

# Exposure Draft of the Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2017:

## Draft Explanatory Memorandum

October 2017



# Introduction

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This draft Explanatory Memorandum accompanies an Exposure Draft of the Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2017, which is proposed to amend a range of intellectual property (IP) laws.

IP Australia invites interested parties to make written submissions on the Exposure Draft Bill and this draft Explanatory Memorandum by **4 December 2017**.

We are seeking comments on the draft legislation, in particular on any unintended consequences of this legislation or issues with the drafting, rather than on the policy that underpins the amendments as this has already been agreed to by the Government.

We are also seeking specific feedback to questions that are highlighted in this draft Explanatory Memorandum.

Please note that the draft Explanatory Memorandum is still being developed and is intended only as a guide to assist with the interpretation of the draft legislation. IP Australia will undertake further editorial review and finalise the text when a final version of the legislation is settled.

**Written submissions should be sent to** [consultation@ipaaustralia.gov.au](mailto:consultation@ipaaustralia.gov.au).

For accessibility reasons, please submit responses by email in Word, RTF, or PDF format.

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# Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2017

## Outline

The objective of the intellectual property (IP) rights system is to support innovation by encouraging investment in research and technology in Australia, and by helping Australian businesses benefit from their good ideas. The purpose of the Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2017 (the Bill) is to make improvements to IP rights legislation to better meet these objectives.

The Bill's amendments to the *Copyright Act 1968* (Copyright Act), *Designs Act 2003* (Designs Act), *Olympic Insignia Protection Act 1987* (Olympic Insignia Protection Act), *Patents Act 1990* (Patents Act), *Plant Breeder's Rights Act 1994* (Plant Breeder's Rights Act) and *Trade Marks Act 1995* (Trade Marks Act) can be divided into two categories, corresponding to the following two schedules:

- Schedule 1 – Responses to the Productivity Commission
- Schedule 2 – Other Measures

## Schedule 1: Responses to the Productivity Commission

The Productivity Commission (PC) recently completed a public inquiry into Australia's IP system. The PC was asked to consider whether current arrangements provide an appropriate balance between access to ideas and products, and encouraging innovation, investment and the production of creative works. The PC's final report was published in December 2016, and the Minister for Industry, Innovation and Science and the Minister for Communications announced the release of the Government's response to the PC's inquiry on 25 August 2017.

The PC's final report includes a number of recommendations on IP matters,<sup>1</sup> which received support from the Government.<sup>2</sup> Schedule 1 to this Bill gives effect to the PC recommendations that are ready for immediate implementation.

These recommendations are:

- abolishing the innovation patent system (recommendation 8.1)
- implementing changes to essentially derived variety (EDV) declarations in the Plant Breeder's Rights Act (recommendation 13.1)
- reducing the grace period for trade mark non-use actions (recommendation 12.1)
- clarifying the circumstances in which the parallel importation of trade marked goods does not infringe a registered trade mark (recommendation 12.1) and
- repealing section 76A of the Patents Act, which requires patentees to provide certain data relating to pharmaceutical patents with an extended term (recommendation 10.1).

The PC and the former Advisory Council on Intellectual Property (ACIP) have recommended that the innovation patent system be abolished. Both found that the innovation patent system is unlikely to provide net benefits to the Australian community or to the small and medium sized enterprises (SMEs) who are the intended beneficiaries of the system. The PC found that the majority of SMEs who use the innovation

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<sup>1</sup> Productivity Commission, *Inquiry into Australia's IP Arrangements*, Final Report, 20 December 2016, accessible at <http://www.pc.gov.au/inquiries/completed/intellectual-property#report>

<sup>2</sup> *Australian Government Response to the Productivity Commission Inquiry into Intellectual Property Arrangements*, August 2017, accessible at <https://www.industry.gov.au/innovation/Intellectual-Property/Pages/default.aspx>

patent system do not obtain value from it, and that the system imposes significant costs on third parties and the broader Australian community. Given the overall lack of net benefits the Government has made the decision to abolish the innovation patent system. Details on these changes are provided in Part 4 of Schedule 1.

The PC also made a number of recommendations related to trade marks. The first of which is a reduction in the grace period before new trade mark registrations can be challenged for non-use, with the aim of minimising 'clutter' caused by unused trade marks remaining on the register. The details on these changes are in Part 3 of Schedule 1. The PC also recommended clarifying the defence for parallel imports for trademarked goods. Parallel importing increases the competition in a market, however, recent legal decisions have increased the difficulty for importing legitimately marked goods into Australia. Part 1 of Schedule 1 proposes changes to the parallel importation defence to reduce uncertainty for importers, which will ultimately strengthen competition, benefitting the market and consumers.

The PC also recommended the implementation of a former ACIP recommendation to amend the Plant Breeder's Rights Act to enable an EDV declaration be made in respect of any variety. Currently the Plant Breeder's Rights Act only allows declaration of EDV to be sought from a derived variety in cases where a breeder has lodged an application for Plant Breeder's Rights (PBR). This effectively means there is a loophole that allows breeders of the derived variety to make minor changes to a PBR protected variety and market the resulting plants or seeds by not applying for PBR. Expanding those circumstances where an EDV declaration can be applied for will ensure PBR rights holders are protected, regardless of whether breeders of a derived variety have applied for a PBR or not. The details on these changes are in Part 2 of Schedule 1.

Details of proposed changes in relation to provision of certain information relating to pharmaceutical substances are outlined in Part 5 of Schedule 1.

## **Schedule 2: Other Measures**

Schedule 2 to the Bill will implement a number of measures to streamline and align the administration of the Australian IP system, and will implement a number of other high priority IP law measures that are ready for implementation.

The majority of the measures in Schedule 2 have already undergone consultation through the Exposure Draft of the Intellectual Property Laws Amendments Bill 2017. However, implementation of these measures was previously delayed until the Government response to the PC report was released. Schedule 2 will implement a number of these measures under the following Parts:

- Part 2 – Written requirements
- Part 3 – Filing requirements
- Part 4 – Signatures
- Part 5 – Computerised decision-making
- Part 6 – Address for service of documents
- Part 7 – Requirements for patent documents
- Part 8 – Unjustified threats of infringement
- Part 9 – Ownership of PBR and entries in the Register
- Part 10 – Trade mark oppositions
- Part 13 – Publishing personal information of registered patent or trade marks attorneys
- Part 14 – Secretary's role in the Plant Breeder's Rights Act
- Part 15 – Seizure notices
- Part 16 – Prosecutions
- Part 17 – Updating references to the Designs Act
- Part 20 – Other amendments

Several of these measures have been amended in light of stakeholder feedback received during consultation on that Exposure Draft.

The remaining measures in Schedule 2 have not previously been consulted on. These include:

- Part 1 – Amending trade marks application – non-legal persons
- Part 11 – Further power to award damages under the Plant Breeder’s Rights Act
- Part 12 – Exclusive licensees in the Plant Breeder’s Rights Act
- Part 18 – Removing certain references to New Zealand
- Part 19 – International Convention for the Protection of New Varieties of Plants
- Part 21 – Repeals of Acts

Many of the measures in Schedule 2 will go towards streamlining and aligning the processes for IP Rights. This will reduce delays that can have an impact on the interests of IP owners and third parties. In Australia a large percentage of IP applicants and owners are SMEs, which play a vital role in the Australian economy. Reducing complexity and delays in the IP system will particularly assist SMEs and self-filers. The measures will also seek to correct a number of references, and address a small number of errors and inconsistencies, in the IP legislation.

Collectively, the measures in Schedule 2 will improve the way IP Australia is able to deliver service to its customers by reducing the time both customers and IP Australia needs to spend on administrative matters and simplifying processes in the IP rights system.

## Preliminary Matters

### Notes on clauses

#### Clause 1: Short title

Upon enactment, the Bill will be known as the *Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Act 2017*.

#### Clause 2: Commencement

A number of provisions in the Bill will commence the day after the Bill receives the Royal Assent.

These provisions involve no or minor system and practice changes, so their immediate commencement will realise their benefits as soon as possible. These provisions are:

- Schedule 1, Part 1 relating to parallel importation
- Schedule 1, Part 5 relating to notification of extension of standard parents relating to pharmaceutical substances
- Schedule 2, Part 1 relating to amending trade mark applications – non legal persons
- Schedule 2, Part 4 relating to signatures
- Schedule 2, Part 5 relating to computerised decision-making
- Schedule 2, Part 13 relating to publishing personal information of registered patent and trade marks attorneys
- Schedule 2, Part 15 relating to seizure notices
- Schedule 2, Part 16 relating to prosecutions
- Schedule 2, Part 17 relating to updating references to Designs Act
- Schedule 2, Part 18 relating to removing certain references to New Zealand
- Schedule 2, Part 19 relating to International Convention for Protection of New Varieties of Plants

- Schedule 2, Part 20 relating to other amendments
- Schedule 2, Part 21 relating to repeals of Acts

A number of provisions in the Bill will commence on a single day to be fixed by Proclamation or 6 months after this Bill receives Royal Assent. This will enable the necessary regulation and system changes to be made before commencement. These provisions are:

- Schedule 1, Part 2 relating to PBR in essentially derived varieties
- Schedule 1, Part 3 relating to period to apply for removal of trade marks from Register for non-use
- Schedule 2, Part 2 relating to written requirements
- Schedule 2, Part 3 relating to filing requirements
- Schedule 2, Part 6 relating to addresses and service of documents
- Schedule 2, Part 7 relating to requirements for patent documents
- Schedule 2, Part 8 relating to unjustified threats of infringement
- Schedule 2, Part 9 relating to ownership of PBR and entries in the Register
- Schedule 2, Part 10 relating to trade mark oppositions
- Schedule 2, Part 11 relating to further power to award damages under the Plant Breeder's Rights Act
- Schedule 2, Part 12 relating to exclusive licensees in the Plant Breeder's Rights Act
- Schedule 2, Part 14 relating to Secretary's role in the Plant Breeder's Rights Act

Schedule 1, Part 4 relating to the innovation patent will commence the day after the end of the period of 12 months beginning on the day this Act receives the Royal Assent. This commencement provision is necessary to ensure the existing rights of patent applicants are maintained. Currently the timeframe for filing an innovation patent application that claims priority from a provisional or basic application is 12 months, so this commencement timeframe will ensure that applicants who have filed a provisional or basic application before the Royal Assent date will continue to have the full 12 months to file an innovation patent. Applicants whose provisional or basic application is filed sometime between Royal Assent and the commencement of Schedule 1, Part 4 will have whatever period remains until that commencement to file an innovation patent, but will still have 12 months to file a standard patent.

### **Clause 3: Schedules**

The Copyright Act, Designs Act, Olympic Insignia Protection Act, Patents Act, Plant Breeder's Rights Act and the Trade Marks Act are to be amended as set out below in Schedules 1 and 2 to the Bill.



# *Schedule 1—Responses to the Productivity Commission*

## **Part 1 – Parallel importation**

### **Introduction**

This Part amends the Trade Marks Act to clarify the circumstances in which the parallel importation of trade marked goods does not infringe a registered trade mark.

The amendments are intended to ensure section 123 and related provisions of the Trade Marks Act better meet the objective of facilitating the parallel importation of goods into Australia to the benefit of consumers by limiting the strategic use of restrictions by registered trade mark owners. The amendments also introduce greater clarity and certainty in how the provisions operate.

The Australian Government’s policy position on parallel imports is that they benefit competition and the Trade Marks Act was intended to allow for the parallel importation of legitimately trade-marked goods. However, the existing section 123 is limited in its scope and clarity, and this has permitted the use of various corporate or contractual arrangements that subvert the policy intent of allowing parallel imports. The amendments in this Part are intended to ensure that parallel imports of legitimately marked goods are not taken to infringe an Australian registered trade mark when the goods have first been brought to market by the registered owner of that mark or another person who has (or had at the relevant time) some sort of relevant commercial or contractual relationship with the registered owner.

### **Division 1—Amendments**

#### *Copyright Act 1968*

##### **Item 1: Section 198A**

[s 198A]

This item repeals section 198A of the Copyright Act, which provides for the circumstances in which the parallel importation of copyright material does not infringe a registered trade mark. This provision is no longer required because the matters it deals with are covered by the amendments made to the Trade Marks Act in this Part.

#### *Trade Marks Act 1995*

##### **Item 2: After section 122**

[s 122A]

This item inserts a new provision into the Trade Marks Act to clarify the circumstances in which genuine trade marked goods may be imported into Australia or sold in Australia without infringing a registered trade mark.

New section 122A is intended to provide a more comprehensive description of the circumstances where a trade mark registration is not taken to be infringed. The overall principle is that the registered owner’s rights are exhausted following the initial application of the trade mark to, or in relation to, goods which have been put on the market. The subsequent use of the trade mark in relation to those goods by another person therefore does not infringe the trade mark rights of the registered owner in respect of those goods, as long as there is an appropriate relationship between the registered owner of the trade mark in Australia

and the party who put the goods on the market. Where there is some commercial, corporate or contractual relationship of control or influence between the registered owner in Australia and the party that put the goods on the market, then the goods should be considered genuine parallel imports and should be able to benefit from the defence.

Subsection 122A(1) sets out the criteria that must be met in order for the person's activities to be taken as not infringing the trade mark.

- Paragraph 122A(1)(a) requires that the goods the person has used the trade mark on are similar to the goods or closely related to the services covered by the Australian trade mark registration. Use of another person's registered trade mark on goods that meet this description would ordinarily constitute infringement of the trade mark under section 120 of the Trade Marks Act.
- Paragraph 122A(1)(b) requires that the goods have been previously put on the market or offered for sale in Australia or in any other country. This paragraph does not require that any actual sales of the goods have taken place. For example, where goods have been offered for sale, but no sales have been made, could be considered to have been put on the market.
- Paragraph 122A(1)(c) requires that it was reasonable to assume that the trade mark was applied to, or in relation to, the goods by any of the parties listed in subparagraphs 122A(1)(c)(i) to (iv). Paragraph 122A(1)(c) specifically refers to 'the time of the application or consent' to protect the parallel importer in the situation where the owner of the Australian trade mark changes between the application of the mark to the goods and the use of the mark on the goods in Australia.

Paragraph 122A(1)(c) is intended to cover the situation where the trade mark was applied to, or in relation to, the goods by the registered owner of the trade mark in Australia or by certain other parties who have the relevant kind of relationship with the registered owner.

Subparagraph 122A(1)(c)(ii) refers to an authorised user of the trade mark, which is defined in section 8 of the Trade Marks Act. Subparagraph 122A(1)(c)(iii) refers to a person authorised to use the trade mark by either the registered owner or an authorised user, such as a licensee, or to a person who has significant influence over how the registered owner or authorised user uses the mark. This language is broad and is intended to capture any significant contractual or commercial relationship where one party influences the registered owner or authorised user or vice versa.

- For instance, it is intended to capture a situation where the Australian trade mark owner licenses the use of the mark to some other person overseas (e.g. a manufacturer or overseas distributor). The first part of subparagraph (iii) is intended to capture any other kind of substantive authorisation, even if it does not come within the narrow terms of the existing definition of 'authorised user' in section 8, which requires control. If the registered owner authorises a person to use the mark without exercising any further quality or financial control, then that does not change the fact that the mark is still being used with their consent and in relation to goods that are genuine.
- It is also intended to address a situation where the initial owner of the mark in Australia assigns the mark to an Australian distributor (with some requirement for the mark to be assigned back or otherwise controlled by the previous owner). Previously, such an arrangement may have been used to attempt to nullify the parallel importation defence, as the party that applied the mark to the goods was now no longer the ostensible owner (even if they effectively controlled the registered owner's use of the mark via contractual arrangement): see e.g. *Transport Tyre Sales Pty Ltd v Montana Rims and tubes Pty Ltd* [1999] FCA 329.

Subparagraph 122A(1)(c)(iv) refers to an associated entity of any of the parties listed in subparagraphs 122A(1)(c)(i) to (iii). ‘Associated entity’ is defined in section 50AAA of the *Corporations Act 2001*. By way of example, this is intended to cover the situation where the trade mark was applied to the goods in a foreign country by one member of a corporate group structure, but the owner of the trade mark in Australia is a different member of the same corporate group.

**Consultation Question 1:** *Are there any scenarios not captured by the amendments where the trade mark owner and associated entity could make an arrangement to prevent parallel imports? Are there any scenarios where the amendments operate to excuse conduct that is not a legitimate parallel importation?*

Subsection 122A(1) is also intended to confirm that the person who subsequently uses the trade mark as described in section 122A does not have to prove that the registered owner applied the trade mark to the goods or consented to the application of the trade mark by another party. Paragraph 122A(1)(c) requires only that it was reasonable to assume that the application of the trade mark was made by or with the consent of any of the parties mentioned in paragraphs 122A(1)(c)(i) to (iv). This is intended to avoid placing an unreasonable evidentiary burden on the parallel importer as they could not be expected to have access to the type of documents or information that could prove that consent was actually given, such as contracts or other commercial records.

Subsection 122A(2) provides guidance on how the issue of ‘consent’ should be interpreted for the purposes of paragraph 122A(1)(c). Paragraph 122A(2)(a) refers to consent that is ‘subject to a condition’, such as a geographical restriction on where a licensee may sell the trade marked goods. This type of conditional consent has been interpreted to mean that the registered owner did not consent to the application of the trade mark to goods intended for sale in a different country: see e.g. *Paul’s Retail Pty Ltd v Sporte Leisure Pty Ltd* [2012] FCAFC 51. Paragraph 122(2)(a) is intended to ensure that the registered owner cannot circumvent the defence against trade mark infringement provided by section 122A by imposing specific restrictions or conditions on licensees or other authorised users. Registered owners may continue to put such limitations in their licences, but in the advent of the mark being used in a manner contrary to that condition, the registered owner should seek a remedy from their licensee, not from a parallel importer.

Subsection 122A(3) provides guidance on how the authorisation or significant influence referred to in subparagraph 122A(1)(c)(iii) should be construed. Again, the intention is to capture a broad range of behaviours so that the provisions operate to permit genuine parallel imports regardless of how the relevant authorisation or significant influence arose.

### **Items 3 to 5: Section 123 – consequential amendments**

[s 123]

The existing section 123 provides for certain circumstances in which a registered trade mark is not infringed. Subsection 123(1) is no longer required as the circumstances it deals with are replaced by new section 122A. Subsection 123(2) deals with services and is not replaced by section 122A because the parallel importation issues above have not arisen in Australia in relation to services. These items therefore delete subsection 123(1) and make consequential amendments to the heading and content of section 123 to allow for this.

**Consultation Question 2:** *Should services be captured in the proposed amendment? Are there any scenarios in which a service could be a parallel import? For example, could software, platforms or infrastructure be provided as a service (e.g., providing access to hosting or storage environments) that could be a parallel import?*

## **Division 2—Application of amendments**

### **Item 6: Application of amendments**

This item provides for the circumstances in which the amendments in this Part apply.

Item 6(1) provides that the repealed section 198A of the Copyright Act continues to apply in relation to proceedings that had been started before the commencement date of this item.

Item 6(2) provides that the amendments to the Trade Marks Act apply to an action for the infringement of a trade mark that is started on or after the commencement date of this item. For the purposes of this item, it does not matter if the infringement of the trade mark is alleged to have taken place before the commencement date or after.

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## Part 2 – PBR in essentially derived varieties

### Introduction

This Part amends the Plant Breeder's Rights Act to allow non-PBR-protected varieties to be declared an essentially derived variety (EDV).

Where a PBR is granted in relation to an initial variety and a second variety has only minor changes compared to the initial variety, the Plant Breeder's Rights Act provides for the second variety to be declared as an essential derivation of the initial variety.<sup>3</sup> An EDV declaration extends the PBR in the initial variety to the second variety. Section 4 defines an EDV as a plant variety that is predominantly derived from the initial variety, retains the essential characteristics that result from the genotype or combination of genotypes of the initial variety, and does not exhibit any important (as distinct from cosmetic) features that differentiate it from the first variety.<sup>4</sup>

The policy objective of an EDV declaration is to reduce the incentive for free-riding on the efforts of original breeders, without limiting the scope for follow-on innovation.<sup>5</sup> The practical effect of an EDV declaration is that the owner of the second variety cannot exercise the exclusive rights in section 11 without the consent of the owner of the initial variety. In practice, this may result in a licence agreement. For example, both parties negotiate an agreement for the owner of the initial variety to be paid a royalty in exchange for consenting to the other party to sell or further license the second variety.

Currently, an EDV can only be granted where an application for, or grant of, a PBR has been made in respect of the second variety (a 'PBR-protected variety'). This allows the breeder of a second variety to avoid an EDV declaration being made in respect of the second variety by not filing a PBR application. A second variety that has not been subject to an application or grant of PBR (and may potentially be essentially derived) is referred to as a 'non-PBR-protected variety' in the amendments.

These amendments are intended to implement recommendations from previous inquiries, by providing for an EDV declaration to be made in respect of any variety, including non-PBR-protected varieties. Two previous reviews considered this issue to be a loophole and recommended that the legislation be amended to allow an EDV declaration to be made in respect of any variety, regardless of whether it is a PBR-protected or a non-PBR-protected variety.<sup>6</sup> Both recommendations have been accepted by the Australian Government,<sup>7</sup> and the amendments are intended to have a number of benefits. For example, the Productivity Commission stated that "[i]mproved enforcement and compliance will increase incentives to invest in pasture and fodder crop breeding, contributing to genetic gain increases and boosting livestock farming productivity and profitability."<sup>8</sup>

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<sup>3</sup> Plant Breeder's Rights Act, ss 4, 12, 40 and 41.

<sup>4</sup> Plant Breeder's Rights Act, s 4.

<sup>5</sup> See PC Inquiry into Australia's IP Arrangements, Final Report, 20 December 2016, page 418.

<sup>6</sup> Advisory Council on Intellectual Property, *Review of enforcement of Plant Breeder's Rights*, (Final report, 2010), p 9; Productivity Commission, *Intellectual Property Arrangements*, (Inquiry report, no 78, 2016), p 423.

<sup>7</sup> Australian Government, *Government Response – enforcement of Plant Breeder's Rights*, (2011), rec 8; Australian Government, *Australian Government Response to the Productivity Commission Inquiry into Intellectual Property Arrangements*, (August 2017), p 16 (rec 13.1).

<sup>8</sup> Productivity Commission, *Intellectual Property Arrangements*, (Inquiry report, no 78, 2016), p 29.

## *Plant Breeder's Rights Act 1994*

### **Items 7 to 24, 26, 27, 29 to 32, 34 and 35: Consequential amendments to item 25**

[ss 3, 4, 12, 22, 34, 40, 41, 45, 46, 47, 48, 50, 53, 75, 80]

These items implement various amendments that are consequential to the main changes in item 25 or make other minor stylistic changes to the text of the existing legislation to bring it into line with modern plain-English drafting practices.

### **Item 25: EDV declarations over non-PBR-protected varieties**

[ss 41A-41F]

This item inserts a number of new provisions into the Plant Breeder's Rights Act to provide for the new EDV process for non-PBR-protected varieties.

#### **Section 41A (Application for declaration)**

Section 41A provides that a grantee of an initial variety is able to make an application for a declaration that a non-PBR-protected variety is an EDV. This process will be separate from the existing process in sections 40 and 41, where the second variety is PBR-protected. Without a PBR or PBR application on the second variety, different measures are required to ensure that there is sufficient information for the Registrar to make a decision on the application for an EDV declaration.

The requirement that the initial variety is not itself an EDV (paragraph 41A(1)(c)) mirrors the existing requirement for EDV declarations in respect on PBR-protected varieties – see paragraph 40(1)(d).

Subsections 41A(2) and (3) set out the requirements for the content of the application for a declaration. Subsection 41A(3) requires the applicant for a declaration to provide information relevant to establishing, on the balance of probabilities, that the second variety is both essentially derived and a *registrable* variety. Under the existing section 40, an applicant for an EDV declaration over a PBR-protected variety needs to establish a *prima facie* case, which the second breeder must rebut. However, for non-PBR-protected second varieties the applicant for a declaration needs to establish all matters on the higher 'balance of probabilities' standard. This is because the second breeder does not have the benefit of access to information obtained during their PBR application that may be used to rebut a *prima facie* case. The essential derivation requirement follows the existing requirement for an EDV declaration in section 40.

The assessment of the second variety as registrable for EDV declarations for non-PBR-protected second varieties is required as the second variety will not have already been assessed as per the ordinary registration requirements for PBR. Given that a successful EDV declaration will mean that the applicant for a declaration's PBR will extend to the second variety, fulfilment of the ordinary registration criteria for PBR is required.

**Consultation Question 3:** *Part 12 of Schedule 2 provides for a PBR exclusive licensee to bring infringement proceedings. Should an exclusive licensee of the PBR grantee also be able to make an application for a declaration?*

**Consultation Question 4:** *Is it appropriate for the second variety to meet all the ordinary criteria for registration in subsection 43(1)? If there are reasons why a particular criterion is not appropriate to include, please provide reasons. For example, is the requirement in s 43(1)(e) an unreasonable requirement to impose on the applicant for a declaration when they may not be aware of previous sales by the second breeder?*

## Section 41B (Notice and publication of applications)

Section 41B provides for the breeder of the second variety to be notified and for the application for a declaration to be published. Although the breeder of a non-PBR-protected second variety has no statutory rights under the Plant Breeder's Rights Act in the variety, they may have economic interests in whether an EDV declaration is made over their variety. Additionally, other persons (such as retailers of the second variety) may have an interest in the application for a declaration or wish to provide information to the Registrar. To help ensure that all persons with a relevant interest in the application for a declaration are aware of the application, the amendments require that the applicant for a declaration notify the person that they consider is the breeder of the second variety (subsection 41B(1)) and that the Registrar publish relevant details of the application, other than information determined to be commercial-in-confidence, so that any other interested person has an opportunity to be involved in the proceedings (subsections 41B(3) to (5)).

**Consultation Question 5:** *Does the commercial-in-confidence test strike the right balance between protecting the privacy of parties and ensuring that all information relevant to the decision is available to all interested parties?*

The amendments also permit the regulations to prescribe additional detail to be provided in the notification or publication. This provides the flexibility to prescribe any further requirements necessary to help ensure that the second breeder, or any other interested person, is provided with sufficient information.

## Section 41C (Opportunity to be heard)

Section 41C provides that any interested person has the opportunity to be heard by the Registrar prior to making a decision regarding the application for a declaration. The amendments set out the process for the Registrar to receive either written or oral submissions from any interested person, including the second breeder. This ensures that every affected party has an opportunity to be heard before the Registrar makes a decision.

The second breeder or any other interested person who wishes to be heard must be given an opportunity to be heard before the Registrar makes a final decision (subsection 41C(1)). This safeguards the interests of any person who may have an economic interest in the second variety.

A person who wishes to be heard must give the Registrar an address for service (subsection 41C(2)). This ensures that the Registrar can contact a person who wishes to be heard.

The regulations will provide for the detail of how an interested person may provide information to the Registrar (subsection 41C(3)). Consistent with other IP legislation, this ensures that while the right to be heard is enshrined in the Act,<sup>9</sup> the details of the hearing mechanism can be prescribed in the regulations.<sup>10</sup> This provides flexibility allowing the legislation and procedure to remain aligned across IP rights in the future. The regulations will provide a comparable hearing procedure to the one prescribed in current regulations 22.22 and 22.23 of the *Patents Regulations 1991*. IP Australia would consult on any future regulation changes,<sup>11</sup> and any future regulation changes would be tabled in Parliament and subject to disallowance.<sup>12</sup>

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<sup>9</sup> See e.g., Patents Act, Chapter 5.

<sup>10</sup> See e.g., Patents Regulations, Chapter 5.

<sup>11</sup> *Legislation Act 2003*, s 17.

<sup>12</sup> *Legislation Act 2003*, ss 38 and 42.

The regulations will prescribe how written or oral information is given, how hearings may be convened and managed, and any fees for an opportunity to be heard (subsection 41C(4)). This ensures that the regulation making power is sufficiently broad to enable the regulations to govern the administrative aspects of giving an interested person an opportunity to be heard. Note that no hearing fee is initially intended to be prescribed, given that IP Australia does not expect there to be a significant increase in workload. However, the flexibility to prescribe fees in the future is desirable in case the workload implications turn out to be greater than expected.

If an interested person either notifies the Registrar that they do not want to be heard, or fails to provide information in accordance with an opportunity to provide written or oral submissions, the interested person is taken to have declined the opportunity to be heard (subsection 41C(5)). This ensures that the Registrar can resolve the matter if parties lose interest and do not actively participate in the proceedings.

### **Section 41D (Declaration)**

Section 41D provides for the Registrar to make a decision on whether the second variety is an EDV of the initial variety (subsection 41D(1)). After considering the relevant information and evidence, the Registrar must decide whether to make, or refuse to make, a declaration that the second variety is an EDV of the initial variety (subsection 41D(1)).

The decision is made according to the civil standard of proof (balance of probabilities) and considers the key criteria that the application for a declaration is required to address, as discussed in respect of section 41A above (subsection 41D(2)).

The Registrar is required to consider all relevant information, including the information given in the application, any information provided by an interested person as written or oral submissions, and any information obtained from a test growing (subsection 41D(3)).

If an interested person does not give the Registrar an address for service or declines an opportunity to be heard, the Registrar may draw an inference that is unfavourable to the person's interest in the proceedings (subsection 41D(4)). This helps ensure that the applicant for a declaration is not unfairly disadvantaged by other parties' refusal to participate in the proceedings. As discussed above, the onus is on the applicant for a declaration to satisfy the Registrar of all relevant matters 'on the balance of probabilities'. This approach also allows an interested third party to do nothing and put the applicant for a declaration to the proof. However, some matters relating to the application for a declaration (particularly the circumstances of the breeding) may be difficult for the applicant to acquire, as they are within the knowledge of the second breeder. While the applicant for a declaration still needs to provide satisfactory evidence of these matters, the ability to be able to draw an adverse inference against the interested party ensures that the Registrar can take into account any implications if the interested person does not attempt to rebut a relevant matter.

The Registrar must not make a decision unless all interested persons have either made use of their hearing opportunity or the relevant time period for them to take up that opportunity has expired (subsection 41D(5)). This ensures that an EDV declaration cannot be made until all interested parties have had a reasonable opportunity to participate.

All parties who participated in the proceeding are notified of the decision, including the ability to seek review by the Administrative Appeals Tribunal (AAT) (subsections 41D(6) and (7)).

If a declaration is made, the two year period, in which a person may make a request for reasonable public access to the variety under section 19, starts from the date of the EDV declaration (subsection 41D(8)). Where the second variety is PBR-protected, the period ordinarily starts from the date of grant of the PBR on the second variety. Where the second variety is non-PBR-protected, the period will start from the date



of the declaration. This is when the applicant for a declaration's PBR in the initial variety will extend to the second variety.

### **Section 41E (test growing)**

Section 41E allows the Registrar to order a test growing if it would assist them in making their decision. This is because some relevant information may only be obtained through growing the initial and second varieties under controlled conditions. This provision follows the existing procedure for test growings under section 41 in respect of PBR-protected varieties, with some differences.

The test growing can be conducted to assist the Registrar to determine if the second variety is either essentially derived or registrable (subsection 41E(1)).

The Registrar must notify the applicant for a declaration (grantee in the initial variety) and any interested person of the decision to conduct a test growing, and may require them to provide the materials necessary to conduct the test growing (subsections 41E(2) and (3)). The Registrar must specify a reasonable time frame to provide the materials, noting that what is reasonable may depend on the circumstances and the individual breeding characteristics of the variety (eg some varieties may only produce propagating material in certain seasons).

The applicant for a declaration and the other parties must comply with the request for material. If the applicant for a declaration fails to comply the Registrar must refuse the application for a declaration (subsection 41E(5)). The onus is on the applicant for a declaration to establish all relevant matters and so it is reasonable to expect them to provide the material necessary to conduct a test growing if the Registrar deems this to be necessary. If an interested person fails to provide the material, the Registrar may draw an unfavourable inference from their failure to do so (subsection 41E(6)). The Registrar has the discretion whether to draw an inference, as, for example, an interested person could have an interest in the second variety without having any propagating material (eg they wish to commercialise it, but have not yet done so and have no plants in their possession).

The applicant for a declaration is required to pay all costs associated with the test growing (subsection 41E(8)). As the applicant would benefit if the variety is declared an EDV, it is reasonable for them to bear the costs of test growing.

**Consultation Question 6:** *Is it appropriate for the applicant for a declaration to pay all costs associated with the test growing, or is another arrangement more appropriate? For example, should the second breeder instead pay those costs?*

### **Section 41F (application lodged for PBR in second variety)**

Section 41F provides that if a PBR application is filed for the second variety before the application for a declaration is decided, the Registrar must convert the application for a declaration in respect of a non-PBR-protected variety to an application for a declaration in respect of a PBR-protected variety (section 40). If the EDV application is converted, all interested parties are notified (subsections 41F(3) to (5)). Any information or evidence obtained in respect of the original EDV application under the new provisions can be considered in assessing the converted EDV application (subsection 41F(7)).

## **Item 28: PBR Register**

[s46]

This item amends section 46 to provide that the relevant details of non-PBR-protected varieties are entered on the PBR Register if they are declared an EDV.

### **Item 33: Review of decisions**

[s77]

This item provides that all final decisions relating to the application for a declaration are subject to merits review by the AAT. This ensures all parties have an appropriate opportunity to challenge a relevant decision that affects their interests.

The only exception is a decision by the Registrar to convert an EDV application made under the new section 41A (non-PBR-protected second variety) to an EDV application made under the existing section 40 (PBR-protected second variety). As the final decision to make or refuse to make an EDV declaration under section 40 is ultimately AAT reviewable,<sup>13</sup> allowing AAT review at the time of the conversion decision could unreasonably delay the ultimate resolution of the issues. However, the merits of the Registrar's decision to convert can be reviewed as part of the final decision.

### **Item 36: Application of amendments**

This item provides that the new process for non-PBR-protected second varieties allows an EDV application to be made on or after commencement, regardless of when the second variety was derived.

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<sup>13</sup> Plant Breeder's Rights Act, s 77(1)(b)(xiii)

# Part 3 – Period to apply for removal of trade marks from Register for non-use

## Introduction

This Part contains amendments to the Trade Marks Act to change the period that must elapse before some trade mark non-use actions can be taken. The amendments are intended to help address concerns that there are many unused trade marks on the Register.

The PC inquiry into Australia's intellectual property arrangements recommended reducing the current five year period to three years and the Government decided to change the period from five years from the filing date of the trade mark application to three years from the date the trade mark becomes registered. This reduces the overall period for the vast majority of trade marks, while better aligning Australia's non-use provisions with international standards.

## *Trade Marks Act 1995*

### **Item 37: At the end of subsection 92(4)**

[s 92]

This item adds a note to the end of subsection 92(4) of the Trade Marks Act to confirm when the registration of a trade mark is taken to have effect from for the purposes of subsection 92(4).

The item is not intended to amend the interpretation of the Act but simply to direct the reader to the relevant provisions. For the purposes of subsection 92(4), registration is taken to have effect from the dates provided for in sections 72 or 239A, whichever is relevant.

### **Item 38: Subsection 92(5)**

[s 92]

This item amends subsection 92(5) to use more simple and consistent language across sections 92 and 93. This amendment is not intended to alter the interpretation or operation of subsection 92(5), but simply amends the way a non-use application made under subsection 92(1) or (3) is referred to.

### **Item 39: Section 93**

[s 93]

This item repeals and replaces the text in section 93 of the Trade Marks Act. Section 93 provides for the time periods for making non-use applications.

Subsection 93(1) provides that a non-use application made on the grounds referred to in paragraph 92(4)(a) can be made at any time after the filing date of the relevant trade mark application. The new subsection 93(1) is intended to operate in the same way as the previous subsection 93(1) – the only change is to simplify the language used to refer to 'non-use applications' and make it consistent with section 92.

Subsection 93(2) provides for the time in which a non-use application may be made on the ground mentioned in paragraph 92(4)(b). The new subsection 93(2) amends the relevant period to change it from five years from the filing of the trade mark application to three years from the date the particulars of the trade mark were entered into the Register under section 69.

The note under subsection 93(2) clarifies that the date from which the registration of a trade mark is taken to have effect is different to the date the particulars of the trade mark are entered into the Register. This is intended to avoid any confusion about when the three year period in subsection 93(2) starts from.

#### **Item 40: Application of amendments**

This item provides that the amendments in item 39 apply to trade mark applications with a filing date on or after the commencement of this Part. Accordingly, the new time period in subsection 93(2) applies only to trade marks where the application for the registration of the trade mark has a filing date on or after the date item 39 commences. A non-use application made in relation to a trade mark which has a filing date that is earlier than the commencement date of this Part will be subject to the previous subsection 93(2) and therefore cannot be made within five years from that filing date.

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## Part 4 – Innovation patents

### Introduction

This Part contains amendments to the Patents Act to commence the abolition of the innovation patent system by preventing the filing of new applications, subject to certain limited exceptions.

The innovation patent system was established to provide Australian SMEs with a quicker and more affordable way to protect their innovations. However, the PC found that the majority of SMEs who used the system did not obtain much value from it and that the system imposes unreasonable costs on third parties. Both the PC and the former ACIP have recommended that the innovation patent system be abolished. The Government agreed with these assessments.

Abolishing the innovation patent system is not intended to affect existing rights. The system will continue to operate for innovation patents that were filed before these amendments commence. In addition, existing rights to file divisional applications and convert a standard patent application to an innovation patent application will be maintained for any patent or application that was filed prior to the commencement date of these amendments. This is achieved under the legislation by requiring that any innovation patent filed after the commencement date must have a date of patent and a priority date for each claim that is before the commencement date.

### *Patents Act 1990*

#### **Items 41, 43 and 48: Definition of ‘priority date’**

[ss 3, 43, Schedule 1]

These amendments add the term ‘priority date’ to the dictionary in the Patents Act. They do not make any changes to the interpretation or function of the term ‘priority date’. They are intended only to improve the readability of the legislation.

Item 41 adds ‘priority date’ to the list of words in section 3 to indicate that a definition of this expression is provided in Schedule 1 to the Patents Act.

Item 43 adjusts the formatting of the words ‘priority date’ in subsection 43(2) to indicate that a definition is provided in Schedule 1 to the Patents Act.

Item 48 adds the definition of ‘priority date’ to Schedule 1. The priority date is determined in two ways, according to subsection 43(2) of the Patents Act. If subsection 43(2A) applies to the claim, the priority date is the date determined under the Patents Regulations. If subsection 43(2A) does not apply to the claim, the priority date is the date the specification was filed.

#### **Item 42: At the end of section 52**

[s 52]

This item inserts a new requirement into the formalities check for innovation patent applications. Under this new requirement, the date of the patent for an innovation patent application (if granted) must be earlier than the commencement date of this item. If the date of the patent would be on or after the commencement of this item, the innovation patent will not be granted.

Note 1 added by this item helps the reader identify the commencement date of this item by directing them to the amending legislation.

Note 2 added by this item directs the reader to section 65 of the Patents Act, which provides for the determination of the date of the patent.

Note 3 added by this item directs the reader to the other requirements of the formalities check, which are provided for in regulations made under paragraph 228(2)(ha) of the Patents Act.

**Items 44 and 45: After paragraph 101B(2)(h); At the end of subsection 101B(2)**

[s 101B]

Item 44 inserts a new requirement into the examination criteria for innovation patents. New paragraph 101B(2)(ha) requires the Commissioner to examine and report on whether each claim in the complete specification for an innovation patent has a priority date that is before the commencement date of this item.

The note added by item 45 helps the reader identify the commencement date of this item by directing them to the amending legislation.

**Items 46 and 47: After subparagraph 101E(1)(a)(viii); At the end of subsection 101E(1)**

[s 101E]

Item 46 inserts a new requirement into the criteria that must be met before an innovation patent can be certified. Section 101E requires that the Commissioner must be satisfied, on the balance of probabilities, of a number of matters before issuing a certificate of examination to the patent owner. New subparagraph 101E(1)(a)(viiiia) includes the requirement that the priority date of each claim in the specification must be earlier than the commencement date of item 44.

The note added by item 47 helps the reader identify the commencement date of this item by directing them to the amending legislation.

## Part 5 – Notification of extension of standard patents relating to pharmaceutical substances

### Introduction

This Part amends the Patents Act to repeal section 76A.

### *Patents Act 1990*

#### **Item 49: Section 76A**

[s 76A]

This item repeals section 76A of the Patents Act.

Section 76A requires patent holders who receive an extension of term under section 76 to provide the Department of Health with specified information about the costs of research and development (R&D), including information on Commonwealth funding. The policy objective of section 76A was to provide data for the government to use to determine whether extensions of term for pharmaceutical patents were serving their purpose in incentivising local R&D in Australia. However, there are no penalties for failing to provide the information so it is not provided on a consistent basis.

The PC in its 2016 review of Australia's intellectual property system recommended that the government reform the extension of term scheme, including section 76A, but the Government decided that this provision is no longer required. Alternative sources of data are now available that can provide the same type of information that section 76A was intended to collect. These include the business register, R&D tax credit, clinical trial data from the Therapeutic Goods Administration and expenditure listed in Portfolio Budget Statements.

## *Schedule 2 – Other Measures*

### **Part 1 – Amending trade marks applications – non-legal persons**

#### **Introduction**

This Part amends the Trade Marks Act to confirm that certain amendments can be made to a trade mark application.

#### ***Trade Marks Act 1995***

##### **Item 1: At the end of section 65**

[s 65]

Paragraph 27(2)(c) of the Trade Marks Act provides that a trade mark application ‘must be made by a person or persons having legal personality.’ However, there is no specific provision referring to the amendment of a trade mark application if it is not made by a person having legal personality to one that does.

Section 65 of the Trade Marks Act provides for the type of amendments that can be made to a trade mark application after the application has been published. Subsection 65(7) allows that any particular of the application may be amended, which is considered to include the identity of the applicant. To put this beyond doubt, this item adds a new provision to section 65 to confirm that an application that specifies an applicant without legal personality can have its applicant details amended. New subsection 65(8) clarifies that such an application can be amended to change the applicant to a person with legal personality if that person can be identified as having made the application.



## Part 2 – Written requirements

### Introduction

The Designs, Patents, PBR and Trade Marks legislation contains a number of requirements for IP Australia to undertake certain actions in writing, such as notifying parties about events and deciding that an innovation patent meets the requirements for certification. These requirements create unnecessary complexity and inflexibility in how actions are to occur. It also results in different requirements across the four IP rights.

As IP Australia adopts further electronic systems for administering the IP rights and for keeping customers informed, there is increasingly less need to give notices or perform actions in writing. Such requirements may prevent IP Australia from using more efficient and appropriate means of communication and administration into the future.

This Part addresses these issues through a number of amendments to give IP Australia the flexibility to take actions or give information by any means of communication, including by electronic means, and to simplify and align the language used in the legislation.

The main changes are:

- replacing the terms ‘notice’, ‘tell’, ‘advise’ and ‘inform’ with the more general terms ‘notification’ or ‘notify’
- replacing ‘send’ with ‘give’, to include making information electronically available; and
- removing unnecessary requirements to give information or do things ‘in writing’.

This gives the Commissioner and Registrars the required flexibility and adaptability into the future as modern communication technology develops.

### Division 1 - Amendments

#### *Designs Act 2003*

##### **Items 2 and 3: Minimum filing requirements for design applications**

[s 24]

These items change the Registrar’s obligations where an application does not meet the minimum filing requirements, and the consequences if they remain unmet. The requirement for the Registrar to ‘give a written notice’ that an application does meet the minimum filing requirements is replaced by a ‘notification’ to the applicant.

##### **Items 4 to 15, 17 to 27: Notification requirement**

[ss 33, 41, 42, 43, 57, 58, 59, 66]

These items remove the requirement for the Registrar to give a notice ‘in writing’ to the applicant or the owner of the design about a deficiency or a refusal. Instead, the Registrar is required to ‘notify’ the relevant persons by any means of communication (including by electronic means) as provided by item 33.

Consequential amendments are also made to replace ‘notice’ with ‘notification’.

### **Items 31 and 32: Other notification provisions**

[ss 69, 138]

These items substitute the terms 'inform' and 'advise' with the term 'notify' to provide more consistent language in the legislation.

### **Items 16, 28 to 30: Notifying the relevant person of revocation or certification of a registered design**

[ss 52, 67, 68]

These items simplify the requirement for the Registrar to notify relevant parties of the revocation or certification of a registered design. The requirement that the Registrar must 'give the relevant parties a notice' is replaced by a requirement to 'notify the relevant parties'.

### **Item 33: Notifications by Registrar under this Act or regulations**

[s 144D]

This item inserts a new section to provide that, if the Registrar is required or permitted to notify a person of a matter, or of something the person must do, the Registrar may do so by any means of communication (including by electronic means).

## ***Patents Act 1990***

### **Items 34 and 35: Notifying matters affecting validity of standard and innovation patents**

[ss 27, 28]

These items change the Commissioner's obligations when a person notifies the Commissioner under sections 27 and 28 that an invention is not patentable or an innovation patent is invalid. These items also clarify that the copy of a document may be made available to the applicant or patentee electronically.

Currently subsections 27(2) and 28(4) require the Commissioner to inform the applicant or patentee 'in writing' of such a notice and to 'send' the applicant a copy of any document accompanying the notice. This creates inflexibility in the manner that the Commissioner may give such notice and uses inconsistent terminology.

To address these issues, these items repeal and replace subsections 27(2) and 28(4) with new requirements, and insert new subsections 27(2A) and 28(4A). New subsections 27(2) and 28(4) require the Commissioner to 'notify' the applicant of any matter under subsections 27(1) and 28(1), and to 'give' the applicant or patentee a copy of a document accompanying the notice. New subsections 27(2A) and 28(4A) permit the Commissioner to 'give' the copy of the document to the applicant or patentee by making the copy available electronically and notifying the person.

### **Items 36 to 39: Other written notification provision**

[ss 49, 74, 76]

These items remove the requirement for the Commissioner to make certain notifications 'in writing'.

Currently, paragraph 49(5)(a), subsection 49(7), paragraphs 74(2)(a) and (4)(a), and subsection 76(2) require the Commissioner to notify or inform an applicant/patentee 'in writing' of decisions concerning applications or granted patents.

These amendments remove the requirement for these notifications to be ‘in writing’. The Commissioner may notify relevant persons by any means of communication (including by electronic means), as provided by new section 220A (item 42).

### **Items 40 and 41: Deciding to certify an innovation patent**

[s 101E]

Item 40 amends paragraph 101E(1)(a) to remove the requirement that a decision of the Commissioner to certify an innovation patent be made ‘in writing’.

Following substantive examination of an innovation patent, the Commissioner must decide whether it meets the relevant criteria. This is similar to the process for the other rights. However, paragraph 101E(1)(a) of the Patents Act requires the Commissioner to ‘decide in writing’ whether the innovation patent meets the relevant criteria. This is in contrast with standard patents and the other IP rights where the form of a decision to accept, refuse, revoke or certify is not specified.

This amendment addresses this problem by removing the requirement that a decision of the Commissioner to certify an innovation patent be made ‘in writing’. The decision itself must still be made, but the Commissioner is not restricted in the form the decision takes.

Item 41 is a consequential amendment. It repeals the statement that puts it beyond doubt that the Commissioner’s decision in writing to certify an innovation patent is not a legislative instrument. This statement is no longer necessary: as the decision would not be required to be in writing, it could not be a legislative instrument.

### **Item 42: Notifications by Commissioner under this Act**

[s 220A]

This item inserts a new section to provide that, if required or permitted, the Commissioner may notify a person of a matter, or of something the person must do, by any means of communication (including by electronic means).

## ***Plant Breeder’s Rights Act 1994***

*Please note that Part 14 of Schedule 2 to the Bill transfers the powers and obligations of the Secretary of the Department (the Secretary) to the Registrar of PBR (the Registrar) at the same time as the amendments to notification requirements in this Part commence.*

### **Items 56 to 58: Notifying the applicant of acceptance or rejection of an application**

[s 30]

Currently, the Secretary is required to ‘give written notice to the applicant’ of acceptance under paragraph 30(4)(a) or of rejection under paragraph 30(5)(a). Specifying that the notice must be a written notice creates unnecessary complexity and rigidity.

These amendments address this problem by changing the provisions from ‘give written notice to the applicant’ to simply ‘notify the applicant’. The means for notifying is provided by new section 72A inserted by item 105 (that is, any means of communication, including electronic). This increases the flexibility of the manner in which the Registrar may notify the relevant parties of the outcome of an examination.

## **Items 43 to 55, 59 to 70, 77 to 80, 95 to 104: Other written notification provisions**

[ss 19, 21, 32, 37, 39, 41, 44, 50]

These items remove the requirement for certain notifications given by the Secretary to be in written form. Instead, the Registrar is required to 'notify' the relevant persons (by any means of communication provided by section 72A as inserted by item 105). This increases flexibility in the manner in which the Registrar may inform or notify relevant persons.

Consequential amendments are also made to substitute 'notice' with 'notification' and 'give notice of' with 'notify' to simplify the language. Items 43 and 44 maintain the existing requirement in subsection 19(6) for the grantee of PBR to be given a copy of the request under subsection 19(4) for a licence.

## **Items 71 to 76, 106: Other notifications**

[ss 37, 77]

These items replace the requirement for a 'notice' to be 'sent', 'served' or 'issued' with a 'notification' to be 'given'. This gives IP Australia the required flexibility and adaptability into the future regarding the means by which a notification may be given as modern communication technology develops.

## **Items 81 to 94: Applications for declarations of essential derivation**

[s 40]

These items amend section 40 to remove the requirement for the Secretary to inform the applicant 'in writing' about his or her decision on an application for declarations of essential derivation. Items 83 to 86 substitute 'inform the applicant ... in writing' with 'notify the applicant'. Items 87 to 94 replace 'by notice in writing given to' with 'notify'. This simplifies the language and provides flexibility in the manner in which the Registrar may notify the applicant (by any means of communication including electronic means).

Items 81 and 82 amend subsection 40(6) to better structure the provision.

## **Item 105: Notifications by Registrar**

[s 72A]

This item inserts a new section to provide that, if required or permitted, the Registrar may notify a person of a matter, or of something the person must do by any means of communication (including by electronic means).

## ***Trade Marks Act 1995***

### **Item 108: Notifying of the final outcome of examination**

[s 34]

This item removes the requirement for the Registrar to notify the applicant of the final outcome of examination 'in writing'.

Currently, under paragraph 34(a) the Registrar is required to 'notify the applicant in writing' of the final outcome of examination of an application. Specifying that the notice must be in writing creates unnecessary complexity and rigidity.

This amendment addresses this problem by changing the text from 'notify the applicant in writing' to simply 'notify the applicant'. The means of 'notifying' is provided by section 214A as inserted by item 118.

This increases flexibility in the manner in which the Registrar may notify the applicant of the outcome of an examination.

### **Items 107, 109 to 111, 115: Other notification**

[ss 34 (heading only), 77, 80C (heading only), 80E, 111 (heading only)]

These items substitute the term 'notice' with the more general 'notification'. Notifications can be made by any means of communication (including electronic) as provided by new section 214A (item 118).

### **Items 112 and 113: Revocation of registration**

[s 84A]

These items make changes to the Registrar's obligations when revoking registration. Item 112 provides that the Registrar must give 'notification' instead of 'notice' to the registered owner. The notification may be given by any means of communication (including electronic means) as provided by section 214A. This increases flexibility in the manner in which the Registrar may notify the owner of the revocation decision.

The notification must be given within 12 months of registering the trade mark. The period is specified in subsection 84A(4). Item 113 removes an unnecessary reference to the regulations.

### **Item 114: Notification of application for removal of trade mark from Register**

[s 95]

This item substitutes the requirement for the Registrar to give 'notice' of an application under section 92 with give 'a copy' of the application. This change removes the rigidity of the requirement and provides flexibility in the manner in which the Registrar may notify relevant persons.

### **Item 116: Other written notification provisions**

[s 176]

This item removes the requirement for certain notifications given by the Registrar to the applicant of a certification trade mark to be in written form.

Currently, paragraph 176(3)(a) requires that the Registrar 'give to the applicant notice in writing' of the decision to accept or reject a certification trade mark. Specifying 'notice in writing' creates unnecessary complexity and inflexibility.

### **Item 117: Clarification of expression**

[s 202]

This item clarifies paragraph 202(e) by removing the expression "as he or she considers fit". The paragraph continues to give the Registrar discretion as the Registrar is empowered to notify any person of any matter that, in the Registrar's opinion, should be brought to that person's notice. Additionally, new section 214A (to be inserted by item 118) will give the Registrar discretion as to the means of notification.

### **Item 118: Notifications by Registrar**

[s 214A]

This item inserts new section 214A to provide that, if required or permitted, the Registrar may notify a person of a matter, or of something the person must do, by any means of communication (including by

electronic means). This gives the Registrar the required flexibility into the future as modern communication technology develops.

## **Division 2 – Application and saving provisions**

### **Item 119: Designs**

Item 119(1) provides that the amendments to sections 24, 33, 41, 42, 43, 52, 57 to 59, 66 to 69 and 138 of the Designs Act apply in relation to notifications on or after the commencement. This provides the Registrar with the flexibility to notify the applicant or owner by any means of communication on or after commencement.

Item 119(2) provides that the Designs Act as in force immediately before the commencement, continues to apply on and after commencement in relation to a notice given under subsection 24(1) or (2), section 41, paragraph 52(3)(a), subsection 57(3), 66(2) or 67(2) or paragraph 68(2)(a) before that commencement. That is, the current requirements for the Registrar to give notices or perform actions in writing continue to apply to notices given before commencement.

### **Item 120: Patents**

This item provides that the amendments to sections 27, 28, 49, 74 and 76 of the Patents Act apply in relation to notifications on or after the commencement.

### **Item 121: PBR**

Item 121(1) provides that the amendment to paragraph 19(6)(b) of the Plant Breeder's Rights Act applies in relation to invitations made on or after the commencement. This provides the Registrar with the flexibility to notify the applicant or owner by any means of communication on or after commencement.

Item 121(2) provides that the amendments of paragraph 19(7)(b), subparagraph 19(9)(b)(i) and sections 21, 30, 32, 37, 39, 40, 41, 44 and 50 of the Plant Breeder's Rights Act apply in relation to notifications on or after the commencement. That is, all notifications given by the Registrar on or after the commencement will not need to be in written form.

Item 121(3) provides continuity in relation to a notice given under various sections (as listed). The current requirement for the Registrar or Secretary to issue written notices will continue to apply to notices given before commencement.

Please note that Part 14 of Schedule 2 to the Bill will transfer the powers and obligations of the Secretary of the Department to the Registrar of PBR, at the same time as the amendments to notification requirements in this Part commence.

### **Item 122: Trade marks**

Item 122(1) provides that the amendments to sections 34, 77, 80E, 84A, 176 and 202 of the Trade Marks Act apply in relation to notifications on or after the commencement. This provides the Registrar with the flexibility to notify the applicant or owner by any means of communication on or after commencement.

Item 122(2) provides that the Trade Marks Act as in force immediately before the commencement, continues to apply on and after the commencement in relation to a notice given under subsection 77(2), 80E(2) or 84A(4) or paragraph 176(3)(a) before that commencement. That is, the current requirement for the Registrar to issue written notices continues to apply to notices given before commencement.

## Part 3 – Filing requirements

### Introduction

The Designs, Patents, PBR and Trade Marks legislation sets out different ways for applicants to file documents required during the application process or in other situations related to the application for an IP right. Various mechanisms apply for different IP rights and for different circumstances.

The various mechanisms for filing documents across the IP rights legislation are complex, occasionally aligned and at other times inconsistent. This makes it difficult for the applicant to clearly identify the correct filing requirements. In addition, having specific filing requirements in the legislation limits IP Australia's flexibility to adopt more efficient communication technologies as they become available.

The amendments in this part overcome these issues by making filing requirements consistent and flexible. A key change is empowering the Commissioner and Registrars to determine the preferred means for filing and fee payment. The amendments also empower the Commissioner of Patents and the Registrars of Trade Marks and Designs to determine, by written instrument, how evidence may be filed with IP Australia. None of these provisions affect how documents or evidence are to be filed in relation to court proceedings.

### Division 1 – Amendments

#### *Designs Act 2003*

#### **Items 123, 125 to 128: Alignment of filing and fee payment requirements between IP Rights**

[ss 5, 130, 130A, 144, 144A, 144B]

These items amend the Designs Act to allow the Registrar to determine, by written instrument, how documents may be filed and fees may be paid, and to allow lower fees to be charged if documents are filed and fees are paid by certain preferred means.

Item 128 amends section 144 and introduces new section 144A which together allow an instrument published by the Registrar to specify the means (including electronic means) by which documents are to be filed with IP Australia.

Section 144A also empowers the Registrar to declare that certain means are preferred means, for which a lower fee will be payable under the regulations. This is provided for by item 125, which amends section 130 of the Act so that reduced fees can be charged for filing documents through a preferred means, or paying fees by a preferred means. Item 126 amends section 130 by inserting a clarifying title.

Item 128 also introduces new section 144B, which allows a notice published by the Registrar to specify the form in which documents must be filed with IP Australia, where an approved form is not provided for.

Item 127 introduces new section 130A, which together with new subsection 130(2C) introduced by item 125 provides that fees must be paid by a means (including electronic means) determined in an instrument published by the Registrar. As with section 144A, section 130A empowers the Registrar to determine that certain means of paying a fee are preferred means, for which a lower fee will be payable under the regulations.

Subsections 130A(5), 144A(5) and 144B(6) indicate that instruments published by the Commissioner under these sections are not legislative instruments. These provisions are included to assist readers, clarifying that

the instruments published under these sections are not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

Item 123 is consequential on the above items, and introduces the definition of 'preferred means' consistent with sections 130A and 144A into the dictionary of the Act in section 5.

In combination, it is intended that these amendments will give IP Australia the flexibility to adopt more efficient communication technologies as required, and charge lower fees where more efficient means of filing documents or paying fees are available, passing on the cost savings from such efficiencies to applicants for IP rights.

#### **Item 124: Physical articles**

[s 69]

This item amends section 69 of the Designs Act, which provides that evidence may be filed relating to whether a design is new or distinctive. This evidence sometimes takes the form of non-paper physical articles. This is rarely necessary, because if any information about a physical item is needed, a written description, photograph and/or video of the article is usually sufficient. Physical evidence constitutes a Commonwealth record and so imposes storage costs on IP Australia. It may not be returned or destroyed, but must be retained in accordance with the relevant Records Disposal Authority issued by the National Archives.

This item amends section 69 so that non-paper physical articles may not be filed without approval from the Registrar. A non-paper physical article which is not accompanied by such approval will be deemed as not filed and IP Australia will be able to return or dispose such articles. This will allow IP Australia the flexibility to allow such filings only if truly necessary, and prevent unnecessary filing and storage costs otherwise.

#### **Item 128: Filing of evidence**

[s 144C]

This item introduces new section 144C to allow the Registrar to determine, by written instrument, how evidence may be filed with IP Australia.

Evidence is filed with IP Australia for a number of processes under the Act, including for oppositions, extensions of time, ownership disputes etc. Such evidence may be in non-documentary form (e.g. physical articles such as an article alleged to have infringed a registered design). As with filing of documents, the provisions for filing evidence across the IP rights are complex and inconsistent.

The amendments address this issue by making filing requirements for evidence consistent and flexible and will allow IP Australia to adopt new and more efficient means for receiving evidence as these become available.

New section 144C therefore allows the Registrar to issue directions in the form of a written notice relating to how evidence must be filed in relation to matters arising under the Act, including the means and form of filing the evidence.

As with item 124 above, new section 144C will allow the directions from the Registrar to include the circumstances under which physical evidence may be filed. Where non-physical evidence such as a photograph will suffice, the Registrar will be able to direct that the evidence take this form. The regulations will provide that non-compliance with the direction of the Registrar will have the consequence that the evidence is treated by IP Australia as not having been filed.



New subsection 144C(4) ensures that a direction under new section 144C cannot apply to the provision of material under section 69 (see item 124 above).

Subsection 144C(5) is included to assist the reader, clarifying that the determination published under this section is not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

## **Item 129: Regulations**

[s 149]

This item amends the regulation-making power in the Designs Act under section 149. The amendments clarify that the regulation-making power includes the ability to make regulations relating to the filing of documents in accordance with the means and form specified by the Registrar, the consequences of not complying with the requirements issued by the Registrar, and the filing of evidence as specified by the Registrar.

## ***Patents Act 1990***

### **Items 130 to 135 and 137: Alignment of IP Rights – Filing and fee payment requirements**

[ss 3, 214, 214A, 214B, 227, 227AAA]

These items amend the Patents Act to allow the Commissioner to determine, by written instrument, how documents may be filed and fees may be paid, and to allow lower fees to be charged if documents are filed and fees are paid by certain preferred means.

Items 131 and 132 amend section 214 and introduce a new section 214A which together allow an instrument published by the Commissioner to specify the means (including electronic means) by which documents are to be filed with IP Australia, and to declare that certain means are preferred means, for which a lower fee will be payable under the regulations. This is provided for by item 134, which amends section 227 of the Act so that reduced fees can be charged for filing documents through a preferred means, or paying fees by a preferred means.

Item 133 introduces new section 214B, which allows a notice published by the Commissioner to specify the form in which documents must be filed with IP Australia, where an approved form is not provided for.

Item 135 introduces new section 227AAA, which together with new subsection 227(2C) introduced by item 134 provides that fees must be paid by a manner determined in an instrument published by the Commissioner (which may include electronic means), and that certain means of paying fees are preferred means.

Subsections 214A(5), 214B(4) and 227AAA(5) indicate that instruments published by the Commissioner under these sections are not legislative instruments. These provisions are included to assist readers, clarifying that the instruments published under these sections are not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

Items 130 and 137 are consequential on the above items, and introduce the definition of ‘preferred means’ consistent with sections 214A and 227AAA into the dictionary of the Act in section 3 and Schedule 1.

It is intended that these amendments will give IP Australia the flexibility to adopt more efficient communication technologies as required, and charge lower fees where more efficient means of filing

documents or paying fees are available, passing on the cost savings from such efficiencies to applicants for IP rights.

### **Item 133: Filing of evidence**

[s 214C]

This item introduces new section 214C to allow the Commissioner to determine, by written instrument, how evidence may be filed with IP Australia.

As with the Designs Act above, evidence for the Patents Act may be filed with IP Australia for a number of reasons and in a number of forms, including physical non-documentary. The provisions for filing evidence across the IP rights are complex and inconsistent.

The amendments address this issue by making filing requirements for evidence consistent and flexible and will allow IP Australia to adopt new and more efficient means for receiving evidence as these become available.

New section 214C allows the Commissioner to issue directions in the form of a written notice relating to how evidence must be filed in relation to matters arising under the Act, including the means and form of filing the evidence. As with the Designs Act amendments above, this will allow directions from the Commissioner to include the circumstances under which physical evidence may be filed.

Subsection 214C(5) is included to assist the reader, clarifying that the determination published under this section is not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

### **Item 136: Regulations**

[s 228]

This item amends the regulation-making power in the Patents Act under section 228. The amendments clarify that the regulation-making power includes the ability to make regulations relating to the filing of documents in accordance with the means and form specified by the Commissioner, the consequences of not complying with the requirements issued by the Commissioner, and the filing of evidence as specified by the Commissioner.

## ***Plant Breeder's Rights Act 1994***

### **Items 138 to 142, 146 and 147: Alignment of IP Rights – Filing and fee payment requirements**

[ss 3, 26, 34, 40, 72B, 72C, 80, 80A]

These items amend the Plant Breeder's Rights Act to allow the Registrar to determine, by written instrument, how documents may be lodged and fees may be paid, and to allow lower fees to be charged if documents are lodged and fees are paid by certain preferred means.

Item 142 introduces new sections 72B and 72C which together allow an instrument published by the Registrar to specify the means (including electronic means) by which documents are to be lodged with IP Australia, and to declare that certain means are preferred means, for which a lower fee will be payable under the regulations.

Item 147 introduces new section 80A, which together with new subsection 80(3) introduced by item 304 provides that fees must be paid by a means (including electronic means) determined in an instrument

published by the Registrar, and that certain means of paying fees are preferred means, for which a lower fee will be payable under the regulations. This is provided for by items 143–145, which amend section 80 of the Act so that reduced fees can be charged for filing documents through a preferred means, or on paying fees by a preferred means.

Subsections 72C(5) and 80A(5) indicate that instruments published by the Registrar under these sections are not legislative instruments. These provisions are included to assist readers, clarifying that the instruments published under these sections are not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

Item 138 is consequential on the above items, and introduces the definition of ‘preferred means’ consistent with sections 72C and 80A into the dictionary of the Act in section 3.

Items 139, 140 and 141 are consequential on the above items, and repeal provisions detailing document filing requirements that are now covered by new section 72C.

As with the amendments to the Designs Act, it is intended that these amendments will give IP Australia the flexibility to adopt more efficient communication technologies as required, and charge lower fees where more efficient means of lodging documents or paying fees are available, passing on the cost savings from such efficiencies to applicants for IP rights.

### **Items 143 to 145: Regulations**

[s 80]

These items amend the regulation-making power in the Plant Breeder’s Rights Act under section 80. The amendments clarify that the regulation-making power includes the ability to make regulations relating to fees so that reduced fees can be charged for filing documents through a preferred means, or paying fees by a preferred means.

### ***Trade Marks Act 1995***

#### **Items 148 to 157: Alignment of IP Rights – Filing and fee payment requirements**

[ss 6, 52, 52A, 54A, 96, 213, 213A, 213B, 223, 223AA]

These items amend the Trade Marks Act to allow the Registrar to determine, by written instrument, how documents may be filed and fees may be paid, and to allow lower fees to be charged if documents are filed and fees are paid by certain preferred means.

Items 154 amends section 213 and inserts new section 213A which together allow an instrument published by the Registrar to specify the means (including electronic means) by which documents are to be filed with IP Australia, and to declare that certain means are preferred means, for which a lower fee will be payable under the regulations. This is provided for by item 156, which amends section 223 of the Act so that reduced fees can be charged for filing documents through a preferred means, or paying fees by a preferred means.

Item 155 introduces new section 213B, which allows a notice published by the Registrar to specify the form in which documents must be filed with IP Australia, where an approved form is not provided for.

Item 157 introduces new section 223AA, which together with new subsection 223(2C) introduced by item 156, provide that fees must be paid by a manner determined in an instrument published by the Registrar (which may include electronic means), and that certain means of paying fees are preferred means, for which a lower fee will be payable under the regulations. This is provided for by item 156, which amends

section 223 of the Act so that reduced fees can be charged for filing documents through a preferred means, or on paying fees by a preferred means.

Subsections 213A(5), 213B(4) and 223AA(5) indicate that instruments published by the Registrar under these sections are not legislative instruments. These provisions are included to assist readers, clarifying that the instruments published under these sections are not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

Items 148 and 149 are consequential on the above items, and introduce the definition of 'preferred means' consistent with sections 213A and 223AA into the dictionary of the Act in Section 6.

Items 150 to 153 are consequential on the above items, and repeal provisions detailing document filing requirements that are now covered by new section 213A.

As with the amendments to the Designs Act, it is intended that these amendments will give IP Australia the flexibility to adopt more efficient communication technologies as required, and charge lower fees where more efficient means of filing documents or paying fees are available, passing on the cost savings from such efficiencies to applicants for IP rights.

### **Item 155: Filing of evidence**

[s 213C]

This item introduces new section 213C to allow the Registrar to determine, by written instrument, how evidence may be filed with IP Australia.

As with the Designs Act above, evidence for the Trade Marks Act may be filed with IP Australia for a number of reasons and in a number of forms, including physical non-documentary. The provisions for filing evidence across the IP rights are complex and inconsistent.

The amendments address this issue by making filing requirements for evidence consistent and flexible and will allow IP Australia to adopt new and more efficient means for receiving evidence as these become available.

New section 213C therefore allows the Registrar to issue directions in the form of a written notice relating to how evidence must be filed in relation to matters arising under the Act, including the means and form of filing the evidence. As with the Designs Act amendments above, this will allow directions from the Registrar to include the circumstances under which physical evidence may be filed.

Subsection 213C(5) is included to assist the reader, clarifying that the determination published under this section is not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

### **Item 158: Regulations**

[s 231]

This item amends the regulation-making power in the Trade Marks Act under section 231. The amendments clarify that the regulation-making power includes the ability to make regulations relating to the filing of documents in accordance with the means and form specified by the Registrar, the consequences of not complying with the requirements issued by the Registrar, and the filing of evidence as specified by the Registrar.

## **Division 2 – Application, saving and transitional provisions**

### **Item 159: Designs**

This item provides that specified amendments to the Designs Act above will apply in relation to documents, evidence or material provided or fees paid to the Registrar on or after commencement of the amending items.

### **Item 160: Patents**

This item provides that specified amendments to the Patents Act above will apply in relation to documents or evidence filed or fees paid to the Commissioner on or after commencement of the amending items.

### **Item 161: PBR**

This item provides that specified amendments to the Plant Breeder's Rights Act above will apply in relation to documents lodged applications made or fees paid to the Registrar on or after commencement of the amending items.

The item also provides that approved forms that were in effect before commencement of this item continue to be approved after commencement.

### **Item 162: Trade Marks**

This item provides that specified amendments to the Trade Marks Act above will apply in relation to documents or evidence filed or fees paid to the Registrar on or after commencement of the amending items.

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## Part 4 – Signatures

### Introduction

Part 4 of Schedule 1 removes the unnecessary requirement for an applicant to provide a signature in relation to the Patent Cooperation Treaty (PCT) and international patent requests. This removes an unnecessary administrative burden from customers and IP Australia.

### *Patents Act 1990*

#### **Items 163 and 164: Signatures in relation to PCT and international patent requests**

[ss 151, 176]

These items remove unnecessary signature requirements in the Patents Act.

While some of the signature requirements in the Patents Act are necessary to authenticate a document or transaction, for example, when withdrawing a patent application under paragraph 141(1)(a) of the Patents Act, the signature requirements under paragraphs 151(4)(c) and 176(c) are unnecessary.

The above items remove the signature requirements from paragraphs 151(4)(c) (request to reinstate an application as an international application) and 176(c) (request to treat a PCT application as a standard application) because these requests do not involve significant risk of unauthorised actions taking place. The identity and authority of the person in question can be sufficiently confirmed from other information in the documentation.

#### **Item 165: Application provision**

The amendments made by this Part will apply in relation to a request referred to in paragraph 151(4)(c) or 176(c) of the Patents Act filed on or after the commencement of this item.

# Part 5 – Computerised decision-making

## Introduction

Part 5 of Schedule 2 introduces a number of amendments to the Designs, Patents, Plant Breeder's Rights and Trade Marks Acts to enable the Commissioner and Registrars to arrange for the use of a computer program to make decisions, exercise powers and comply with obligations under the legislation.

Currently, the administration of the Acts and Regulations requires the Commissioner and Registrars to make a large number of decisions, which are delegated to employees of IP Australia. These decisions range from simple decisions that require no discretion to complex decisions that require judgement to be exercised.

The making of simple, non-discretionary, decisions poses an unnecessary administrative burden upon IP Australia, preventing IP Australia from delivering more cost efficient services. The use of computer and computer-assisted decision making will improve the timeliness and accuracy of decision making and enable staff to deal with more complicated matters. Consequently, IP Australia intends to continue to explore and use new technologies to deliver a high standard of service, which includes the ability to make simple decisions by computer programs.

To realise the full potential of these reforms and provide IP stakeholders with the quickest and most accurate decisions possible, it is important that, in addition to the other measures in the Bill that simplify and streamline processes, some decision-making is also automated. In anticipation of planned business and ICT reforms to achieve this, legislative amendment is required to provide a sound legal basis for computerised decision-making.

In terms of the implementation and safeguards, IP Australia will institute internal governance arrangements so that computerised decision-making will only be implemented for a decision with the direct approval of the Commissioner or the Registrar. It is proposed that the Commissioner and Registrars would not delegate this function to another employee.

It is the intention of IP Australia that, in the short term, computerised decision-making would be implemented only in relation to those decisions clearly suitable for computerised decision making, where no subjectivity for a decision would play a role. Initially, IP Australia proposes to use computerised decision making for:

- simple decisions that require no judgement and only a simple analysis of undisputed facts (for example, granting an extension of time after advertising it, if no opposition has been received within the prescribed period); and
- actions relating to powers or obligations flowing directly from a separate decision that has already been made (for example, notification of a renewal of a trade mark to the registered owner).

Further examples of the sorts of decisions that could be suitable for computerised decision-making include where the decision-making can be converted into an algorithm and where the decision can be generated based on information that is not subject to interpretation or discretion.

Legislative amendments to provide the Commissioner and Registrars the power to enable computerised decision-making need to be deliberately broad. This is for two reasons.

Firstly, it is important that the Commissioner and Registrars have the flexibility to apply computerised decision-making in appropriate circumstances. As electronic capabilities and functions continue to exponentially improve, it is difficult to predict precisely which of the numerous decisions under the

legislation might be suitable for computerised decision-making. If the legislation were to specifically list those decisions to which computerised decision-making could be applied, it is likely that the legislation would need to be continuously amended as capabilities improve and either existing, or new types of, decisions need to be added to the list. Importantly, where the Commissioner or Registrar authorises the use of a computer program to make a decision, the decision made by a computer program must comply with all of the requirements of particular legislative provisions, in the same way that a person's decision would. This means that existing appeal mechanisms are in place.

Secondly, to gain maximum benefit from computerised decision-making the enabling powers need to permit a computer program to undertake actions related to making decisions, exercising powers, and complying with obligations under the legislation.

In addition to these requirements, should a computer program malfunction or make an incorrect decision, the Commissioner and Registrars need a power to be able to substitute that decision. In these circumstances, an applicant would not need to request a review of an incorrect decision made by a computer program because the Commissioner or Registrars would be able to exercise this substitution power on "own motion" review. An "own motion" review power enables the Commissioner and Registrars to look at a decision and consider whether it should be varied, without a person having to formally ask the Commissioner or Registrars to review the decision. The "own motion" review power is designed to correct computerised decisions that are incorrect. Importantly, the proposed "own motion" review power would be in addition to a person's existing statutory review rights and would not affect their right to request review of a decision with which they are dissatisfied.

The power to substitute an incorrect decision made by a computer program also needs to provide the Commissioner and Registrars the flexibility to consider all relevant factors, thereby ensuring the substituted decision is not only correct but the substitution of the decision is fair and appropriate. For example, the Commissioner and Registrars may wish to take into consideration other factors such as the time between the initial decision and when the Commissioner or Registrars are satisfied that the decision made by the operation of the computer program is incorrect, whether substituting the decision would adversely affect others, whether substituting the decision will affect any consequential decisions that have been made, and any other matters that the Registrar/Commissioner considers relevant.

In regard to appeals of decisions more generally, if a person were dissatisfied with a correctly made computer generated decision, they could exercise their existing statutory rights of review under the legislation. If an applicant believes a computer has made an incorrect decision, they would be able to contact a staff member of IP Australia to discuss the issue. All normal processes for appeal and recourse would be still available to the applicant.

## ***Designs Act 2003***

### **Item 166: References to computerised decision-making**

[s 129]

This item inserts a reference to new Part 3A (introduced in items 167 to 169) that deals with computerised decision-making.

### **Items 167 to 169: Computerised decision-making**

[ss 135A, 136]

Item 167 introduces new section 135A to enable the Registrar of Designs to use computer programs for any purposes for which the Registrar may, or must, make a decision, exercise a power or comply with an obligation, or do anything else related to these actions. Where the Registrar uses a computer program for



these purposes, the Registrar is taken to have made the decision, exercised the power or complied with the obligation. The action is to be treated in the same way as any similar action performed normally by the Registrar or a delegate of the Registrar.

New subsection 135A(3) provides that the Registrar can substitute a new decision for a decision made by computer if the Registrar is satisfied that it was incorrect. This ensures that the Registrar can address any incorrect operation of a computer system.

Items 168 and 169 amend section 136 to provide that a person may apply to the AAT for review of a substituted decision if the person may apply to the AAT for review of the initial decision.

## ***Patents Act 1990***

### **Items 170 to 172: Computerised decision-making**

[ss 223A, 224]

Item 170 introduces new section 223A to enable the Commissioner of Patents to use computer programs for any purposes for which the Commissioner may, or must, make a decision, exercise a power or comply with an obligation, or do anything else related to these actions. Where the Commissioner uses a computer program for these purposes, the Commissioner is taken to have made the decision, exercised the power or complied with the obligation. The action is to be treated in the same way as any similar action performed normally by the Commissioner or a delegate of the Commissioner.

New subsection 223A(3) provides that the Commissioner can substitute a new decision for a decision made by computer if the Commissioner is satisfied that it was incorrect.

Items 171 and 172 amend section 224 to provide that a person may apply to the AAT for review of a substituted decision if the person may apply to the AAT for review of the initial decision.

## ***Plant Breeder's Rights Act 1994***

### **Items 173 to 176: Computerised decision-making**

[ss 76B, 77]

Item 173 introduces new section 76B to enable the Registrar of PBR to use computer programs for any purposes for which the Registrar may, or must, make a decision, exercise a power or comply with an obligation, or do anything else related to these. Where the Registrar uses a computer program for these purposes, the Registrar is taken to have made the decision, exercised the power or complied with the obligation. The action is to be treated in the same way as any similar action performed normally by the Registrar or a delegate of the Registrar.

New subsection 76B(3) provides that the Registrar can substitute a new decision for a decision made by computer if the Registrar is satisfied that it was incorrect.

Items 174 to 176 amend section 77 to provide that a person may apply to the AAT for review of a substituted decision if the person may apply to the AAT for review of the initial decision.

Please note that Part 14 of Schedule 2 to the Bill transfers the powers and obligations of the Secretary of the Department to the Registrar of PBR.

## *Trade Marks Act 1995*

### **Item 177: Computerised decision-making**

[s 222A]

Item 177 introduces new section 222A to enable the Registrar of Trade Marks to use computer programs for any purposes for which the Registrar may, or must, make a decision, exercise a power or comply with an obligation, or do anything else related to these. Where the Registrar uses a computer program for these purposes, the Registrar is taken to have made the decision, exercised the power or complied with the obligation. The action is to be treated in the same way as any similar action performed normally by the Registrar or a delegate of the Registrar.

New subsection 222A(3) provides that the Registrar can substitute a new decision for a decision made by computer if the Registrar is satisfied that it was incorrect.

New subsection 222A(4) provides that a person may apply to the AAT for review of a substituted decision if the person may apply to the AAT for review of the initial decision.

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## Part 6 – Addresses and service of documents

### Introduction

These items amend the Plant Breeder's Rights Act to clarify and simplify the address requirements by moving some requirements to the approved form for applying for PBR. This will simplify and align the PBR legislation with the other IP rights.

Schedule 4 of the *Intellectual Property Laws Amendment Act 2015* amended the Plant Breeder's Rights Act to provide that an address for service must be an address in Australia or New Zealand. Subsection 26(3) provides that, if an applicant is resident overseas in a country other than New Zealand, the applicant must, unless the applicant has appointed an agent resident in Australia or New Zealand, specify in addition to any overseas address an address in Australia or New Zealand for the service of notices on the applicant.

The items under this part repeal subsection 26(3) and insert new subsection 26(1A) to provide that the approved form must require the inclusion of an address in Australia or New Zealand for service. The items also make a number of consequential amendments.

### *Plant Breeder's Rights Act 1994*

#### **Item 178: Electronic address**

[s 3]

This item is consequential upon item 183.

Schedule 4, Part 1, item 60 of the *Intellectual Property Laws Amendment Act 2015* inserted new subsections into section 3 of the Plant Breeder's Rights Act. Subsection 3(2) provides that a reference in the Plant Breeder's Rights Act to an address includes a reference to an electronic address. Subsection 3(4) provides that section 3 does not apply to certain references to 'address' in subsections 26(2) and (3).

Item 183 below repeals subsection 26(3), thereby requiring an amendment to subsection 3(4) to remove the existing reference to subsection 26(3).

#### **Items 179 to 181 and 184 to 187: Addresses for notifications and service**

[ss 19 (note only), 21 (note only), 31, 73 (note only)]

Items 179, 180, 185 and 187 insert notes into subsections 19(5A), 21(5), 31(3) and 73 to clarify that the address referred to in these provisions may be an electronic address. Items 184 and 186 substitute the term 'notices' with the term 'documents' to allow for service of documents to an electronic address in the future, when specified in the regulations, if considered appropriate.

#### **Items 182 and 183: Applicant's address for service**

[s 26]

These items move the requirement that an address for service must be in Australia or New Zealand to the approved form for applying for PBR. Item 182 also inserts a note to clarify that the address may be an electronic address. These amendments simplify the address requirements in the Plant Breeder's Rights Act.

#### **Item 188: Application provision**

This item provides that the amendments made to section 26 by this Part apply to applications for PBR made on or after commencement of this item.

# Part 7 – Requirements for patent documents

## Introduction

Part 7 of Schedule 2 consolidates the requirements for patent applications and specifications and requires complete applications to comply with the formality requirements outlined in an instrument made by the Commissioner. The amendments in this part also modernise some of the existing requirements which are out-of-date with current photographic technology.

### *Patents Act 1990*

#### **Item 189: Application for patent – general rules**

[s 29]

This item repeals subsections 29(3) and (4) and substitutes subsections 29(3) to (4B) to consolidate all the requirements for patent applications and specifications in section 29 and to require complete applications to comply with the formality requirements outlined in an instrument made by the Commissioner under a new section 229 (see item 201 below).

Subclauses 11(1) to 11(18) in Schedule 3 to the Patent Regulations currently sets out the formal requirements for drawings in patent specifications. One of these requirements is that the drawings are to be in black and white rather than colour. This was included to comply with filing requirements currently in place under the PCT and due to various problems with using colour.

However, colour drawings and photographs are better able to convey information in certain situations. These include where it is necessary to distinguish components of similar shape that have different physical or chemical properties. Also, the cost and reliability of colour imaging has improved. Recognising this, the PCT Union intends to amend the PCT Rules to allow colour drawings to be filed in international applications. It is not certain when the Rules will be changed and what the exact requirements will be.

The amendment addresses this issue by enabling the Commissioner of Patents to prescribe the formalities requirements for complete patent applications and specifications in an instrument made under new section 229 rather than in Schedule 3 of the Regulations. This will enable the Commissioner to ensure that the formalities requirements are in line with changing technologies and our international obligations. This instrument would be published by IP Australia for applicants to reference.

#### **Item 190: Application for patents – special rules for PCT applications**

[s 29A]

In line with item 189 above, this item allows graphics and photographs included in a PCT application, in addition to drawings, to be treated as a complete specification in respect of the application.

## **Item 191: Specifications**

[s 40]

In line with item 189 above, this item includes graphics and photographs, in addition to descriptions and drawings, as matters which the claim or claims must not rely on in the patent specification unless absolutely necessary to define the invention.

## **Items 192 and 193: Withdrawn international applications treated as standard patent applications under this Act**

[ss 151, 176]

These items provide that where an applicant requests a withdrawn international application to be treated as a standard patent application any graphics and photographs that may have been included in the international application must also be treated as part of a complete specification filed in respect of the application. These changes are in line with item 189 above.

## **Items 194 and 195 : Regulations on formalities of innovation patents**

[s 228]

Item 194 clarifies that the power to make regulations setting out the formalities checking process for innovation patents under paragraph 228(2)(ha) incorporates compliance with new subsections 29(4A) and (4B) (introduced by item 189 above) which consolidate the formalities requirements in respect of patents.

Item 195 provides that the regulation making power for setting innovation patent application formalities includes empowering the Commissioner to direct an innovation patent applicant to do such things as are necessary to ensure that the relevant formalities requirements are met.

## **Items 196 and 197: Regulations on formalities of PCT applications**

[s 228]

Item 196 clarifies that the regulation-making power to set out a formalities checking process for PCT applications under paragraph 228(2)(i) incorporates compliance with subsection 29A(5).

Item 197 provides that the regulation making power for setting PCT patent application formalities includes empowering the Commissioner to direct a PCT applicant to do such things as are necessary to ensure that the relevant formalities requirements are met.

## **Item 198: Regulations on provisional applications**

[s 228]

This item provides a new regulation-making power in subsection 228(2) enabling the Commissioner to direct the applicant to do such things as are necessary to ensure that a provisional specification complies with the requirements of subsection 29(4) and allowing for the consequences of the applicant not complying with a direction within a specified timeframe.

## **Items 199 and 200: Regulations on standard patents**

[s 228]

These items provide that the regulation-making power under paragraph 228(2)(j) enables the Commissioner to direct an applicant for a standard patent to do such things as are necessary to ensure that

the patent request in addition to the complete specification is in accordance with the requirements of new subsections 29(4A) and 4(B) (introduced by item 189 above).

### **Item 201: Instrument on formalities requirements**

[s 229]

In line with item 189, this item inserts a new section 229 empowering the Commissioner to determine by way of a written instrument the formalities requirements for patent requests, complete specifications, PCT applications that have entered the national phase and other documents as prescribed.

Subsection 229(3) is included to assist readers, as the instrument is not a legislative instrument within the meaning of section 5 of the *Legislative Instruments Act 2003*.

### **Item 202: Dictionary**

[Schedule 1]

This item expands the dictionary definition of specification to include graphics and photographs.

### **Item 203: Application and transitional provisions**

The amendments to section 29 (see item 189 above) in relation to patent requests for provisional and complete applications apply to such requests filed on or after the commencement date.

An instrument approving a form for current subsections 29(3) and 29(4) of the Patents Act and paragraphs 3.2(1)(a) and 3.2A(2)(a) of the Patents Regulations which is in force prior to the commencement date will have effect on and after commencement as if it were an instrument approving that form and in force for the purposes of new paragraphs 29(3)(a), 29(4A)(a), 29(4)(a) and 29(4B)(a) of the Patents Act respectively.

## Part 8 – Unjustified threats of infringement

### Introduction

The Patents, Trade Marks, Designs and Olympic Insignia Protection legislation provides some protection for a person facing an unjustified or groundless threat of infringement proceedings. The threatened person may apply to a court for a declaration that the threats are unjustifiable, an injunction against continuance of the threats and the recovery of any damages sustained as a result of the threats.<sup>14</sup> This helps to prevent a person from intimidating another person by making threats of infringement proceedings that have no basis.

The PBR legislation does not provide such protection, leaving farmers and other small businesses in that sector more vulnerable to unjustified threats of infringement proceedings.

Also, while a court is able to award additional damages for the flagrant infringement of a patent, registered trade mark or registered design in order to deter such activity,<sup>15</sup> with the power to award additional damages under the Plant Breeder's Rights Act being proposed under Part 11 of Schedule 2 to the Bill, similar additional damages are not available for flagrantly unjustified threats of infringement proceedings. Therefore the level of damages provided may be insufficient to deter some unjustified threats of infringement proceedings. For example, for a well-resourced business the benefit gained from hindering a competitor by making unjustified threats of infringement proceedings may outweigh the cost of ordinary compensatory damages for making such threats. Similarly, threatened persons may be discouraged from taking action that could benefit the public generally because obtaining only ordinary compensatory damages provides insufficient incentive (e.g. if the threatened persons are individual customers).

These items address these problems by introducing protection against unjustified threats of infringement proceedings in the PBR legislation and by introducing additional damages for unjustified threats of infringement proceedings in the Patents, Trade Marks, Designs and PBR legislation. The principles the court considers in the awarding additional damages are the same across all these Acts.

### Division 1 – Amendments

#### *Designs Act 2003*

##### **Item 204: Additional damages**

[s 77]

This item inserts new subsection 77(1A) to allow additional damages to be awarded against a person who makes unjustified threats of proceedings for infringement of a registered design. The court may award additional damages if it considers it appropriate to do so, having regard to a number of matters. These matters parallel those considered by the court under subsection 122(1A) of the Patents Act, subsection 126(2) of the Trade Marks Act and subsection 115(4) of the Copyright Act, when considering whether to award additional damages for infringement of those IP rights.

The principles by which additional damages may be awarded under these provisions are well established in Australian law. They correspond to those which govern awards of aggravated or exemplary damages at

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<sup>14</sup> Section 128 of the *Patents Act 1990*, section 77 of the *Designs Act 2003*, section 129 of the *Trade Marks Act 1995* and section 64 of the *Olympic Insignia Protection Act 1987*.

<sup>15</sup> See subsection 75(3) of the *Designs Act 2003*, subsection 122(1A) of the *Patents Act 1990* and subsection 126(2) of the *Trade Marks Act 1995*.

common law.<sup>16</sup> More than copying needs to be shown to warrant additional damages for infringement of IP rights.<sup>17</sup> An additional element such as flagrancy, deliberate disregard for the IP owner's rights or cynical pursuit of benefits is required.<sup>18</sup>

Additional damages for unjustified threats of infringement proceedings are to be awarded under subsection 77(1A) of the Designs Act according to the same principles as for additional damages for infringement of IP rights. For example, additional damages may be warranted where the person making the threat knew they did not have rights over the design in question and there was no prospect of infringement being proven. Additional damages are intended to be a sanction on the person making flagrant unjustified threats, and to deter others who might make unjustified threats of infringement proceedings. Therefore the appropriate additional amount of damages depends on the specific situation, the financial means of the person making the unjustified threats of infringement proceedings and the benefit the person gained by doing so.

## ***Olympic Insignia Protection Act 1987***

The relevant provisions in the Olympic Insignia Protection Act refer to 'groundless threat', rather than 'unjustified threat' as appears in the designs and patents legislation. The expression 'groundless threat' is also used in trade marks legislation, however the provisions are interpreted similarly to the provisions in the designs and patents legislation (see items 212 and 213 relating to the Trade Marks Act below). This difference creates unnecessary complexity and confusion in the IP legislation.

### **Items 205 to 208: Replace groundless threats with unjustified threats**

[Heading to Division 3 of Part 3.4, ss 64, 65 (heading only)]

Items 205, 206 and 208 amend the headings of Division 3, of section 64 and of section 65 to replace references to groundless threats with references to unjustified threats, and to remove any reference to actions on groundless threats. Item 207 amends paragraph 64(2)(a) so that instead of the court declaring that there were no grounds for making the threat, it instead declares that the threat is unjustified.

These amendments provide clarity and align the provisions for unjustified threats in the Olympic Insignia Protection Act with the legislation for designs and patents.

## ***Patents Act 1990***

### **Item 209: Additional damages**

[s 128]

This item inserts new subsection 128(1A) to allow additional damages to be awarded against a person for making flagrant unjustified threats of infringing a patent. The court may award additional damages if it considers it appropriate to do so, having regard to the same matters provided for designs by item 204.

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<sup>16</sup> *Gray v Motor Accident Commission* [1998] HCA 70; 196 CLR 1; 158 ALR 485; 73 ALJR 45, at 8.

<sup>17</sup> *Zetco Pty Ltd v Austworld Commodities Pty Ltd (No 2)* [2011] FCA 848, at 261 to 269.

<sup>18</sup> For example, *Pacific Enterprises (Aust) Pty Ltd v Bernen Pty Ltd* [2014] FCA 1372 at 13 to 15; *Halal Certification Authority Pty Limited v Scadilone Pty Limited* [2014] FCA 614, at 95 to 113; *Sullivan v FNH Investments Pty Ltd t/as Palm Bay Hideaway* [2003] FCA 323, at 91 to 111.



## ***Plant Breeder's Rights Act 1994***

### **Item 210: Definition of legal practitioner**

[s 3]

This item inserts a new definition under subsection 3(1) for 'legal practitioner' as a barrister or solicitor of the High Court or of the Supreme Court of a State or Territory. This term is used in new section 57E introduced by item 211.

### **Item 211: Relief from unjustified threats, and additional damages**

[ss 57A, 57B, 57C, 57D, 57E]

This item amends Part 5 of the Plant Breeder's Rights Act by inserting new sections 57A to 57E to enable a person to apply to a federal court for relief from unjustified threats of proceedings for infringement of PBR in a plant variety. This is in line with other IP rights.

The new provisions are based on those in the Patents Act<sup>19</sup> and will deter the making of unjustified threats of proceedings for infringement of PBR. Currently, a person can bring an action for PBR infringement, or for a declaration of non-infringement, in either the Federal Court or the Federal Circuit Court. So too will a person be able to apply for relief from unjustified threats of infringement proceedings concerning PBR in the Federal Court or in the Federal Circuit court (both of these federal courts are referred to as 'the court').

New section 57A will allow a threatened person to apply to the court for relief from unjustified threats of proceedings for PBR infringement or similar proceedings. Section 57A sets out the remedies available to the threatened person (the applicant): the court can declare that the threats are unjustified; grant injunctions against the threats being continued; or, allow the applicant to recover damages sustained as a result of the threats. Subsection 57A(2) also permits the court to award additional damages for making unjustified threats concerning PBR, having regard to the same matters provided for designs in item 204 (above). These remedies apply regardless of whether the person making the threats (the respondent) is entitled to the PBR.

New section 57B permits the court to grant the relief sought by the applicant, unless the court is satisfied that the person making the threats is the grantee of the PBR in the plant variety or an exclusive licensee of the grantee, and the acts in question infringe or would infringe the PBR in the plant variety. This provision parallels section 129 of the Patents Act.

New subsection 57C(1) allows the respondent to the unjustified threats application to counterclaim for infringement of the PBR, similar to section 130 of the Patents Act. If the respondent counter-claims for infringement of the PBR, new subsection 57C(2) allows the applicant (the threatened party), in turn, to apply for revocation of the PBR under subsection 54A of the Plant Breeder's Rights Act (as provided in Part 12 of Schedule 2).

Section 57D provides that merely notifying someone of the existence of PBR in a plant variety does not constitute a threat of infringement proceedings, similar to section 131 of the Patents Act. This is to ensure that a PBR owner, licensee or person lawfully dealing with a plant variety is able to inform other persons about the existence of PBR in the plant variety without this being construed as threatening infringement proceedings. This is to avoid the perverse situation of it being in those persons' best interests to *not* inform the public of PBR in a plant variety, so as to avoid possible actions for unjustified threats.

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<sup>19</sup> Sections 128-132 of the *Patents Act 1990*.

Whether a threat is 'unjustified' is well established in Australian law. Once it has been established that a threat was made, it is *prima facie* unjustifiable unless the person making the threat establishes that it was justified, such as by the IP right being infringed.<sup>20</sup>

Section 57E protects a legal practitioner, who is acting in a professional capacity on behalf of a client, from liability for making unjustified threats of proceedings for infringing PBR in a plant variety. For example, a legal practitioner would be protected if they acted for a client by warning someone that their client might commence legal proceedings for infringement of the client's PBR. In contrast, the client could be liable for those threats, if they were to prove unjustified.

### ***Trade Marks Act 1995***

Unlike the patent and design legislation, the equivalent trade mark provisions relate to a 'groundless threat' rather than an 'unjustified threat', despite the provisions being interpreted similarly.<sup>21</sup> This difference creates unnecessary complexity and confusion in the IP legislation.

Subsection 129(5) currently allows a trade mark owner to stop a groundless threat action by simply bringing infringement proceedings against the person. This can disadvantage the alleged infringer as the infringement proceedings do not have to be successful to stop a groundless threats proceeding.<sup>22</sup>

#### **Items 212 and 213: Replace references to groundless threats with unjustified threats**

[s 129]

Item 212 replaces the heading of section 129 (Groundless threats of legal proceedings) so that it refers to 'Application for relief from unjustified threats'. Item 213 amends paragraph 129(2)(a) so that instead of the court declaring that a defendant has no grounds for making the threat, it instead declares that the threat is unjustified. This provides clarity and consistency in the provisions for unjustified threats.

#### **Item 214: Additional damages**

[s 129]

This item inserts subsection 129(2A) to allow additional damages to be awarded against a person for making unjustified threats of infringing a trade mark. The award of additional damages will be considered by the court having regard to the same parameters as those introduced by item 204 for designs.

#### **Item 215: Repeal of provisions preventing an unjustified threats action**

[s 129]

This item repeals subsection 129(5) to prevent a trade mark owner from using the commencement of infringement proceedings to avoid an unjustified threats action.

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<sup>20</sup> *BLH Engineering and Construction Pty Ltd v Pro 3 Products Pty Ltd* [2015] FCA 833, at [83], [106]-[112]; *B. Braun Melsungen AG v Multigate Medical Devices Pty Ltd* [2014] FCA 1110, at [129]; *Telstra Corporation Limited v Phone Directories Company Pty Ltd* [2014] FCA 568, at [665]; *JMVB Enterprises Pty Ltd v Camoflag Pty Ltd* [2005] FCA 1474 at [208]-[211]; *Occupational and Medical Innovations Limited (ACN 091 192 871) v Retractable Technologies Inc* [2007] FCA 1364, at [5].

<sup>21</sup> Sections 129-130 of the *Trade Marks Act 1995* and see *Edwards v Liquid Engineering 2003 Pty Ltd* [2008] FCA 970 at [34].

<sup>22</sup> Davison and Horak, *Shanahan's Australian Law of Trade Marks and Passing Off* (5<sup>th</sup> ed, 2012), p915 and see also *Transport Tyre Sales Pty Ltd v Montana Tyres Rims & Tubes Pty Ltd* [1999] FCA 329, where the trade mark owner failed in infringement, but was still able to stop the groundless threats proceeding.

## **Item 216: Heading**

[s 130]

This item replaces the current heading for section 130 with a new heading 'Counterclaim for infringement' to remove the reference to groundless threats.

## **Item 217: Mere notification of registered trade mark not a threat**

[s 130A]

This item inserts new section 130A to ensure that merely notifying someone of the existence of a registered trade mark does not constitute a threat to bring an action for infringement of the trade mark. This is to clarify that the registered owner of a registered trade mark, an authorised user, or a person dealing lawfully with trade marked goods and/or services is able to inform other persons about the existence of the registered trade mark, without this being construed as threatening infringement proceedings. This is to avoid the perverse situation of it being in those persons' best interests to *not* inform the public of the existence of the registered trade mark, so as to avoid possible actions for unjustified threats. This section has been introduced in the Act as a clarification as it was never the intent in the Act that owners, authorised users or persons lawfully dealing with trade marks could not inform others about their existence.

## **Division 2 – Application and saving provisions**

### **Item 218: Application and saving provisions**

#### *Designs*

Item 218(1) provides that the amendment to the Designs Act made by item 204 applies to unjustified threats referred to in subsection 77(1) of the Designs Act that are made on or after commencement.

#### *Olympic expressions*

Item 218(2) provides that the amendments to the Olympic Insignia Protection Act in items 206 and 207 apply to unjustified threats referred to in subsection 64(1) of the Olympic Insignia Protection Act that are made on or after commencement.

#### *Patents*

Item 218(3) provides that the amendment to the Patents Act in item 209 applies to threats referred to in subsection 128(1) of the Patents Act that are made on or after commencement.

#### *Plant breeder's rights*

Item 218(4) provides that new section 57A of the Plant Breeder's Rights Act (item 211) applies to threats referred to in subsection 57A(1) that are made on or after commencement.

#### *Trade marks*

Item 218(5) provides that the amendments to the Trade Marks Act in items 212 to 214 apply to threats referred to in subsection 129(1) that are made on or after commencement.

Item 218(6) provides that repealed subsection 129(5) of the Trade Marks Act (item 215), continues to apply on and after commencement to an action for infringement of a trade mark begun before that commencement.

# Part 9 – Ownership of PBR and entries in the Register

## Introduction

The amendments introduced by Part 9 of Schedule 2 clarify and provide certainty about ownership of PBR in a plant variety, and ensure that the Registrar of PBR (Registrar) can correct errors on the Register of Plant Varieties (Register).

### *Plant Breeder's Rights Act 1994*

#### **Items 220 to 222: Grant of PBR to multiple breeders**

[s 45]

These items amend subsection 45(1) and repeal subsection 45(2) to clarify that PBR may be granted to two or more breeders jointly.

Multiple breeders commonly collaborate to develop a new variety. Subsection 44(11) provides that if multiple breeders make a joint application, the PBR is granted to those persons jointly. However, subsection 45(2) specifically refers to two breeders making a joint application, which implies that no more than two breeders may have a PBR granted to them jointly. Subsection 45(2) is redundant in light of subsection 44(11) and inconsistent with the definition of 'breeder' in section 3 and with subsections 24(3) and (4).

These items remedy this uncertainty by repealing subsection 45(2) and inserting a clarifying note at the end of subsection 45(1) that makes reference to subsection 44(11).

#### **Items 219 and 223: Registrar's power to rectify the Register**

[ss 3, 62A]

Item 223 adds new section 62A to provide the Registrar with the power to rectify the Register of a number of errors.

Currently, the Registrar has some limited power to amend the Register to ensure that information is correctly recorded in the Register. These include where PBR has been assigned to another party, when conditions have been placed on the grant of PBR, or when PBR has been revoked.<sup>23</sup> However, unlike the other IP rights,<sup>24</sup> the Plant Breeder's Rights Act currently does not enable the Registrar to correct the PBR Register where there is an omission, incorrect entry or for various other reasons. This can create uncertainty over the ownership of PBR.

The amendments address this deficiency by inserting a new subsection 62A(1) providing power to the Registrar to rectify the Register in certain circumstances. The circumstances include where an entry is omitted, made without sufficient cause, wrongly existing or has an error or defect.

New subsection 62A(2) requires an application under subsection 62A(1) to rectify the Register to be in the approved form. This item also inserts subsection 62A(3) to allow the Registrar to seek further information for the purpose of considering the application.

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<sup>23</sup> Sections 21, 49 and 51 of the *Plant Breeder's Rights Act 1994*

<sup>24</sup> Section 191A, 192 and paragraph 228(2)(e) of the *Patents Act 1990*, subregulation 10.7(3), *Patents Regulations 1991*, section 216 of the *Trade Marks Act 1995*, regulation 11.2 of the *Trade Marks Regulations 1995*, section 114 and 120 of the *Designs Act 2003* and regulation 9.05 of the *Designs Regulations 2004*.

New subsections 62A(4) and (5) prevent the Registrar from rectifying the Register in certain situations. To ensure procedural fairness, subsection 62(4) requires an applicant, grantee or any other appropriate person to be given a reasonable opportunity to be heard before the Register is rectified. Subsection 62A(5) prevents the Registrar from rectifying the Register under section 62A while 'relevant proceedings' are pending, to ensure the result of the proceedings are not pre-empted. 'Relevant proceedings' are proceedings in a court or in the AAT relating to the grant, infringement or revocation of PBR (new definition introduced by item 219 into subsection 3(1) of the Plant Breeder's Rights Act).

#### **Item 224: Review of the Registrar's decision**

[s 77]

This item inserts subparagraph 77(1)(b)(xvii) to provide that the Registrar's decision to rectify or refuse to rectify the Register under new section 62A (inserted by item 223) is reviewable by the Administrative Appeals Tribunal.

#### **Item 225: Power to make regulations**

[s 80]

This item amends paragraph 80(2)(d) to allow regulations to be made for amending the Register for any other purpose. This is consistent with the scope provided by paragraph 228(2)(e) of the Patents Act.

#### **Item 226: Application provision**

This item provides that new section 62A of the Plant Breeder's Rights Act applies to PBR and to entries made in the Register regardless of when the PBR was granted or the entries were made. This will ensure that the Register can correctly record details of all PBR.

## Part 10 – Trade mark oppositions

### Introduction

The amendments made under this part put beyond doubt that the Trade Marks Registrar can make appropriate procedural arrangements for all opposition proceedings.

### *Trade Marks Act 1995*

#### **Item 227: Security for costs**

[s 222]

This item corrects references in section 222 to provide that the Trade Marks Registrar may require a person to give security for the costs of a wider range of opposition proceedings.

Currently, section 222 provides that, if a person who neither resides nor carries on business in Australia gives notice of an opposition under section 52 or subsection 224(6), the Registrar may require the person to give security for the costs of the proceeding. This fails to refer to all relevant proceedings.

This item inserts references to opposition proceedings under subsections 65A(4) and 83A(4). This enables the Registrar to impose such requirements in relation to oppositions to amendments after particulars of the application have been advertised and oppositions to amendments proposed to ensure consistency with international obligations.

#### **Item 228: Regulations**

[s 231]

This item amends section 231 to put beyond doubt that there is the necessary power to make regulations for the purposes of opposition proceedings under sections 65A and 83A (see item 227). It also corrects a reference to the section governing oppositions to applications for removal of trade marks from the Register for non-use (section 96), currently misspecified as section 92.

Currently, the *Trade Mark Regulations 1995* do not set out the procedures to be followed for oppositions under section 83A. The amendment to section 231 enables such regulations to be made to correct this oversight.

#### **Item 229: Application provision**

This item provides that the amendment to the Trade Marks Act in item 227 applies in relation to requests for amendment made on or after commencement.

# Part 11 – Further power to award damages under the Plant Breeder’s Rights Act

## Introduction

This Part contains amendments to the Plant Breeder’s Rights Act to permit the Federal Court and the Federal Circuit Court to award additional damages under the Plant Breeder’s Rights Act when a PBR in a plant variety is infringed.

Currently, the statutory power to award damages only permits a court to award damages to compensate the grantee for the actual loss suffered. However, this limits the flexibility of the court to deter particularly wilful or blatant infringements. In its 2010 review of Australia’s PBR enforcement arrangements, the former ACIP recommended the introduction of additional or exemplary damages in situations of flagrant or wilful infringement, similar to the arrangements in the Patents Act, to bring PBR into alignment with other IP rights. The Government accepted this recommendation and these amendments provide for this change. Additional damages would permit a court to award damages that go beyond compensating the grantee if the conduct of the infringer is particularly flagrant.

## *Plant Breeder’s Rights Act 1994*

### **Items 230 and 231: After subsection 56(3); After subsection 56A(3)**

[ss 56 and 56A]

These items amend the Plant Breeder’s Rights Act to permit the Federal Court and the Federal Circuit Court to award additional damages if either court considers it appropriate to do so, having regard to a number of matters that are set out in the provisions. These provisions are intended to operate in the same way as the equivalent provision in the Patents Act (subsection 122(1A)). The power to award additional damages is discretionary and would be used in addition to either court’s ability to order ordinary compensatory damages or an account of profits.

### **Item 232: Application and transitional provisions**

This item provides that the amendments made by this Part apply to infringements of PBR that occur on or after the commencement of that Part. This Part will commence on the single day to be fixed by Proclamation, or 6 months after this Bill receives Royal Assent (Clause 2 above).

PBR infringements which occurred prior to this Part commencing will be subject to the existing provisions which only permit a court to put the rights holder in the position they would have been in but for the infringement. This will be the case even if the action for infringement is begun after the commencement of this Part.

Where the infringing conduct occurs before and after commencement of the Part, additional damages are still able to be awarded, but may only be granted in respect of the conduct that took place on or after that commencement.

# Part 12 – Exclusive Licensees in the Plant Breeder’s Rights Act

## Introduction

This Part contains amendments to the Plant Breeder’s Rights Act to provide a definition of ‘exclusive licensee’ and to allow exclusive licensees to take infringement actions.

A holder of an IP right may license a single person (an ‘exclusive licensee’) to exercise all aspects of that right to the exclusion of all others, including the rights holder. For most other IP rights an exclusive licensee (or similar) may bring infringement proceedings in their own right.<sup>25</sup> However, this is not the case for PBR. Under subsection 54(1) of the Plant Breeder’s Rights Act, only the grantee may begin infringement proceedings in relation to the PBR.

An inability to bring infringement proceedings hampers the ability of exclusive licensees to enforce the rights that they have paid for. When an exclusive licence is granted, it is often because the grantee of the right is domiciled outside of Australia. A foreign-based grantee of the PBR may not be strongly motivated to assist in pursuing a local alleged infringer because of the cost or inconvenience of doing so. In such circumstances the exclusive licensee can be hampered in taking action promptly and at worst can be effectively deprived of any ability to protect its revenue stream.

There is no reason in principle why PBR exclusive licensees should not have the ability to effectively protect their revenue streams, or why they should be treated differently from exclusive licensees of other IP rights. Accordingly, the amendments explicitly provide for exclusive licensees to bring infringement proceedings for PBR.

## *Plant Breeder’s Rights Act 1994*

### **Item 233: Section 3**

[s 3]

This item inserts a definition of the expression ‘exclusive licensee’ into the list of definitions in section 3. The defined expression is used in sections 53, 54 and 55, as amended by items 235, 236, 237 and 239.

The definition provides that ‘exclusive licensee’ refers to a licensee who has been given the PBR in a plant variety to the exclusion of all others, including the grantee.

The reference in the definition to the licence conferring PBR in the plant variety on the licensee is not intended to imply that the grantee must assign or transmit the PBR to the licensee. A licence is not typically understood to mean an assignment or transmittal of property. What is intended is only that the licensee has been exclusively permitted to exercise all rights that are provided for under the grant of PBR, even if the licensor remains the owner of the PBR and is still entered on the Register as the grantee.

**Consultation Question 7:** *Is the definition of exclusive licensee appropriate? Would it be interpreted as requiring an assignment or a transmission to the licensee?*

### **Item 234: Paragraph 51(1)(b)**

[s 51]

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<sup>25</sup> *Copyright Act 1968*, s 119(1); *Patents Act*, s 120(1); *Trade Marks Act*, s 26(1).



This item makes a consequential amendment to paragraph 51(1)(b) of the Plant Breeder's Rights Act because of the repeal of subsection 54(3) by item 237 and insertion of new section 54A by item 238.

**Item 235: At the end of section 53**

[s 53]

This item adds a new provision to section 53 to provide that any reference to the grantee in section 53 is to be taken as a reference to the exclusive licensee. This is to ensure that an exclusive licensee is given the same treatment under section 53 as the grantee.

**Item 236: At the end of subsection 54(1)**

[s 54]

This item amends subsection 54(1) to allow an action for infringement of PBR to be begun by an exclusive licensee of the grantee. Currently only the grantee can begin such an action.

**Item 237 and 238: Subsections 54(2) to (4); After section 54**

[ss54 and 54A]

These items amend and restructure section 54 of the Plant Breeder's Rights Act.

Item 237 repeals subsections 54(2) to (4) and replaces them with new provisions.

The new subsection 54(2) requires an exclusive licensee to include the grantee as a defendant<sup>26</sup> in any infringement action if the grantee is not already joined as a plaintiff. This ensures the grantee is always made a party to an infringement action involving the relevant PBR. The new subsection 54(3) provides that a grantee will not be liable for costs if they are included as a defendant in an action of infringement of that right but do not take part in the proceedings. These subsections provide for the same requirements as the equivalent provisions in the Patents Act.

Item 238 inserts new section 54A into the Plant Breeder's Rights Act, which is a direct copy of the provisions that were in subsections 54(2) to (4) repealed by item 237. There is no intention to alter the interpretation or operation of these provisions – moving them into a new section is intended to improve the readability of the Act by separating the provisions dealing with infringement actions (section 54) from the provisions dealing with counterclaims to infringement actions (section 54A).

**Item 239: At the end of section 55**

[s 55]

This item adds two new subsections to section 55. Subsection 55(7) provides that the grantee must be included as a respondent to an application for a non-infringement declaration. Subsection 55(8) confirms that any reference to the grantee in section 55 is to be taken to include an exclusive licensee when an exclusive licence has been granted. This allows an exclusive licensee to be included in proceedings for a declaration of non-infringement, consistent with other IP rights.

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<sup>26</sup> Note that the exclusive licensee has been granted all rights in the variety to the exclusion of all others, including the grantee. As such, it is possible for the grantee to infringe their own PBR and they may thus be a defendant to proceedings brought by the exclusive licensee.

**Item 240: Application and transitional provisions**

This item provides that the amendments in this Part apply to infringement actions where the relevant conduct occurs on or after the commencement of this Part. The Part will commence on the single day to be fixed by Proclamation, or 6 months after this Bill receives Royal Assent (Clause 2 above).

Where the conduct occurs before and after that commencement the proceedings are still able to be brought by an exclusive licensee, but relief may only be granted in respect of the conduct that took place on or after that commencement.

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# Part 13 – Publishing personal information of registered patent or trade marks attorneys

## Introduction

This part introduces new provisions to ensure that the Trans-Tasman IP Attorneys Board (the Board) can publish certain personal information of registered patent and/or trade marks attorneys, where the Board considers this to be appropriate. These amendments provide transparency so that members of the public can easily access information to verify whether an attorney is registered to practice in Australia (or New Zealand). Having published information on the registered patent and/or trade mark attorneys allows customers to be able to verify an attorney's credentials and legitimacy. While the Board already does publish some attorney details (in accordance with Privacy Principles) these amendments will legislate the understanding under the Bilateral Arrangement with New Zealand to make the name and address details of registered patent attorneys publically available.

## Division 1 – Amendments

### *Patents Act 1990*

#### **Items 241 and 242: Disclosure and publication of personal information of patent attorneys**

[ss 183, 227B]

These items insert new subsection 183(1A) and section 227B in the Patents Act to enable the Board to publish specified personal information of an individual registered as a patent attorney.

The Designated Manager (the Director General of IP Australia) registers patent and trade marks attorneys in Australia, and patent attorneys in New Zealand.<sup>27</sup> The Board administers the regulatory and disciplinary regime for IP attorneys in Australia and New Zealand.<sup>28</sup> It is illegal for people to practice as patent and trade marks attorneys in Australia and patent attorneys in New Zealand without being registered.<sup>29</sup>

Currently, the Board publishes the name and contact address of registered IP attorneys on its website unless an attorney has requested that this does not occur. IP attorneys can use a business address, PO Box or their place of residence as their contact address on the Board's website. The privacy notices on the Board's website and on the registration and renewal notices inform IP attorneys that their personal information will be published by the Board. The Australian Privacy Principles in the *Privacy Act 1988*<sup>30</sup> allow the Board to disclose the personal information of registered attorneys in line with the privacy notices published by the Board.

In 2013, Australia and New Zealand signed a Bilateral Arrangement for the trans-Tasman regulation of patent attorneys. This arrangement was implemented by Schedule 4 to the *Intellectual Property Laws Amendment Act 2015* and Schedules 1–3 to the *Intellectual Property Legislation Amendment (Single Economic Market and Other Measures) Regulation 2016*, which all commenced on 24 February 2017. The

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<sup>27</sup> Section 198, *Patents Act 1990*; section 228A *Trade Marks Act 1995*.

<sup>28</sup> Chapter 20, *Patents Act 1990*; sections 228A-229, *Trade Marks Act 1995*.

<sup>29</sup> Section 201, *Patents Act 1990*; section 156, *Trade Marks Act 1995*.

<sup>30</sup> Part III Division 2 and Schedule 1, *Privacy Act 1988*, in particular Australian Privacy Principle 6.

arrangement provides that the name and address details of registered patent attorneys will be made publicly available.<sup>31</sup>

The amendments made by these items are intended to put beyond doubt that under the new trans-Tasman patent attorney regime, the Designated Manager can share with the Board personal information about attorneys or prospective attorneys that the Designated Manager considers to be relevant to the Board's functions. This information would have been provided to the Designated Manager by the attorney or prospective attorney for example, through the registration or renewal process.

The amendments will also ensure that the Board can publish specified information about registered attorneys. Therefore, where a patent attorney does not provide consent for his or her personal details to be published and does not provide legitimate reasons to support this, the Board can publish the information in the interest of the public. This information includes the name of the patent attorney, the country in which the attorney's work address is located, the State, Territory, Province or other equivalent administrative division or region in which the attorney's work address is located and the attorney's work email address.

The amendments also provide the Designated Manager and the Board with the discretion to not provide or publish some or all of this information where this is warranted (e.g., to ensure personal confidentiality in certain circumstances). The amendments also provide that the Board may publish other personal information about a registered patent attorney with the attorney's written consent.

The intention of the amendments is to enable the public to readily verify that an attorney is registered to practice in Australia or New Zealand. The amendments reduce the risk of businesses using unqualified people to prosecute their IP rights while also complying with the Australian Privacy Principles.

## ***Trade Marks Act 1995***

### **Items 243 and 244: Disclosure and publication of personal information of trade mark attorneys**

[ss 229AA, 229B]

These items insert new sections 229AA and 229B into the Trade Marks Act to enable:

- the Designated Manager to disclose to the Board personal information that the Designated Manager considers to be relevant to the Boards functions about individuals who are registered trade marks attorneys;
- the Board to publish specified personal information about those registered trade marks attorneys.

These amendments are in line with amendments made applying to patent attorneys detailed in items 241 and 242 above. While there is not a trans-Tasman trade marks attorney regime, it is still important that the public can easily verify that a trade marks attorney is registered to practice in Australia.

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<sup>31</sup> [Arrangement between the Government of Australia and the Government of New Zealand relating to trans-Tasman regulation of patent attorneys](#), March 2013, paragraph 4.9.

## **Division 2 – Application provisions**

### **Item 245: Application Provisions**

This item provides that the amendments made by this Part apply to personal information obtained about a registered patent attorney or a registered trade mark attorney regardless of when the information was obtained or the attorney was registered.

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# Part 14 – Secretary’s role in the Plant Breeder’s Rights Act

## Introduction

The amendments to be made by Part 14 of Schedule 2 transfer the powers and obligations of the Secretary of the Department of Industry, Innovation and Science (Secretary) to the Registrar of PBR (Registrar) to reflect existing practice and ensure alignment with the other IP rights legislation.

## *Plant Breeder’s Rights Act 1994*

### **Items 246 to 301: Transfer of Secretary’s powers and obligations to the Registrar**

[ss 3, 8, 19, 24, 26, 28 to 41, 44 to 52, 58 to 61, 68, 70, 71, 73, 75, 77, 80]

These items amend the Plant Breeder’s Rights Act to transfer the powers and obligations of the Secretary to the Registrar.

Currently under the Plant Breeder’s Rights Act, the Secretary has the powers, functions and obligations to administer the PBR system. This includes receiving applications, approving forms and granting rights. The Registrar is responsible for maintaining the Register of Plant Varieties and some other functions. This division of functions is different to the other IP rights, where the Commissioner of Patents, the Registrar of Trade Marks and the Registrar of Designs have responsibility to administer those systems. Furthermore, in practice the powers, functions and duties of the Secretary are delegated to the IP Australia senior executive. The reason for the difference is mostly historical; the Plant Breeder’s Rights Act was drafted when Australia’s plant variety protection system was administered by the Department of Agriculture and is therefore not aligned with the other IP rights legislation.

It is not appropriate for the Secretary to have administrative powers at such an operational level. The Plant Breeder’s Rights Act is also less transparent because it does not reflect actual practice due to the administrative powers being delegated. The Registrar is the most appropriate person to have statutory responsibility for the Plant Breeder’s Rights Act as the Registrar has the most relevant experience, resources and knowledge of the system.

These items omit and repeal references to the ‘Secretary’ and, where appropriate, substitute and insert provisions regarding the ‘Registrar’ in order to transfer the Secretary’s powers and obligations to the Registrar. These amendments better align the Plant Breeder’s Rights Act with the other IP rights legislation, better reflect actual practice and improve transparency.

Items 246 and 250 repeal the definition of ‘approved form’ in subsection 3(1) and empower the Registrar to, by writing, approve a form for the purposes of a provision of the Plant Breeder’s Rights Act.

Items 297 and 299 maintain the existing right to seek Administrative Appeals Tribunal review of the Registrar’s decision under section 21 to amend, or refuse to amend, the register, but make subsection 77(1) slightly simpler.

### **Item 302: Saving and transitional provisions**

This item ensures that things done by, or in relation to, the Secretary before the commencement of this item are considered as though they had been done by, or in relation to, the Registrar after commencement of this item. This item will commence on the single day to be fixed by Proclamation, or 6 months after this Bill receives Royal Assent (Clause 2 above).

Sub-item 302(3) ensures that if a person held or performed the duties of the office of Secretary before commencement of this item that person continues to be prohibited from applying for PBR in a plant variety within 12 months of holding that position, despite the repeal of paragraph 60(1)(a) by item 289.

Sub-item 302(4) ensures that a decision of the Registrar under section 21 to amend, or refuse to amend, the Register that is made before commencement of the item continues to be reviewable by the Administrative Appeals Tribunal, despite the repeal of paragraph 77(1)(c) by item 299.

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## Part 15 – Seizure notices

### Introduction

There are seizure notices in place under the Trade Marks Act, Copyright Act and Olympic Insignia Protection Act, which are administered by Australian Border Force in the Department of Immigration and Border Protection.

The amendments introduced by Part 15 of Schedule 2 provide the Comptroller-General of Customs (the Comptroller-General) with flexibility on how these seizure notices are provided and whether personal information is excluded for confidentiality reasons. The Department of Immigration and Border Protection have advised that, until further notice, the seizure notices will continue to be in writing.

### Division 1 – Amendments

#### *Copyright Act 1968*

##### **Items 303 and 304: Customs notices of seizure**

[s 135AC]

These items amend section 135AC of the Copyright Act to provide the Australian Border Force with flexibility on how seizure notices are issued and what information is to be included on those notices.

The Copyright Act enables the Comptroller-General to seize and deal with goods imported into Australia which infringe or appear to infringe copyrighted material.<sup>32</sup> Upon seizure, the Comptroller-General is required to issue a written notice to the importer of the goods and to the objector (copyright owner) identifying seizure of the goods. While the *Electronic Transactions Act 1999*<sup>33</sup> and the *Customs Act 1901*<sup>34</sup> enable such notices to be delivered electronically, subsection 135AC(1) of the Copyright Act requires that the Comptroller-General provide seizure notices ‘either personally or by post’. Additionally, paragraphs 135AC(3)(c) and 135AC(3)(d) require the name and address of the importer and objector to be included in the notices.

The requirement to provide seizure notices ‘either personally or by post’ prevents the use of quicker and lower cost electronic means. The requirement that personal information be included in the seizure notices means that this information must be provided even where there are concerns about the confidentiality of the parties involved.

The amendments remedy these problems by providing the Comptroller-General with flexibility on how seizure notices are provided and whether to include the name and address of the importer and objector in the notice. This information will not be included if the Comptroller-General is satisfied, for reasons of confidentiality, that it is not desirable to do so.

#### *Olympic Insignia Protection Act 1987*

##### **Items 305 and 306: Customs notices of seizure**

[s 55]

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<sup>32</sup> Part V, Division 7, Copyright Act.

<sup>33</sup> Section 9 *Electronic Transactions Act 1999* (Cth).

<sup>34</sup> As an example, section 77EB, *Customs Act 1901* (Cth).



These items amend section 55 of the Olympic Insignia Protection Act to provide the Australian Border Force with flexibility on how seizure notices are issued and what information is to be included on those notices.

Similar to section 135AC of the Copyright Act (detailed above), section 55 of the Olympic Insignia Protection Act requires the Comptroller-General to provide seizure notices 'either personally or by post' and does not enable personal information to be omitted from such notices where there are concerns about the confidentiality of the parties involved. These items address these problems by providing the Comptroller-General with flexibility on how seizure notices are provided and whether to include the name and address of the designated owner in the notice.

## ***Trade Marks Act 1995***

### **Items 307 and 308: Customs notices of seizure**

[s 134]

These items amend section 134 of the Trade Marks Act to provide the Australian Border Force with flexibility on how seizure notices are issued and what information is to be included on those notices.

Similar to the provisions in the Copyright Act as detailed above, the Trade Marks Act requires the Comptroller-General to provide seizure notices 'either personally or by post' and does not enable personal information to be omitted from such notices where there are concerns about the confidentiality of the parties involved. These items address these problems by providing the Comptroller-General with flexibility on how seizure notices are provided and whether to include the name and address of the designated owner and objector in the notice.

## **Division 2 – Application provisions**

### **Item 309: Application Provisions**

This item provides for the application of the amendments made by this Part, ensuring that they only apply to seizure notices given on or after commencement of the item. The item will commence the day after this Bill receives Royal Assent (Clause 2 above).

#### *Copyright*

Sub-item 309(1) provides that the amendments to section 135AC of the Copyright Act apply to seizure notices given under subsection 135AC(1) of that Act on or after commencement of the item.

#### *Olympic expressions*

Sub-item 309(2) provides that the amendments to section 55 of the Olympic Insignia Protection Act apply to seizure notices given under subsection 55(1) of that Act on or after commencement of the item.

#### *Trade marks*

Sub-item 309(3) provides that the amendments to section 134 of the Trade Marks Act apply to seizure notices given under subsection 134(1) of that Act on or after commencement of the item.

# Part 16 – Prosecutions

## Introduction

Section 201 of the Patents Act and section 156 of the Trade Marks Act provide for a number of criminal offences relating to unauthorised and fraudulent conduct by persons who are not registered patent or trade marks attorneys. A prosecution for some of these offences may be brought within five years of the offence being committed, instead of the one year limit provided under the *Crimes Act 1914*.<sup>35</sup> A longer time frame for prosecuting these offences is necessary as the process to apply for an IP right is often lengthy and it can take a number of years before offences are identified.

The reforms made by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* included allowing attorney firms to be incorporated and added offences to cover such firms. The intention was that the new offences for incorporated attorney firms would also have a five year prosecution period. Due to a drafting oversight, the five year prosecution period was not applied to these offences.

## Division 1 – Amendments

### *Patents Act 1990*

#### **Items 310 and 311: Time for starting prosecutions**

[s 204]

These items amend section 204 of the Patents Act to align the time frame to prosecute offences committed by companies with the five year time frame to prosecute offences committed by individuals.

### *Trade Marks Act 1995*

#### **Items 312 and 313: Technical corrections**

[s 156]

These items make technical corrections by removing an unnecessary expression in subsection 156A(3A) that is set out in paragraphs 156A(3A)(a)–(b), and by providing a heading for existing subsection 156(4) to alert the reader that it sets out common rules for the offences in section 156.

#### **Item 314: Time for starting prosecutions**

[s 157A]

This item inserts new subsection 157A(9) into the Trade Marks Act to provide that offences committed by incorporated trade mark attorney firms will have a five year prosecution period, in line with the prosecution period for offences committed by individuals or companies who are not registered trade marks attorneys.

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<sup>35</sup> Paragraph 15B(1A)(b) of the *Crimes Act 1914*.

## **Division 2 – Application provision**

### **Item 315: Application Provision**

This item provides that the amendments made by items 310, 311 and 314 apply to offences committed on or after commencement of this item. This item commences the day after this Bill receives Royal Assent (Clause 2 above).

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## Part 17 – Updating references to Designs Act

### *Olympic Insignia Protection Act 1987*

#### Items 316 to 325: References to the Designs Act

[ss 2, 10, 12, 13, 18, 20]

These items amend the Olympic Insignia Protection Act to correctly refer to provisions in the *Designs Act 2003*. Currently, references are to the repealed *Designs Act 1906*.

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# Part 18 – Removing certain references to New Zealand

## Introduction

This part of the Bill removes certain references to New Zealand from the Patents Act that were introduced by the *Intellectual Property Laws Amendment Act 2015* to allow for the proposed Single Application Process (SAP) and Single Examination Process (SEP) initiatives under the trans-Tasman Single Economic Market. The New Zealand Parliament in 2016 decided not to legislate for the SAP and SEP initiatives meaning that these provisions in the Patents Act are no longer required. Given that there are no supporting Australian regulations or corresponding New Zealand legislation, these provisions have had no effect since being introduced by the *Intellectual Property Laws Amendment Act 2015*.

## *Patents Act 1990*

### **Items 326 and 327: Section 3 (list of definitions)**

[s 3]

Items 326 and 327 amend the list of definitions in section 3 to remove references to “New Zealand Assistant Commissioner of Patents” and “New Zealand delegate”.

### **Items 328 and 329: Subsection 20(2); Subsection 20(3)**

[s 20]

These items amend subsection 20(2) to remove reference to a “New Zealand delegate”, and repeal subsection 20(3) which refers to actions being undertaken in New Zealand.

### **Item 330: Subsections 183(5) and (6)**

[s 183]

This item repeals subsections 183(5) and (6) to remove the Commissioner’s power to disclose information to New Zealand delegates.

### **Item 331: Subsections 209(1A) and (1B)**

[s 209]

This item repeals subsections 209(1A) and (1B) to remove the Commissioner’s power to delegate all or any of the Commissioner’s powers and functions under the Patents Act and its regulations to New Zealand patents officials.

### **Items 332 and 333: Subsection 214(1); Subsections 214(2) and (3)**

[s 214]

Item 333 repeals subsections 214(2) and (3) which permit prescribed documents filed with one of the specified New Zealand patents officials to be taken to be filed at the Patent Office.

Item 332 makes a consequential amendment to subsection 214(1).

### **Items 334 and 335: Paragraph 223(1)(ba); Subsections 223(1A) and (1B)**

[s223]

These items repeal paragraph 223(1)(ba) and subsections 223(1A)–(1B) which allow extensions of time for errors or omissions by New Zealand delegates.

**Item 336: Subsection 224(3A)**

[s224]

This item repeals redundant subsection 224(3A) which permits specified decisions made in New Zealand under the Patents Act to be subject to Administrative Appeals Tribunal (AAT) review. These are the decision specified in subsection 224(1). Section 227AB continues to make general provision for judicial review or merits review of any decision made in New Zealand under the Patents Act or its regulations (e.g. a decision of the Trans-Tasman IP Attorneys Board or the Trans-Tasman IP Attorneys Disciplinary Tribunal, when either body sits in New Zealand).

**Item 337: Subsections 227(6) and (7)**

[s 227]

This item repeals subsections 227(6) and (7) which deal with the payment of prescribed patents fees in New Zealand.

**Item 338: Section 227AA**

[s 227AA]

This item repeals section 227AA which would permit officials and employees in the Patent Office to receive specified New Zealand fees in Australian dollars.

**Item 339: Schedule 1 (definitions of *New Zealand Assistant Commissioner of Patents and New Zealand delegate*)**

[Schedule 1]

This item amends Schedule 1 to remove the definitions of “New Zealand Assistant Commissioner of Patents” and “New Zealand delegate”.

# Part 19 – International Convention for the Protection of New Varieties of Plants

## Introduction

This Part includes provisions to more closely align the Plant Breeder's Rights Act with the *International Convention for the Protection of New Varieties of Plants* (the Convention) and to clarify the application of the Convention in Australia.

### *Plant Breeder's Rights Act 1994*

#### **Items 340 and 341: Subsection 3(1); Subsection 3(1) (definition of *Convention*)**

[s 3]

These items amend subsection 3(1) to insert two new definitions relating to the Convention and to repeal the existing definition of 'Convention'.

The Convention was adopted in 1961 by diplomatic conference in Paris, coming into force in 1968 in countries which had ratified the agreement. It has subsequently been revised in 1972, 1978 and 1991. These revisions are referred to as separate 'Acts of Convention' and for countries to become party to an Act of Convention they must ratify the individual Act. Australia first became a party to the 1978 Act of the Convention and is currently also a party to the 1991 Act of the Convention.

The current definition of 'Convention' in section 3 of the Plant Breeder's Rights Act refers to the 1978 Act of the Convention 'as that treaty is in force for Australia from time to time'. This definition was intended to capture any subsequent revisions of the Convention. However, to ensure clarity for the reader, this definition is repealed by item 341 and replaced with two new definitions by item 340. This will make it clear to the reader which Acts are being referred to.

A definition of '1991 Act of the Convention' is inserted to refer to the 1991 revision of the Convention as it is in force for Australia from time to time.

A definition of 'Act of the Convention' is inserted that specifically refers to the 1978 and 1991 Acts of the Convention to ensure that both are encompassed. This definition also refers to any other Acts of the Convention that are determined by the Minister under subsection 3(1A) – see item 345.

#### **Items 342, 344, 346, 347 and 352: Consequential amendments**

[ss 3, 10, 43]

These items amend various provisions in the Plant Breeder's Rights Act as a consequence of the amendments made by items 340 and 341.

#### **Items 343 and 349 to 351: Definition of *PBR* and references to 'contracting party'**

[ss 3, 43]

These items amend subsection 3(1) and section 43 of the Plant Breeder's Rights Act to more closely align the legislation with the wording of the Convention.

Subsection 43(1) lists the criteria that a plant variety must meet in order to be registrable. Specifically, paragraph 43(1)(a) allows a variety to be registered if it has not been exploited or has been only recently exploited. Subsection 43(6) defines what is meant by 'only recently exploited' and provides time periods for

this purpose in relation to exploitation within Australia (paragraph 43(6)(a)) and in the territory of another ‘contracting party’ (paragraph 43(6)(b)).

Subsection 43(8) also refers to ‘contracting party’ in relation to a territory in which a PBR application has been lodged.

These provisions are intended to be consistent with the relevant requirements of the Convention, which are set out in Articles 6(1) and 7 of the Convention. However, the application of those Articles is not limited to countries that are parties to the Convention, whereas ‘contracting party’ is defined in subsection 3(1) of the Plant Breeder’s Rights Act as ‘a State, or an intergovernmental organisation, that is a party to the Convention.’ Items 343 and 349 to 351 therefore make amendments to ensure the Plant Breeder’s Rights Act is aligned with the Convention.

Item 343 replaces the existing definitions of ‘PBR’ in subsection 3(1) with a single definition that refers to plant varieties registered in Australia, in another contracting party or in another country that is not a contracting party.

Item 349 replaces the reference in paragraph 43(6)(b) to ‘in the territory of another contracting party’ with a reference to ‘outside of Australia’ to ensure that this provision encompasses exploitation of the variety in any other country.

Item 350 amends subsection 43(8) to ensure that it encompasses PBR applications filed in any other country, not just those filed in another contracting party.

Item 351 amends subsection 43(10), which defines specific terms for the purposes of section 43. As a consequence of the amendments in items 343, 349 and 350, the terms ‘authority’ and ‘territory’ no longer need to be included in this list of defined terms so are repealed.

#### **Item 345: After subsection 3(1)**

[s 3]

This item inserts a new subsection 3(1A) to provide the Minister with the power to make, by legislative instrument, a determination as to other Acts of Convention (as defined in the new definition inserted by item 340).

This will ensure that any future Acts of the Convention that apply in Australia can be adopted by legislative instrument, rather than requiring an amendment to the Plant Breeder’s Rights Act. The provisions do not automatically pick up future Acts to provide certainty and transparency. The legislative instrument requirement ensures that there is appropriate parliamentary oversight of any change to incorporate a new Act of the Convention into our domestic law.<sup>36</sup>

#### **Item 348: Subsection 29(4)**

[s 29]

Section 29 of the Plant Breeder’s Rights Act allows a PBR applicant to claim a priority date from a PBR application filed in another country. Subsection 29(4) requires the applicant to provide details about the plant variety within a period of three years after the foreign application was made.

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<sup>36</sup> The *Legislation Act 2003* requires that legislative instruments be tabled before Parliament (s 38) and subject to disallowance by either House of Parliament (s 42).



This requirement implements Australia's obligation under Article 11(3) of the 1991 Act of the Convention, which requires a time period of three years to be provided. However, Article 12(3) of the 1978 Act of the Convention allows a period of five years. In order to ensure that Australia complies with the most generous of its Convention obligations, this item changes the period in subsection 29(4) from three years to five years. This ensures that applicants claiming a priority date from an application filed in a country that is party only to the 1978 Act of the Convention have access to the period of time provided for in that Act of the Convention. Applications filed in countries that are party to the 1991 Act will also enjoy the 5 year period.

### **Item 353: Application provision**

This item provides that the amendments in this Part apply to PBRs that are granted on or after commencement of the Part. The Part will commence the day after this Bill receives Royal Assent (Clause 2 above). This means that the amendments will apply to PBR applications that had already been filed at that commencement. However, the amendments are intended to confirm that Australia's existing and long-standing obligations under the Convention are clearly provided for in the Plant Breeder's Rights Act.

The amendments are unlikely to affect many applicants because applicants will only be affected by the changes if their plant variety was first exploited in a country that is not a contracting party to the Convention. Prior to the commencement of these amendments, such applications would not have been eligible for grant.

Very few of Australia's trading partners are not contracting parties to the Convention. The available data shows that less than one per cent of all PBR applications made since 1988 are from a country that is not party to the convention or where the first sale of the plant variety occurred in a country that was not party to the convention but where the breeder is resident in a contracting party.

## Part 20 – Other amendments

### *Patents Act 1990*

#### **Item 354**

[s 222]

This item amends subsection 222(2) to remove the requirement for the Commissioner to make arrangements for selling copies of complete specifications which are open to public inspection. The information in these documents is already freely available to the public through IP Australia's electronic search databases for Patents (AusPat available at <http://pericles.ipaustralia.gov.au/ols/auspat/>).

### *Plant Breeder's Rights Act 1994*

These items make consequential amendments to the Plant Breeder's Rights Act following the proposed repeal by the Statute Update (Smaller Government) Bill 2017 of most of the provisions for the Plant Breeder's Rights Advisory Committee (PBRAC).

#### **Item 356: Imposition of conditions in granting Plant Breeder's Rights**

[s 49]

This item amends subsection 49(2) to enable the Minister to impose conditions on the grant of PBR as the Minister considers to be necessary in the public interest, rather than as appropriate. This is to ensure consistency with Australia's obligations as a party to the 1978 and 1991 revisions of the *International Convention for the Protection of New Varieties of Plants* (Convention). Article 9(1) of the 1978 revision and Article 17(1) of the 1991 revision provide that the free exercise of a breeder's right may not be restricted for reasons other than of public interest.

#### **Items 355 and 357: Redundant bridging provision**

[ss 42, 69]

Item 355 repeals section 42 of the Plant Breeder's Rights Act to remove a redundant provision.

Section 42 of the Plant Breeder's Rights Act provides a regulation-making power to exclude application of the Plant Breeder's Rights Act to a specified taxon. The *Plant Variety Rights Act 1987* conformed to the 1978 revision of the Convention and only applied to plant varieties declared by regulation. The Plant Variety Rights Act was replaced by the current Plant Breeder's Rights Act, which applies to all plant varieties except where excluded by regulation under section 42. Section 42 was a bridging measure covering the period between commencement of the Plant Breeder's Rights Act and commencement of Australia's obligations under the 1991 revision of the Convention. The 1991 revision entered into force in Australia on 20 January 2000, rendering section 42 redundant.

Item 357 makes a consequential amendment as a result of the repeal of section 42.

## Part 21 – Repeals of Acts

### *Patents Amendment (Patent Cooperation Treaty) Act 1979*

#### **Item 358: Repealing the Whole of the Act**

This item repeals the whole of the *Patents Amendment (Patent Cooperation Treaty) Act 1979* (PCT Act) as it is no longer needed. The PCT Act amended the *Patents Act 1952* to implement Australia's domestic legal obligations under the *Patent Cooperation Treaty of 19 June 1970* ([1980] ATS 6) (the PCT). The amending Act was spent once it amended the principal Act. Furthermore, the *Patents Act 1952* was repealed and replaced by the *Patents Act 1990*, which has specific provisions implementing Australia's obligations under the PCT.

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