

EXPOSURE DRAFT

2016-2017-2018

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES/THE SENATE

EXPOSURE DRAFT

Intellectual Property Laws Amendment (Productivity Commission Response Part 2 and Other Measures) Bill 2018

No. , 2018

(Jobs and Innovation)

**A Bill for an Act to amend legislation relating to
intellectual property, and for related purposes**

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Patents Act 1990

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ii *Intellectual Property Laws Amendment (Productivity Commission
Response Part 2 and Other Measures) Bill 2018* No. , 2018

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1 **A Bill for an Act to amend legislation relating to**
2 **intellectual property, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act is the *Intellectual Property Laws Amendment*
6 *(Productivity Commission Response Part 2 and Other Measures)*
7 *Act 2018.*

8 **2 Commencement**

9 (1) Each provision of this Act specified in column 1 of the table
10 commences, or is taken to have commenced, in accordance with

No. , 2018 *Intellectual Property Laws Amendment (Productivity Commission
Response Part 2 and Other Measures) Bill 2018* 1

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1 column 2 of the table. Any other statement in column 2 has effect
2 according to its terms.

3

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1, Part 1	The day after the end of the period of 12 months beginning on the day this Act receives the Royal Assent.	
3. Schedule 1, Part 2	The day after this Act receives the Royal Assent.	
4. Schedule 1, Part 3	The day after the end of the period of 12 months beginning on the day this Act receives the Royal Assent.	
5. Schedules 2 to 7	The day after this Act receives the Royal Assent.	

4 Note: This table relates only to the provisions of this Act as originally
5 enacted. It will not be amended to deal with any later amendments of
6 this Act.

7 (2) Any information in column 3 of the table is not part of this Act.
8 Information may be inserted in this column, or information in it
9 may be edited, in any published version of this Act.

3 Schedules

11 Legislation that is specified in a Schedule to this Act is amended or
12 repealed as set out in the applicable items in the Schedule
13 concerned, and any other item in a Schedule to this Act has effect
14 according to its terms.

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Responses to the Productivity Commission **Schedule 1**
Inventive step **Part 1**

1 **Schedule 1—Responses to the Productivity**
2 **Commission**

3 **Part 1—Inventive step**

4 *Patents Act 1990*

5 **1 Paragraph 7(1)(c)**

6 Omit “subparagraph (b)(ii) of the definition of *prior art base* in
7 Schedule 1”, substitute “paragraph 7B(1)(c)”.

8 **2 Subsections 7(2) and (3)**

9 Repeal the subsections (not including the heading), substitute:

- 10 (2) For the purposes of this Act, an invention is taken to involve an
11 inventive step when compared with the prior art base if the
12 invention is not obvious to a person skilled in the relevant art.

13 **3 Section 7 (notes)**

14 Repeal the notes.

15 **4 After section 7A**

16 Insert:

17 **7B Meaning of *prior art base***

18 *Novelty*

- 19 (1) In relation to deciding whether an invention is or is not novel, *prior*
20 *art base* means:
21 (a) information in a document that is publicly available, whether
22 in or out of the patent area; and
23 (b) information made publicly available through doing an act,
24 whether in or out of the patent area; and
25 (c) information contained in a published specification filed in
26 respect of a complete application where:

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Schedule 1 Responses to the Productivity Commission

Part 1 Inventive step

- 1 (i) if the information is, or were to be, the subject of a
2 claim of the specification, the claim has, or would have,
3 a priority date earlier than that of the claim under
4 consideration; and
5 (ii) the specification was published on or after the priority
6 date of the claim under consideration; and
7 (iii) the information was contained in the specification on its
8 filing date.

9 *Inventive step*

- 10 (2) In relation to deciding whether an invention does or does not
11 involve an inventive step, *prior art base* means:
12 (a) information in a document that is publicly available, whether
13 in or out of the patent area; and
14 (b) information made publicly available through doing an act,
15 whether in or out of the patent area; and
16 (c) a combination of any 2 or more pieces of information
17 mentioned in paragraph (a) or (b) that a person skilled in the
18 relevant art could, before the priority date of the relevant
19 claim, be reasonably expected to have combined; and
20 (d) information that is common general knowledge (whether in
21 or out of the patent area), whether that information is
22 considered separately or together with the information
23 mentioned in paragraph (a), (b) or (c).

24 *Innovative step*

- 25 (3) In relation to deciding whether an invention does or does not
26 involve an innovative step, *prior art base* means:
27 (a) information in a document that is publicly available, whether
28 in or out of the patent area; and
29 (b) information made publicly available through doing an act,
30 whether in or out of the patent area.

31 **5 Schedule 1 (definition of *prior art base*)**

32 Repeal the definition, substitute:

33 *prior art base* has the meaning given by section 7B.

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Responses to the Productivity Commission **Schedule 1**
Inventive step **Part 1**

1 **6 Schedule 1 (paragraph (b) of the definition of *prior art***
2 ***information*)**

3 Repeal the paragraph.

4 **7 Application of amendments**

5 The amendments made by this Part apply in relation to the following:

- 6 (a) patents for which the complete application is made on or
7 after the day this Part commences;
- 8 (b) standard patents for which the application had been made
9 before the day this Part commences, if the applicant had not
10 asked for an examination of the patent request and
11 specification for the application under section 44 of the
12 *Patents Act 1990* before that day;
- 13 (c) complete patent applications made on or after the day this
14 Part commences;
- 15 (d) complete applications for standard patents made before the
16 day this Part commences, if the applicant had not asked for
17 an examination of the patent request and specification for the
18 application under section 44 of the *Patents Act 1990* before
19 that day.

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Schedule 1 Responses to the Productivity Commission

Part 2 Object of the Act

1 **Part 2—Object of the Act**

2 *Patents Act 1990*

3 **8 After section 2**

4 Insert:

5 **2A Object of this Act**

6 The object of this Act is to provide a patent system in Australia
7 that promotes economic wellbeing through technological
8 innovation and the transfer and dissemination of technology. In
9 doing so, the patent system balances over time the interests of
10 producers, owners and users of technology and the public.

6 *Intellectual Property Laws Amendment (Productivity Commission
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Responses to the Productivity Commission **Schedule 1**
Innovation patents **Part 3**

1 **Part 3—Innovation patents**

2 *Patents Act 1990*

3 **9 Section 3 (list of definitions)**

4 Insert “priority date”.

5 **10 Subsection 43(2)**

6 Omit “priority date”, substitute “*priority date*”.

7 **11 At the end of section 52**

8 Add:

9 (3) It is a requirement of the formalities check that the date of the
10 patent (if granted) would be a date before the day this subsection
11 commences.

12 Note 1: This subsection was inserted by the *Intellectual Property Laws*
13 *Amendment (Productivity Commission Response Part 2 and Other*
14 *Measures) Act 2018*.

15 Note 2: For the date of the patent, see section 65 and regulations made for the
16 purposes of paragraph 65(b).

17 Note 3: Other requirements of the formalities check are specified in
18 regulations made for the purposes of paragraph 228(2)(ha).

19 **12 After paragraph 101B(2)(h)**

20 Insert:

21 (ha) each claim in the complete specification has a priority date
22 that is before the day this paragraph commences; and

23 **13 At the end of subsection 101B(2)**

24 Add:

25 Note: Paragraph 101B(2)(ha) was inserted by the *Intellectual Property Laws*
26 *Amendment (Productivity Commission Response Part 2 and Other*
27 *Measures) Act 2018*.

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Schedule 1 Responses to the Productivity Commission

Part 3 Innovation patents

1 **14 After subparagraph 101E(1)(a)(viii)**

2 Insert:

3 (viiiia) each claim in the complete specification has a priority
4 date that is before the day paragraph 101B(2)(ha)
5 commences;

6 **15 At the end of subsection 101E(1)**

7 Add:

8 Note: Paragraph 101B(2)(ha) was inserted by the *Intellectual Property Laws*
9 *Amendment (Productivity Commission Response Part 2 and Other*
10 *Measures) Act 2018.*

11 **16 Schedule 1**

12 Insert:

13 *priority date* has the meaning given by subsection 43(2).

1 **Schedule 2—Crown use of patents**

2 **Part 1—Amendments**

3 *Patents Act 1990*

4 **1 Section 3 (list of definitions)**

5 Insert “exploited for Crown purposes”.

6 **2 Section 3 (list of definitions)**

7 Insert “relevant Minister”.

8 **3 Section 3 (list of definitions)**

9 Insert “services”.

10 **4 Section 3 (list of definitions)**

11 Omit “State”.

12 **5 Before section 161**

13 Insert:

14 **160A When an invention is *exploited for Crown purposes***

15 (1) An invention is *exploited for Crown purposes* if:

16 (a) the invention is exploited for the services of a relevant
17 authority; and

18 (b) the exploitation is by:

19 (i) the relevant authority; or

20 (ii) if a person is authorised, in writing, by the relevant
21 authority for the purposes of this subparagraph—the
22 person for the relevant authority.

23 (2) A person may be authorised for the purposes of
24 subparagraph (1)(b)(ii):

25 (a) before or after a patent has been granted for the invention;
26 and

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Schedule 2 Crown use of patents

Part 1 Amendments

- 1 (b) even if the person is directly or indirectly authorised by the
2 nominated person or patentee to exploit the invention.
- 3 (3) Subject to section 168, an invention is taken to be exploited for the
4 services of a relevant authority if the exploitation of the invention
5 is necessary for the proper provision of those services within
6 Australia.
- 7 (4) *Services* of a relevant authority includes:
8 (a) if the relevant authority is the Commonwealth—services that
9 are:
10 (i) primarily provided or funded by the Commonwealth; or
11 (ii) primarily provided or funded by the Commonwealth
12 and one or more of the States or Territories; and
13 (b) if the relevant authority is a State or Territory—services that
14 are:
15 (i) primarily provided or funded by the State or Territory;
16 or
17 (ii) primarily provided or funded by the State or Territory
18 and one or more of the other States or Territories or the
19 Commonwealth.

20 **6 Section 162**

21 Repeal the section.

22 **7 Section 163**

23 Repeal the section, substitute:

24 **163 Crown exploitation of inventions—general rule**

- 25 (1) Exploitation of an invention in the circumstances mentioned in
26 subsection (2) is not an infringement of:
27 (a) if a patent application for the invention is pending—the
28 nominated person's rights in the invention; or
29 (b) if a patent has been granted for the invention—the patent.
- 30 (2) The circumstances are as follows:

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Crown use of patents **Schedule 2**
Amendments **Part 1**

- 1 (a) the relevant Minister considers that the relevant authority has
2 tried for a reasonable period, but without success, to obtain
3 from the applicant and the nominated person, or the patentee,
4 an authorisation to exploit the invention on reasonable terms;
5 (b) the relevant Minister approves, in writing, the exploitation;
6 (c) the invention is exploited for Crown purposes;
7 (d) if the exploitation is by a person authorised by a relevant
8 authority for the purposes of subparagraph 160A(1)(b)(ii)—
9 the person is authorised by the relevant authority before the
10 exploitation starts;
11 (e) at least 14 days before the exploitation starts, the relevant
12 authority gives the applicant and the nominated person, or the
13 patentee:
14 (i) a copy of the approval referred to in paragraph (b); and
15 (ii) a written statement of reasons for approving the
16 exploitation.

17 Note: Section 25D of the *Acts Interpretation Act 1901* sets out rules about
18 the contents of a statement of reasons.

19 (3) An approval given under paragraph (2)(b) is not a legislative
20 instrument.

21 (4) **Relevant Minister** means:

- 22 (a) in relation to the exploitation of an invention by or for the
23 Commonwealth—the Minister; or
24 (b) in relation to the exploitation of an invention by or for a
25 State—the Attorney-General of the State; or
26 (c) in relation to the exploitation of an invention by or for a
27 Territory—the Attorney-General of the Territory.

28 **163A Crown exploitation of inventions—emergencies**

29 (1) Exploitation of an invention in the circumstances mentioned in
30 subsection (2) is not an infringement of:

- 31 (a) if a patent application for the invention is pending—the
32 nominated person's rights in the invention; or
33 (b) if a patent has been granted for the invention—the patent.

34 (2) The circumstances are as follows:

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Schedule 2 Crown use of patents

Part 1 Amendments

- 1 (a) the relevant Minister considers that the exploitation is
2 required because of an emergency;
- 3 (b) the relevant Minister approves, in writing, the exploitation
4 before the exploitation starts;
- 5 (c) the invention is exploited for Crown purposes;
- 6 (d) if the exploitation is by a person authorised by a relevant
7 authority for the purposes of subparagraph 160A(1)(b)(ii)—
8 the person is authorised by the relevant authority before the
9 exploitation starts.
- 10 (3) As soon as practicable after the relevant Minister approves the
11 proposed exploitation, the relevant Minister must give the
12 applicant and the nominated person, or the patentee:
- 13 (a) a copy of the approval referred to in paragraph (2)(b); and
14 (b) a written statement of reasons for approving the exploitation.
- 15 Note: Section 25D of the *Acts Interpretation Act 1901* sets out rules about
16 the contents of a statement of reasons.
- 17 (4) An approval given under paragraph (2)(b) is not a legislative
18 instrument.

19 **8 Section 164 (heading)**

20 Repeal the heading, substitute:

21 **164 Crown exploitation of inventions—information to be given by** 22 **relevant authority**

23 **9 Section 164**

24 Omit “under subsection 163(1)”, substitute “in the circumstances
25 mentioned in subsection 163(2) or 163A(2)”.

26 **10 Section 165 (heading)**

27 Repeal the heading, substitute:

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Crown use of patents **Schedule 2**
Amendments **Part 1**

1 **165 Crown exploitation of inventions—terms (including**
2 **remuneration)**

3 **11 Subsection 165(2)**

4 Repeal the subsection, substitute:

5 (1) The terms for the exploitation of an invention in the circumstances
6 mentioned in subsection 163(2) or 163A(2), including terms
7 concerning the remuneration payable to the nominated person or
8 the patentee, are such terms:

9 (a) as are agreed, or determined by a method agreed, between the
10 relevant authority and the nominated person or the patentee;
11 or

12 (b) in the absence of agreement—as are determined by a
13 prescribed court on the application of the relevant authority,
14 or the nominated person or the patentee.

15 (2) Without limiting paragraph (1)(b), the prescribed court must
16 determine an amount of remuneration that is just and reasonable,
17 having regard to the economic value of the exploitation of the
18 invention and any other matter the court considers relevant.

19 **12 Subsection 165(3)**

20 Omit “subsection (2)”, substitute “this section”.

21 **13 Section 165A (heading)**

22 Repeal the heading, substitute:

23 **165A Crown exploitation of inventions—court order to cease**

24 **14 Subsection 165A(1)**

25 Omit “by the Commonwealth or the State”, substitute “in the
26 circumstances mentioned in subsection 163(2) or 163A(2)”.

27 **15 Subsection 165A(1)**

28 Omit “of the Commonwealth or of the State”, substitute “of the relevant
29 authority concerned”.

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Schedule 2 Crown use of patents

Part 1 Amendments

1 **16 Subsection 165A(2)**

2 Omit “Commonwealth or the State”, substitute “relevant authority”.

3 **17 Subsection 165A(2)**

4 Omit “Commonwealth or of the State”, substitute “relevant authority”.

5 **18 Section 166**

6 Repeal the section, substitute:

7 **166 Certain agreement and licences inoperative unless approved by**
8 **relevant Minister**

9 (1) An agreement or licence setting the terms on which a person other
10 than a relevant authority may exploit an invention is inoperative
11 with respect to the exploitation of the invention in the
12 circumstances mentioned in subsection 163(2) or 163A(2).

13 (2) Subsection (1) does not apply if the agreement or licence has been
14 approved in writing by the relevant Minister.

15 **19 Subsections 167(1) and (2)**

16 Omit “under subsection 163(1)”, substitute “under subsection 163(1) or
17 163A(1)”.

18 **20 Section 169**

19 Repeal the section.

20 **21 Section 170**

21 Omit “or a State” (wherever occurring), substitute “, a State or a
22 Territory”.

23 **22 Section 170**

24 Omit “or the State”, substitute “, the State or the Territory”.

25 **23 Schedule 1**

26 Insert:

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Crown use of patents **Schedule 2**
Amendments **Part 1**

1 *exploited for Crown purposes* has the meaning given by
2 subsection 160A(1).

3 **24 Schedule 1 (definition of *relevant authority*)**

4 Repeal the definition, substitute:

5 *relevant authority* means:

- 6 (a) in relation to the exploitation of an invention by or for the
7 Commonwealth or an authority of the Commonwealth—the
8 Commonwealth; or
9 (b) in relation to the exploitation of an invention by or for a State
10 or an authority of a State—the State; or
11 (c) in relation to the exploitation of an invention by or for a
12 Territory or an authority of a Territory—the Territory.

13 **25 Schedule 1**

14 Insert:

15 *relevant Minister* has the meaning given by subsection 163(4).

16 *services* of a relevant authority has a meaning affected by
17 subsection 160A(4).

18 **26 Schedule 1 (definition of *State*)**

19 Repeal the definition.

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Schedule 2 Crown use of patents

Part 2 Application and transitional provisions

1 **Part 2—Application and transitional provisions**

2 **27 Definition**

3 In this Part:

4 *amended Act* means the *Patents Act 1990* as in force after the
5 commencement of this Schedule.

6 **28 Application of amendments**

7 (1) The amendments of the *Patents Act 1990* (other than section 166 of the
8 Act) made by Part 1 of this Schedule apply in relation to inventions that
9 start to be exploited for Crown purposes on or after the day this
10 Schedule commences.

11 (2) The amendment of section 166 of the *Patents Act 1990* made by Part 1
12 of this Schedule applies in relation to:
13 (a) agreements made or licences given before, on or after the day
14 this Schedule commences; and
15 (b) the exploitation of inventions that occurs on or after the day
16 this Schedule commences.

17 **29 Transitional—authorised person**

18 An authorisation of a person that is in force for the purposes of
19 section 163 of the *Patents Act 1990* immediately before the
20 commencement of this Schedule continues in force as if:

21 (a) the person had been authorised for the purposes of
22 subparagraph 160A(1)(b)(ii) of the amended Act; and
23 (b) paragraph 163(2)(d) of the amended Act were satisfied in
24 relation to the person.

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Crown use of patents **Schedule 2**
Application and transitional provisions **Part 2**

1 **30 Transitional—negotiations**

2 If, before the commencement of this Schedule, a relevant authority has
3 tried, for a period, but without success, to obtain from an applicant and
4 a nominated person, or a patentee, an authorisation to exploit an
5 invention on reasonable terms, the relevant Minister must take that
6 period into account in considering whether the condition in
7 paragraph 163(2)(a) of the amended Act is satisfied in relation to the
8 exploitation of the invention.

9 **31 Transitional—agreements and determinations**

10 An agreement or determination that is in force for the purposes of
11 subsection 165(2) of the *Patents Act 1990* immediately before the
12 commencement of this Schedule continues in force on and after that
13 commencement as if it had been made for the purposes of
14 subsection 165(1) of the amended Act.

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Schedule 3 Crown use of designs

Part 1 Amendments

1 **Schedule 3—Crown use of designs**

2 **Part 1—Amendments**

3 *Designs Act 2003*

4 **1 Section 5**

5 Insert:

6 *relevant authority* means:

- 7 (a) in relation to the use of a design by or for the
8 Commonwealth—the Commonwealth; or
9 (b) in relation to the use of a design by or for a State—that State;
10 or
11 (c) in relation to the use of a design by or for a Territory—that
12 Territory.

13 *relevant Minister* has the meaning given by subsection 96(4).

14 *services* of a relevant authority has a meaning affected by
15 subsection 95(5).

16 *used for Crown purposes* has the meaning given by
17 subsection 95(2).

18 **2 Subsection 95(2)**

19 Repeal the subsection, substitute:

- 20 (2) A design is *used for Crown purposes* if:
21 (a) the design is used for the services of a relevant authority; and
22 (b) the use is by:
23 (i) the relevant authority; or
24 (ii) if a person is authorised, in writing, by the relevant
25 authority for the purposes of this subparagraph—the
26 person for the relevant authority.
- 27 (3) A person may be authorised for the purposes of
28 subparagraph (2)(b)(ii):

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Crown use of designs **Schedule 3**
Amendments **Part 1**

- 1 (a) before or after the registration of the design; and
2 (b) even if the person is directly or indirectly authorised by the
3 entitled person in relation to the design, or the registered
4 owner of the design, to use the design.
- 5 (4) Subject to section 105, a design is taken to be used for the services
6 of a relevant authority if the use of the design is necessary for the
7 proper provision of those services within Australia.
- 8 (5) *Services* of a relevant authority includes:
9 (a) if the relevant authority is the Commonwealth—services that
10 are:
11 (i) primarily provided or funded by the Commonwealth; or
12 (ii) primarily provided or funded by the Commonwealth
13 and one or more of the States or Territories; and
14 (b) if the relevant authority is a State or Territory—services that
15 are:
16 (i) primarily provided or funded by the State or Territory;
17 or
18 (ii) primarily provided or funded by the State or Territory
19 and one or more of the other States or Territories or the
20 Commonwealth.

21 **3 Section 96**

22 Repeal the section, substitute:

23 **96 Crown use of designs—general rule**

- 24 (1) Use of a design in the circumstances mentioned in subsection (2) is
25 not an infringement of a registered design.
- 26 (2) The circumstances are as follows:
27 (a) the relevant Minister considers that the relevant authority has
28 tried for a reasonable period, but without success, to obtain
29 from the applicant or entitled person, or the registered owner,
30 an authorisation to use the design on reasonable terms;
31 (b) the relevant Minister approves, in writing, the use of the
32 design;
33 (c) the design is used for Crown purposes;
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Schedule 3 Crown use of designs

Part 1 Amendments

- 1 (d) if the use of the design is by a person authorised by a relevant
2 authority for the purposes of subparagraph 95(2)(b)(ii)—the
3 person is authorised by the relevant authority before the use
4 starts;
- 5 (e) at least 14 days before the use starts, the relevant authority
6 gives the applicant and the entitled person, or the registered
7 owner:
- 8 (i) a copy of the approval referred to in paragraph (b); and
9 (ii) a written statement of reasons for approving the use of
10 the design.
- 11 Note: Section 25D of the *Acts Interpretation Act 1901* sets out rules about
12 the contents of a statement of reasons.
- 13 (3) An approval given under paragraph (2)(b) is not a legislative
14 instrument.
- 15 (4) **Relevant Minister** means:
- 16 (a) in relation to the use of a design by or for the
17 Commonwealth—the Minister; or
18 (b) in relation to the use of a design by or for a State—the
19 Attorney-General of the State; or
20 (c) in relation to the use of a design by or for a Territory—the
21 Attorney-General of the Territory.

22 **96A Crown use of designs—emergencies**

- 23 (1) Use of a design in the circumstances mentioned in subsection (2) is
24 not an infringement of a registered design.
- 25 (2) The circumstances are as follows:
- 26 (a) the relevant Minister considers that the use of the design is
27 required because of an emergency;
- 28 (b) the relevant Minister approves, in writing, the use of the
29 design before the use starts;
- 30 (c) the design is used for Crown purposes;
- 31 (d) if the use of the design is by a person authorised by a relevant
32 authority for the purposes of subparagraph 95(2)(b)(ii)—the
33 person is authorised by the relevant authority before the use
34 starts.

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Crown use of designs **Schedule 3**
Amendments **Part 1**

- 1 (3) As soon as practicable after the relevant Minister approves the
2 proposed use of the design, the relevant Minister must give the
3 applicant and the entitled person, or the registered owner:
4 (a) a copy of the approval referred to in paragraph (2)(b); and
5 (b) a written statement of reasons for approving the use of the
6 design.

7 Note: Section 25D of the *Acts Interpretation Act 1901* sets out rules about
8 the contents of a statement of reasons.

- 9 (4) An approval given under paragraph (2)(b) is not a legislative
10 instrument.

11 **4 Subsection 97(1)**

12 Omit “under section 96, the Commonwealth or a State”, substitute “in
13 the circumstances mentioned in subsection 96(2) or 96A(2), the relevant
14 authority”.

15 **5 Subsection 97(2)**

16 Omit “Commonwealth or a State”, substitute “relevant authority”.

17 **6 Subsection 97(2)**

18 Omit “Commonwealth or State”, substitute “relevant authority”.

19 **7 Section 98**

20 Repeal the section, substitute:

21 **98 Crown use of designs—terms (including remuneration)**

- 22 (1) The terms for the use of a design in the circumstances mentioned in
23 subsection 96(2) or 96A(2), including terms concerning the
24 remuneration payable to the entitled person or the registered
25 owner, are such terms:
26 (a) as are agreed, or determined by a method agreed, between the
27 relevant authority and the entitled person or the registered
28 owner; or
29 (b) in the absence of agreement—as are determined by a
30 prescribed court on the application of the relevant authority,
31 or the entitled person or the registered owner.

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Schedule 3 Crown use of designs

Part 1 Amendments

- 1 (2) Without limiting paragraph (1)(b), the prescribed court must
2 determine an amount of remuneration that is just and reasonable,
3 having regard to the economic value of the use of the design and
4 any other matter the court considers relevant.
- 5 (3) A person may not apply to a prescribed court for a determination
6 under paragraph (1)(b) in relation to a design unless a certificate of
7 examination has been issued in relation to the design.
- 8 (4) The prescribed court may, in determining the terms of use, take
9 into consideration compensation that a person interested in the
10 design has received, directly or indirectly, from the relevant
11 authority in respect of the design.

8 Section 99

12 Repeal the section, substitute:

99 Certain agreement and licences inoperative unless approved by relevant Minister

- 14 (1) An agreement or licence setting the terms on which a person other
15 than a relevant authority may use a design is inoperative with
16 respect to the use of the design in the circumstances mentioned in
17 subsection 96(2) or 96A(2).
18
19 (2) Subsection (1) does not apply if the agreement or licence has been
20 approved in writing by the relevant Minister.
21

9 Sections 100 and 101

22 Repeal the sections.

10 Section 102 (heading)

23 Repeal the heading, substitute:

102 Crown use of designs—court order to cease

11 Subsection 102(1)

24 Omit “by the Commonwealth or State”, substitute “in the circumstances
25 mentioned in subsection 96(2) or 96A(2)”.

EXPOSURE DRAFT

Crown use of designs **Schedule 3**
Amendments **Part 1**

1 **12 Subsection 102(1)**

2 Omit “of the Commonwealth or State”, substitute “of the relevant
3 authority concerned”.

4 **13 Subsection 102(3)**

5 Omit “Commonwealth or the State”, substitute “relevant authority”.

6 **14 Subsection 102(4)**

7 Omit “Commonwealth or State”, substitute “relevant authority”.

8 **15 Section 103**

9 After “under section 96”, insert “in the circumstances mentioned in
10 subsection 96(2) or 96A(2)”.

11 **16 Section 103**

12 Omit “Commonwealth or the State”, substitute “relevant authority”.

13 **17 Section 104**

14 Omit “or of a State”, substitute “, a State or a Territory”.

15 **18 Section 104**

16 Omit “or a State”, substitute “, a State or a Territory”.

17 **19 Section 104**

18 Omit “or the State”, substitute “, the State or the Territory”.

EXPOSURE DRAFT

Schedule 3 Crown use of designs

Part 2 Application and transitional provisions

1 **Part 2—Application and transitional provisions**

2 **20 Definitions**

3 In this Part:

4 *amended Act* means the *Designs Act 2003* as in force after the
5 commencement of this Schedule.

6 **21 Application of amendments**

7 (1) The amendments of the *Designs Act 2003* (other than section 99) made
8 by Part 1 of this Schedule apply in relation to designs that start to be
9 used for Crown purposes on or after the day this Schedule commences.

10 (2) The amendment of section 99 of the *Designs Act 2003* made by Part 1
11 of this Schedule applies in relation to:

12 (a) agreements made or licences given before, on or after the day
13 this Schedule commences; and

14 (b) the use of designs that occurs on or after the day this
15 Schedule commences.

16 **22 Transitional—authorised person**

17 An authorisation of a person that is in force for the purposes of
18 section 96 of the *Designs Act 2003* immediately before the
19 commencement of this Schedule continues in force as if:

20 (a) the person had been authorised for the purposes of
21 subparagraph 95(2)(b)(ii) of the amended Act; and

22 (b) paragraph 96(2)(d) of the amended Act were satisfied in
23 relation to the person.

24 **23 Transitional—negotiations**

25 If, before the commencement of this Schedule, a relevant authority has
26 tried, for a period, but without success, to obtain from an applicant or an
27 entitled person, or a registered owner, an authorisation to use a design
28 on reasonable terms, the relevant Minister must take that period into
29 account in considering whether the condition in paragraph 96(2)(a) of
30 the amended Act is satisfied in relation to the use of the design.

EXPOSURE DRAFT

Crown use of designs **Schedule 3**
Application and transitional provisions **Part 2**

1 **24 Transitional—agreements and determinations**

2 An agreement or determination that is in force for the purposes of
3 subsection 98(1) of the *Designs Act 2003* immediately before the
4 commencement of this Schedule continues in force on and after that
5 commencement as if it had been made for the purposes of
6 subsection 98(1) of the amended Act.

EXPOSURE DRAFT

Schedule 4 Compulsory licences

1 **Schedule 4—Compulsory licences**
2

3 *Patents Act 1990*

4 **1 Section 132B**

5 Omit:

6 The court may order a compulsory licence to be granted if the
7 reasonable requirements of the public are not being met with
8 respect to a patented invention.

9 The reasonable requirements of the public relate, broadly speaking,
10 to whether Australian trade or industry is unreasonably affected by
11 the actions of the patentee in relation to the manufacture or
12 licensing of the invention (or the carrying on of a patented
13 process).

14 substitute:

15 The court may order a compulsory licence to be granted if certain
16 conditions are met, including that demand in Australia for the
17 invention is not being met on reasonable terms, authorisation to
18 exploit the invention is essential to meet that demand and it is in
19 the public interest to grant the licence. If the person seeking the
20 compulsory licence is the patentee of another invention and is
21 seeking the licence to exploit that other invention, the court must
22 also be satisfied that the other invention involves an important
23 technical advance of considerable economic significance on the
24 original invention.

25 **2 Before subsection 133(1)**

26 Insert:

1 *Application for an order granting a compulsory licence*

2 **3 Subsection 133(1)**

3 After “patented invention”, insert “(the *original invention*)”.

4 **4 Subsections 133(2), (3) and (3B)**

5 Repeal the subsections, substitute:

6 *Making an order*

7 (2) After hearing the application, the court may make the order if
8 satisfied that:

- 9 (a) all of the conditions in subsection (3) exist; or
10 (b) the patentee has contravened, or is contravening, Part IV of
11 the *Competition and Consumer Act 2010* or an application
12 law (as defined in section 150A of that Act) in connection
13 with the patent.

14 (3) The conditions in this subsection are:

- 15 (a) demand in Australia for the original invention is not being
16 met on reasonable terms; and
17 (b) authorisation to exploit the original invention is essential to
18 meet that demand; and
19 (c) the applicant has tried for a reasonable period, but without
20 success, to obtain authority from the patentee to exploit the
21 original invention on reasonable terms and conditions; and
22 (d) the patentee has given no satisfactory reason for failing to
23 exploit the patent; and
24 (e) it is in the public interest to provide the applicant with
25 authorisation to exploit the original invention, having regard
26 to the following:
27 (i) the benefits to the public from meeting the demand for
28 the original invention;
29 (ii) the commercial costs and benefits to the patentee and
30 the applicant from providing authorisation to exploit the
31 original invention;

EXPOSURE DRAFT

Schedule 4 Compulsory licences

- 1 (iii) any other matters the court considers relevant, including
2 matters relating to greater competition and any impact
3 on innovation; and
- 4 (f) if the applicant is the patentee of another invention (the
5 ***dependent invention***) and is seeking the authorisation for the
6 purposes of exploiting the dependent invention:
- 7 (i) the dependent invention cannot be exploited by the
8 applicant without exploiting the original invention; and
- 9 (ii) the dependent invention involves an important technical
10 advance of considerable economic significance on the
11 original invention.

12 *Form of order*

- 13 (3A) If the applicant is the patentee of the dependent invention, the order
14 must:
- 15 (a) require the patentee to grant to the applicant a licence to
16 exploit the original invention only to the extent necessary to
17 exploit the dependent invention; and
- 18 (b) if the patentee so requires—require the applicant to grant to
19 the patentee a licence on reasonable terms to exploit the
20 dependent invention.
- 21 (3B) An order must direct that a licence:
- 22 (a) is not to give the licensee, or a person authorised by the
23 licensee, the exclusive right to exploit the original invention
24 or the dependent invention (if applicable); and
- 25 (b) is to be assignable only in connection with an enterprise or
26 goodwill in connection with which the licence is used.
- 27 (3C) An order:
- 28 (a) must direct that a licence is to be granted on terms that are
29 consistent with the public interest; and
- 30 (b) may direct that a licence is to be granted on any other terms
31 specified in the order.

1

Effect of order

2

5 Paragraph 133(5)(b)

3

Repeal the paragraph, substitute:

4

(b) if paragraph (a) does not apply—such amount as is determined by the Federal Court to be just and reasonable, having regard to:

5

6

(i) the economic value of the licence; and

7

8

(ii) the desirability of discouraging contraventions of Part IV of the *Competition and Consumer Act 2010* or an application law (as defined in section 150A of that Act); and

9

10

11

(iii) the right of the patentee to obtain a return on investment commensurate with the regulatory and commercial risks involved in developing the invention; and

12

13

14

(iv) the public interest in the efficient exploitation of the invention.

15

16

17

6 Before subsection 133(6)

18

Insert:

19

Revocation of licence

20

7 Subsection 133(6)

21

Omit “revoke the licence”, substitute “revoke a licence”.

22

8 At the end of section 133

23

Add:

24

(7) If:

25

(a) the licence is revoked by the Federal Court; and

26

(b) the order granting the licence required a licence (the *cross-licence*) to be granted in accordance with paragraph (3A)(b);

27

28

29

the Federal Court must consider whether to revoke the cross-licence.

30

EXPOSURE DRAFT

Schedule 4 Compulsory licences

1 **9 Subparagraph 134(2)(a)(i)**

2 Repeal the subparagraph, substitute:

3 (i) it is in the public interest to revoke the patent; and

4 **10 Section 135**

5 Repeal the section.

6 **11 Application of amendments**

7 (1) The amendments of section 133 of the *Patents Act 1990* made by this
8 Schedule apply in relation to an application for an order made on or
9 after the day this Schedule commences.

10 (2) The amendment of section 134 of the *Patents Act 1990* made by this
11 Schedule applies in relation to an application for an order revoking a
12 patent made on or after the day this Schedule commences, if the order
13 granting a compulsory licence relating to the patent was made under
14 section 133 of that Act after that day.

15 (3) The repeal of section 135 of the *Patents Act 1990* by this Schedule does
16 not affect an application or an order made under section 133 or 134 of
17 that Act if the application was made before the day this Schedule
18 commences.

1 **Schedule 5—Seals**
2

3 *Patents Act 1990*

4 **1 Section 206**

5 Before “There”, insert “(1)”.

6 **2 At the end of section 206**

7 Add:

8 (2) The seal of the Patent Office may be kept and used in electronic
9 form.

10 *Trade Marks Act 1995*

11 **3 Section 200**

12 Before “There”, insert “(1)”.

13 **4 At the end of section 200**

14 Add:

15 (2) The seal of the Trade Marks Office may be kept and used in
16 electronic form.

EXPOSURE DRAFT

Schedule 6 Specifications

1 **Schedule 6—Specifications**
2

3 ***Patents Act 1990***

4 **1 Paragraph 59(c)**

5 Omit “or (3)”, substitute “, (3) or (3A)”.

6 **2 Paragraph 98(a)**

7 Omit “or (3)”, substitute “, (3) or (3A)”.

8 **3 Paragraph 101G(3)(a)**

9 Omit “or (3)”, substitute “, (3) or (3A)”.

10 **4 Paragraph 101M(b)**

11 Omit “or (3)”, substitute “, (3) or (3A)”.

12 **5 Paragraph 102(2)(b)**

13 Omit “or (3)”, substitute “, (3) or (3A)”.

14 **6 Paragraph 138(3)(f)**

15 Omit “or (3)”, substitute “, (3) or (3A)”.

16 **7 Application of amendments**

- 17 (1) The amendment of section 59 of the *Patents Act 1990* made by this
18 Schedule applies in relation to an opposition, filed on or after the day
19 this Schedule commences, to the grant of a standard patent based on:
20 (a) a complete application made on or after 15 April 2013; or
21 (b) a complete application for a standard patent made before
22 15 April 2013, if the applicant had not asked for an
23 examination of the patent request and specification for the
24 application under section 44 of the *Patents Act 1990* before
25 that day.
- 26 (2) The amendment of section 98 of the *Patents Act 1990* made by this
27 Schedule applies in relation to a re-examination started on or after the

EXPOSURE DRAFT

- 1 day this Schedule commences, if the re-examination is of a complete
2 specification:
- 3 (a) that relates to a standard patent for which the complete
4 application was made on or after 15 April 2013; or
- 5 (b) that relates to a standard patent for which the complete
6 application had been made before 15 April 2013, if the
7 applicant had not asked for an examination of the patent
8 request and specification for the application under section 44
9 of the *Patents Act 1990* before that day; or
- 10 (c) that relates to a complete application made on or after
11 15 April 2013; or
- 12 (d) that relates to a complete application for a standard patent
13 made before 15 April 2013, if the applicant had not asked for
14 an examination of the patent request and specification for the
15 application under section 44 of the *Patents Act 1990* before
16 that day.
- 17 (3) The amendment of section 101G of the *Patents Act 1990* made by this
18 Schedule applies in relation to:
- 19 (a) innovation patents granted on or after 15 April 2013; or
- 20 (b) innovation patents granted before 15 April 2013, if:
- 21 (i) the Commissioner had not decided to examine the
22 complete specification relating to the patent under
23 section 101A of the *Patents Act 1990* before that day; or
- 24 (ii) the patentee or any other person had not asked the
25 Commissioner to examine the complete specification
26 relating to the patent under section 101A of the *Patents*
27 *Act 1990* before that day.
- 28 (4) The amendment of section 101M of the *Patents Act 1990* made by this
29 Schedule applies in relation to an opposition, filed on or after the day
30 this Schedule commences, to:
- 31 (a) an innovation patent granted on or after 15 April 2013; or
- 32 (b) an innovation patent granted before 15 April 2013, if:
- 33 (i) the Commissioner had not decided to examine the
34 complete specification relating to the patent under
35 section 101A of the *Patents Act 1990* before that day; or
-

EXPOSURE DRAFT

Schedule 6 Specifications

- 1 (ii) the patentee or any other person had not asked the
2 Commissioner to examine the complete specification
3 relating to the patent under section 101A of the *Patents*
4 *Act 1990* before that day.
- 5 (5) The amendment of section 102 of the *Patents Act 1990* made by this
6 Schedule applies in relation to an amendment of complete specifications
7 directed or requested to be made on or after the day this Schedule
8 commences, if the amendment relates to:
- 9 (a) a patent for which the complete application is made on or
10 after 15 April 2013; or
- 11 (b) a standard patent for which the complete application had
12 been made before 15 April 2013, if the applicant had not
13 asked for an examination of the patent request and
14 specification for the application under section 44 of the
15 *Patents Act 1990* before that day; or
- 16 (c) an innovation patent granted on or after 15 April 2013; or
- 17 (d) a complete patent application made on or after 15 April 2013;
18 or
- 19 (e) a complete application for a standard patent made before
20 15 April 2013, if the applicant had not asked for an
21 examination of the patent request and specification for the
22 application under section 44 of the *Patents Act 1990* before
23 that day; or
- 24 (f) an innovation patent granted before 15 April 2013, if:
- 25 (i) the Commissioner had not decided to examine the
26 complete specification relating to the patent under
27 section 101A of the *Patents Act 1990* before that day; or
- 28 (ii) the patentee or any other person had not asked the
29 Commissioner to examine the complete specification
30 relating to the patent under section 101A of the *Patents*
31 *Act 1990* before that day.
- 32 (6) The amendment of section 138 of the *Patents Act 1990* made by this
33 Schedule applies in relation to an application for an order revoking
34 patents made on or after the day this Schedule commences, if the
35 application relates to:
- 36 (a) a patent for which the complete application is made on or
37 after 15 April 2013; or
-

EXPOSURE DRAFT

Specifications **Schedule 6**

- 1 (b) a standard patent for which the complete application had
2 been made before 15 April 2013, if the applicant had not
3 asked for an examination of the patent request and
4 specification for the application under section 44 of the
5 *Patents Act 1990* before that day; or
6 (c) an innovation patent granted on or after 15 April 2013;
7 (d) an innovation patent granted before 15 April 2013, if:
8 (i) the Commissioner had not decided to examine the
9 complete specification relating to the patent under
10 section 101A of the *Patents Act 1990* before that day; or
11 (ii) the patentee or any other person had not asked the
12 Commissioner to examine the complete specification
13 relating to the patent under section 101A of the *Patents*
14 *Act 1990* before that day.

EXPOSURE DRAFT

Schedule 7 Protection of information

1
2

Schedule 7—Protection of information

3

Patents Act 1990

4

1 At the end of section 55

5

Add:

6

(4) This section is subject to subsection 56(3).

7

2 Section 56 (heading)

8

Repeal the heading, substitute:

9

56 Certain documents and information not to be published or open to public inspection

10

11

3 At the end of section 56

12

Add:

13

(3) If the Commissioner reasonably believes that information contained in a document of a kind mentioned in section 55 should not be published or be open to public inspection, the Commissioner may arrange for a copy of the document that does not contain the information to be published or open to public inspection.

14

15

16

17

36

*Intellectual Property Laws Amendment (Productivity Commission
Response Part 2 and Other Measures) Bill 2018*

No. , 2018

EXPOSURE DRAFT