 - Simplify and align fees
- C4 – Make all extensions of time non-discretionary.

FICPI Australia generally supports aspects of the proposal, particularly as set out in options A2, A4, A5, A6, C3 and C4.

FICPI Australia disagrees with the proposal in option B2, that is to limit extensions of time for all rights which are based on "error or omission by the applicant or owner" to 12 months. FICPI Australia is of the view that limiting the term of extensions available for patents (and designs) to 12 months in cases where the extension is required due to an error or omission by someone other than the Office is likely to disadvantage patent and design rights holders considerably. The IP Australia Paper states at "*B. Balancing the interests of all parties*" that long extensions create uncertainty and opportunity costs for third parties who want to know their freedom to operate. However the paper also notes that according to

IP Australia estimates, for extensions sought for errors or omissions by applicants and owners in relation to patents, only 10% are for 13 to 24 months and 3% are for over 24 months. Given the small number of cases for which long extensions sought, FICPI Australia is of the view that the uncertainty arising from extensions being available for longer than 12 months would disadvantage Australian small businesses less than refusal to grant extensions of longer than 12 months, particularly in circumstances where a patent application has been pending for longer than 12 months, as is often the case. FICPI Australia urges IP Australia to reconsider this issue, and to retain the current provisions which permit longer extensions to be granted to remedy an error or omission by the applicant or owner in circumstances where the requisite intention to perform the act existed at the relevant date. If concerns about such extensions causing uncertainty for small businesses are justified, FICPI Australia suggests that the competing interests could be balanced by incorporating into the legislation further protections for third parties.

FICPI Australia supports in part IP Australia's proposed option C2 to streamline the process for short extensions of time. IP Australia proposes to decide extension requests of three months or less without assessing a declaration in support, although a declaration would still be required. FICPI Australia is of the view that this places an unnecessary burden and expense on applicants, requiring a work product to be filed that may never be utilised. This comes at considerable expense to small businesses. FICPI Australia appreciates that reasons must be provided to justify allowance of an extension of time. For extension requests of three months or less, FICPI Australia proposes a more balanced approach in which applicants would be required to provide reasons in writing, and to provide a supporting declaration where requested by the Commissioner.

#### **Proposal 4: Writing requirements**

IP Australia proposes to amend the legislation to remove the requirement to do certain things (such as deciding to certify an innovation patent) in writing and to align notification requirements across all four IP rights to permit the Office to 'notify' the relevant person e.g. of the outcome of examination by a means left open to the office (option 2).

FICPI Australia supports option 2.

#### **Proposal 5: Defining how documents are filed**

IP Australia proposes to amend the legislation to replace existing mechanisms for filing documents with just two new provisions: filing documents by "approved means" and filing documents by "preferred means" (option 3). The latter would comprise the eServices channel for which lower fees would continue to be charged to reflect the lower administrative cost.

FICPI Australia supports option 3.

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

IP Australia proposes to amend the legislation to remove the requirement to publish Journals and change the definition of some time periods in the legislation that refer to publication in a Journal. The changes would also replace specific public notification requirements with general requirements for all IP rights that prescribed particulars must be recorded in the Register and published after they are entered in the Register (option 3). Publication would include by electronic means.

FICPI Australia supports option 3.

**Proposal 7: Self-service amendments**

IP Australia proposes to amend the legislation to enable applicants and IP owners to action certain administrative amendments themselves. A combination of options are preferred by IP Australia, namely:

- Option 2 – self-service for administrative amendments (to be specified in the Regulations or a document approved by the Commissioner) such as applicant and agent address details.
- Option 4 - have amendments made to particulars of patent applications, rather than to the documents themselves.
- Option 5 - enable IP Australia to correct obvious errors where the correction can be readily verified.

FICPI Australia generally supports options 4 and 5. For option 2, FICPI Australia would be satisfied with the proposal provided that there are adequate controls over access to the online database to prevent mischief actions by third parties. IP Australia indicates that it would "ensure that processes were robust enough to reduce the risk of parties acting against the interest of others". FICPI Australia would be happy to participate in design of the proposed system to optimise those processes.

**Proposal 8: Signatures**

IP Australia proposes to amend the legislation to remove the requirement for signatures for certain actions including requests to reinstate an application as an international application; to treat a PCT application as a standard application; to withdraw an opposition; and statements authorising a person to request a patent of addition for the applicant or patentee. Instead, the authenticity of these transactions would be verified using other information provided in the documents and IP Australia would ensure there are controls in place over the authority to deal with an IP right (option 2).

FICPI Australia supports option 2.

**Proposal 9: Certificates**

IP Australia proposes to amend the legislation to remove the requirement to issue certificates of registration or grant. IP legislation across all four IP rights would be amended to provide that any document approved by the Commissioner or Registrar would constitute prima facie evidence of a matter. IP rights holders would be able to download extracts of the Register at any time and use such extracts to prove certain facts. IP Australia intends to make commemorative certificates available upon the payment of a small fee (option 3).

FICPI Australia notes that option 3 as recommended by IP Australia would end issuance of certificates in any format (electronic or otherwise) although a commemorative certificate would be available upon request and payment to a third party provider. FICPI Australia is of the view that abolishing certificates diminishes the value of the IP system to rights holders and prefers option 2 which proposes to provide more certificates electronically. FICPI Australia is of the view that terminating issuance of certificates for rights holders is not in the interest of small businesses and SMEs particularly in the R&D sector. Certificates can be useful for small businesses in discussions with third parties when negotiating to license or assign their IP and removal of certificates could disadvantage Australian enterprises particularly when negotiating internationally. Moreover, issuance of a certificate is important tangible recognition for rights holders who have invested in innovation.

**Proposal 10: Address for correspondence**

IP Australia proposes to amend the PBR and designs legislation to align address requirements with the other rights, and amend the patents and designs regulations to remove any reference to an address for correspondence (option 2). The requirement to provide an address for service would be maintained.

FICPI Australia has no objection to abolition of the Address for Correspondence (AFC) requirement. The IP Australia Paper proposes to retain the Address for Service (AFS) requirement but provides that pursuant to the *Intellectual Property Laws Amendment Bill 2014* the definition of a valid AFS will be changed to allow it to be:

- in Australia or New Zealand;
- an electronic address;
- an address where a physical document can be given personally to the applicant or their representative; and
- an address at which a physical document may be left at or sent by post to them.

FICPI Australia does not support the above definition as proposed in conjunction with option 2 as this definition is inconsistent with the *Intellectual Property Laws Amendment Bill 2014* which, through the Intellectual Property Laws Amendment Act 2015 ('Amendment Act'), amended the IP legislation to require that for service of documents, an address in Australia or New Zealand must be provided. The means for service proposed to be prescribed in the regulations<sup>1</sup> to implement the Amendment Act will be those currently available - i.e. by leaving the document at the AFS or by sending it there by post. Amendments to the Designs, Patents, PBR and Trade Marks Regulations are also proposed to permit any of the following addresses to be provided as an address for service:

- an address in Australia or New Zealand at which a document may be given to someone personally or to the person's representative; or
- an address in Australia to which it is practicable and reasonable for Australia Post, or a person acting on behalf of Australia Post, to deliver mail (e.g. a post office box); or
- an address in New Zealand to which it is practicable and reasonable for a person providing mail-delivering services to deliver mail.

An electronic address is not within the scope or spirit of the Amendment Act and exposes applicants to representation by foreign entities not qualified to practice under Australian law and not subject to *the Code of Conduct for Patent and Trade Marks Attorneys 2013* which protects consumers seeking to pursue IP rights in Australia and New Zealand. FICPI Australia believes that any definition for AFS which includes "an electronic address" should be subject to a physical address in Australia or New Zealand also being provided.

## **Aligning and simplifying - Proposals that affect patents**

### **Proposal 11: Third party requests for examination**

IP Australia proposes to amend the legislation to remove the mechanism for third parties to request the Commissioner to direct an applicant to request examination and instead allow third parties to request the Commissioner to examine a standard patent application (option 2). This simplifies and aligns the third party request system for standard patents with the system for innovation patents and designs.

FICPI Australia supports option 2.

### **Proposal 12: Colour drawings**

IP Australia proposes to amend the legislation and upgrade its IT systems to allow lodgement of colour drawings at the national and international stage (option 2). Schedule 3 of the Patents Regulations would be amended to allow colour drawings to be used in all specifications.

FICPI Australia supports option 2.

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<sup>1</sup> Regulation Changes Proposed To Implement Trans-Tasman Initiatives: Consultation Paper (IP Australia, December 2014)

**Proposal 13: Extensions of term - notices to Department of Health**

IP Australia presents three options for dealing with the reporting requirement under Section 76A of the Patents Act which requires the owner of an extended patent to provide the Department of health with details of the amount spent on research and development (R&D) of the patented drug, including details of the amount and origin of any Commonwealth funds spent on R&D. IP Australia recognises that this requirement places a burden on patentees that is not balanced by the Government or the public having a better understanding of the effectiveness of the extension of term scheme or government funds spent on R&D. IP Australia presents the following options with no preference indicated in the paper:

- Option 1 – no change
- Option 2 – no longer require patent owners to provide R&D information
- Option 3 – improve the reporting requirement to collect valuable and consistent data on R&D spending.

FICPI supports option 2: repeal of Section 76A which would remove the requirement for patentees to collect and provide R&D information to the Department of Health. FICPI Australia is of the view that there are other means by which the Department of Health can collect data around R&D spending and the effectiveness of patents (and patent term extensions) in delivering benefits to Australians and Australian businesses and further investment in Australian R&D.

**Aligning and simplifying - Proposals that affect trade marks****Proposal 14: Acceptance timeframe**

IP Australia proposes to amend the trade marks legislation to reduce the acceptance timeframe from 15 months to 6 months from the date of the first report (option 2). IP Australia also proposes to abolish the general extensions of the acceptance deadline by up to 6 months currently available under Regulation 4.12(3) (option 4) and expand the grounds for deferment of the acceptance deadline to include overcoming a ground of rejection under Section 41, i.e. that the trade mark does not distinguish the applicant's goods or services from those of others (option 5).

FICPI Australia generally supports option 5. However, FICPI Australia is of the view that 6 months to achieve acceptance is too short and would place undue pressure on small businesses to achieve acceptance within the time frame. It is also inconsistent with the objective to "streamline and simplify" IP regimes. FICPI Australia considers 12 months to be more reasonable and is also consistent with the time for achieving acceptance for patents. If the shortened time for acceptance in option 2 is changed to 12 months from the date of the first report (instead of the proposed 6 months), FICPI Australia would also support option 4.

**Aligning and simplifying - Proposals that affect designs****Proposal 15: Registration of designs**

IP Australia proposes to amend the Designs Act to remove the option to request publication (option ) so that if the applicant does not request withdrawal or registration within six months from filing, the application will automatically proceed to a formalities check (and registration).

FICPI Australia supports option 4.

**Proposal 16: Multiple copies of representations**

IP Australia proposes to amend the Designs Regulations to remove the requirement to provide multiple copies of each representation (option 2).

FICPI Australia supports option 2.

**Supporting small business****Proposal 17: Unjustified threats of infringement**

IP Australia proposes to amend the marks and PBR legislation to include protection against unjustified threats of infringement in a manner that is consistent with the patents provisions. Additionally, IP Australia proposes to allow "additional damages" across the patents, trade marks and designs acts (and possibly PBR) to allow for additional damages to be awarded in respect of blatant and unjustified threats of infringement against another party (option 3).

FICPI Australia supports option 3.

**Proposal 18: Clarify ownership of Plant Breeder's Rights****18.1 Joint breeders**

IP Australia proposes to amend the PBR Act to allow more than two breeders to lodge a joint application. This would enable a PBR to be granted to more than two breeders jointly (option 2).

FICPI Australia supports option 2.

**18.2 Correcting an error in the name of the applicant**

IP Australia proposes to amend the PBR Regulations to allow for corrections in the PBR Register to remedy certain issues such as omission of an entry, an entry made without sufficient cause, a wrong entry or an error or defect in an entry in the Register (option 3).

FICPI Australia supports option 3.

**Proposal 19: Trade marks and shelf companies**

IP Australia proposes to amend Section 27 of the Trade Marks Act insofar as it relates to a body corporate to whom the person intends to assign the trade mark, to remove the requirement that the body corporate be one that is "about to be constituted" (option 2) so that applicants would clearly be permitted to assign trade marks to body corporates, whether already constituted or not.

FICPI Australia supports option 2.

**Proposal 20: Customs notice of seizure**

IP Australia proposes to amend the Trade Marks Act to allow Customs to allow for the delivery of notices of seizure electronically including by email (option 2) to the designated owner of goods and the trade mark owner.

FICPI Australia supports option 2.

**Technical fixes****Proposal 21: Publishing personal information of IP attorneys**

IP Australia proposes to introduce a provision that enables the PSB to publish the name and 'publication' address for all registered attorneys (option 2). This provides publication of address details for all attorneys while also complying with the Privacy Principles particularly for non-practicing attorneys who would be given the option of using IP Australia's address as their 'publication' address.

FICPI Australia supports option 2.

**Proposal 22: Prosecution of IP attorney offences**

IP Australia proposes to amend the Patents and Trade Marks legislation to introduce a 5 year prosecution period for offences by an incorporated attorney (option 2). This corrects oversights in the Raising the Bar reforms in 2012.

FICPI Australia supports option 2.

**Other issues of importance to FICPI Australia**

Although not addressed in the IP Australia Paper, FICPI Australia is of the view that the current regime dealing with extensions of time in opposition matters is problematic. The requirement to meet strict evidence deadlines when there are genuine settlement negotiations taking place between the parties places unreasonable pressure on small businesses who already are operating with limited funds and resources. FICPI Australia would like to propose revisions that support small businesses by introducing:

- a) a "Cooling-Off" provision in patent oppositions similar to that provided in the Trade Marks legislation. Current requirements to continue preparation of evidence during negotiations places an unreasonably high burden on businesses. This would enable the Commissioner to allow a cooling-off period of 6 months if the Commissioner is satisfied that the parties agree. Parties to the opposition could then enter into potential settlement discussions without the evidence clock advancing during that period;

and

- b) a provision in both patent and trade mark oppositions that requires the Commissioner to grant a single 3 month extension of time or deferment of a deadline when the parties on both sides have agreed. This would support small businesses to achieve better business outcomes at lower cost by potentially avoiding unnecessary and expensive evidence preparation and would not disadvantage or create a significant administrative burden on IP Australia.

Yours sincerely  
**FICPI Australia**



**Greg Chambers**  
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