

IP Australia response to public consultation on exposure draft of Intellectual Property Laws Amendment (Productivity Commission response part 1 and other matters) Bill and Regulations 2017

Introduction

From 23 October to 4 December 2017 IP Australia released draft legislation for public comment that includes measures to implement aspects of the Government's response to the Productivity Commission's (PC) inquiry into Australia's Intellectual Property (IP) arrangements. The draft legislation also includes amendments to strengthen plant breeder's rights (PBR) enforcement, streamline a number of processes for the IP rights that IP Australia administers, and make a number of minor technical improvements to the legislation.

19 non-confidential submissions were received during consultation on the Bill. A number of confidential submissions were also received, which are not commented on here. IP Australia has considered all submissions and thanks all stakeholders who took the time to consider the draft legislation and respond to us.

Schedule 1: Responses to the Productivity Commission

Part 1 - Parallel Importation

Eight non-confidential submissions included comments on the parallel importation amendments. The submissions mostly expressed a range of concerns with the drafting of the provision and proposed changes.

General comments

Summary of submissions

Three submissions expressed the view that the amendments go beyond what was recommended by the PC, particularly the 'reasonable to assume' aspect of the test (discussed further below). Four submissions indicated that the draft amendments shifted the balance too far in favour of parallel importers and users of parallel imported goods.

IP Australia Response

In light of the submissions, IP Australia acknowledges that, to some extent, the exposure draft provisions may not achieve the right balance between the parallel importer and the trade mark owner. A number of specific amendments below are intended to strike a better balance, while seeking to ensure sufficient certainty to a parallel importer acting reasonably and in good faith.

Heading of section 122A

Summary of submissions

One submission indicated that the use of 'international' in the heading might be taken to suggest that domestic exhaustion was excluded.

IP Australia Response

While we understand the usual meaning of ‘international exhaustion’ to include exhaustion both outside of and within the domestic market, IP Australia will prepare amendments to delete the reference to ‘international’ for greater clarity.

Services (s 122A(a)(ii) and s 123)

Summary of submissions

Three submissions queried the need for the amendments to capture services or goods closely related to services.

IP Australia Response

Given that IP Australia is unaware of practical examples of services that could be parallel imported, IP Australia will delete the reference to ‘goods closely related to services’ and will not expand the new defence to cover services. The existing defence for services in subsection 123(2) will continue to apply.

Put on the market (s 122A(1)(b))

Summary of submissions

Three submission considered that the requirement that the goods have to be ‘put on the market’ to be unclear. One of these submissions considered that this entire limb was unnecessary as the only relevant question is whether the mark has been applied with the relevant consent since to be an infringement the goods must have been ‘dealt with or used in the course of trade in any event.

IP Australia Response

IP Australia is persuaded by the submission that it is not necessary to include this limb. In order to be considered an infringement, the goods must first have been dealt with or used ‘in the course of trade’. IP Australia agrees that in the situation where the goods are obtained illegally or without consent, other remedies (e.g. tort of conversion, prosecution for theft, contractual remedies for breach of licence) would be sufficient to protect the interests of the registered owner.

Reasonable to assume (s 122A(1)(c))

Summary of submissions

Six submissions commented on the requirement that it must have been ‘reasonable for the person to assume’ that the mark had been applied or used with the relevant consent. Some submissions considered that this would introduce an ‘innocent infringer’ defence, going beyond what was recommended by the PC. Concerns were also raised that the test would require proof of the subjective knowledge of the mind of the importer. A number of different changes to the provision were proposed by different submitters, most proposals restricting the provision to actual or deemed consent with a reverse onus of proof.

IP Australia Response

IP Australia agrees with submissions that this aspect as currently drafted is too broad. IP Australia does not agree with submissions that propose restricting the provision to actual or deemed consent with a reverse onus of proof.

Even with a reverse onus, there is no way for a parallel importer to know for certain that the relevant consent has been obtained, as this information is only in the possession of the registered owner and their licensee, manufacturer, distributor or related body corporate. All that can be reasonably expected of the parallel importer is that they make reasonable enquiries to determine if the appropriate consent has been obtained and then act reasonably and in good faith on that information. Where the parallel importer does this but is ultimately deceived by the supplier as to the existence of consent, the responsibility should fall on the trade mark owner to pursue remedies against the deceptive supplier. Allowing the trade mark owner to pursue remedies against the parallel importer would make parallel importation unacceptably risky and stifle the supply of parallel imports to the Australian market, contrary to the intent of the PC's recommendation.

IP Australia proposes to keep the 'reasonable to assume' limb of the test, but narrow it somewhat by imposing an additional requirement that the parallel importer (or other person) must have made 'reasonable enquiries' as to whether the relevant consent existed. This will ensure that the parallel importer must make appropriate efforts to ensure the provenance of the goods.

Ordinarily requesting and receiving a certificate of authenticity from the supplier would be sufficient in most circumstances. However, the extent of the enquiries will be determined by the facts of the situation. Where the supplier is widely known or suspected to supply counterfeit goods or where the goods are being offered at suspiciously low prices or through dubious trade channels, more searching enquiries may need to be made, such as contacting the trade mark owner to confirm consent. Conversely, if the goods are purchased from a retailer widely known to be the licensed distributor of the trade mark owner at the normal price of genuine goods in the relevant market, then no further enquiries may be needed.

IP Australia intends that the 'reasonable to assume' test is an objective test. That is the question should be: what would a hypothetical reasonable person in the importer's situation (with the information obtained from the reasonable enquiries) assume? IP Australia intends to seek the advice of the parliamentary drafters as to whether further changes are needed to the provision to make this clear, or whether amendment to the explanatory memorandum would be sufficient.

Place of application or use (s 122A(1)(c))

Summary of submissions

Two submitters suggested explicitly clarifying in the wording of the provision that it is irrelevant whether the mark was applied inside or outside of Australia.

IP Australia Response

IP Australia does not consider that it would be desirable to clarify this in the bill. In considering the existing section 123, the Full Federal Court held in *Transport Tyre Sales Pty Ltd v Montana Tyres Rims & Tubes Pty Ltd* [1999] FCA 329; (1999) 93 FCR 421 at [79] [80]

that the word “trade mark” did not import any territorial limitations and the expression “applied to goods or in relation to goods or services” as defined in section 9 extended to the application of a trade mark to goods or services outside of Australia. The inclusion of words in this provision may suggest that where the expression “the trade mark had been applied to, or in relation to, the goods” is used elsewhere in the Act it is confined to Australia, contrary to the Full Federal Court’s holding (see especially section 123).

Instead, IP Australia will clarify in the explanatory memorandum that the Federal Court’s previous interpretation – covering the application of the mark both inside and outside Australia – is intended to apply to the new provision.

Authorised users and persons authorised by the authorised user (s 122A(1)(c)(ii)-(iii))

Summary of submissions

Two submissions raised concerns with the ability of the ‘person authorised’ by the ‘authorised user’ to consent to the use or application of the mark. Concerns were raised that allowing a sub-licensee to consent, where the registered owner has explicitly not consented to the authorised user permitting a sub-licensee to apply the mark, may be inconsistent with our international treaty obligations. Further it was suggested that the use of the term ‘person authorised’ was confusing as it may accidentally pick up the reference to authorised user in section 8 of the *Trade Marks Act 1995*.

IP Australia Response

We will arrange to amend the reference to a person authorised by an authorised user, so it is clear that the provision only applies when the authorised user is empowered to permit someone else to apply the mark under existing paragraph 26(1)(f) of the *Trade Marks Act 1995*. That is, this aspect of the provision is limited to where the authorised user’s power to permit another person to apply the mark is subject to any agreement between the registered owner and the authorised user. If the agreement prohibits the authorised user from permitting the sub-licensee to apply the mark then this limb of the defence will not apply.

We will also ask the drafters to clarify the words ‘a person authorised’ to make it clear that it does not refer to an authorised user within the meaning of section 8.

Significant influence (s 122A(1)(c)(iii))

Summary of submissions

Three submissions queried how the term ‘significant influence’ would be interpreted by a court, and considered it to be uncertain. Two submissions provided further suggestions for specifying how the significant influence could arise.

IP Australia Response

IP Australia does not agree with the submissions. The term is used in section 97A of the New Zealand *Trade Marks Act 2002* and so is not a new concept in this context. The provision needs to be sufficiently broad and flexible to capture all relevant kinds of arrangements, where they be contractual, non-contractual (e.g. deeds or equitable interests), or a wide

variety of informal understandings (e.g. where the influence is exercised through the promise of future business or the threat of withdrawing future business; or where the influence is bought through an understanding that a benefit will be provided to a third party).

Associated entity (s 122A(1)(c)(iv))

Summary of submissions

Three submissions commented on the ‘associated entity’ limb of the test. Two submissions suggested that it might be unclear and suggested slightly different tests, while the other submission sought to restrict the defence by removing this limb altogether.

IP Australia Response

IP Australia considers that ‘associated entity’ as defined in section 50AAA of the *Corporations Act 2001* is sufficiently broad to pick up natural persons, partnerships and trusts, as the definition of ‘entity’ in section 9 of that Act is sufficiently broad. IP Australia considers that it is appropriate to continue to refer to this well-established definition.

IP Australia disagrees with the policy suggestion by one submitter that this limb should be removed entirely. The intent is to allow parallel importation of genuine goods and the corporate structure of the company group owning the trade marks is irrelevant to the importer and eventual consumers.

Consent subject to a condition (s 122A(2)(a))

Summary of submissions

Two submissions queried whether the inclusion of the words ‘consent subject to a condition’ would unacceptably broaden the defence, by excusing all goods manufactured or sold in breach of a licence condition.

IP Australia Response

IP Australia disagrees with the suggestions to limit this limb. In some cases a licensee may be authorised to apply the mark to goods by the owner on the condition that the goods be made in a certain way, or to a certain standard or with particular materials. If the manufacturer sells goods in breach of that condition, the onus should fall on the trade mark owner to seek a remedy from their licensee. The parallel importer may not reasonably be able to find out about such conditions. IP Australia considers that, once the parallel importer has made reasonable enquiries and, on that basis of the information obtained, reasonably assumes that consent has been provided, it would be unfair if a parallel importer should be held responsible for the detriment caused by the licensee acting in breach of their condition.

Different quality goods

Summary of submissions

Three submissions expressed the view that the defence should not apply to goods of different quality or materially different goods, as this may deceive consumers.

IP Australia Response

IP Australia disagrees that the defence should not apply to goods of a different quality. This argument was specifically considered and rejected by the PC.¹ The PC noted that other laws exist to protect consumers from deception or dangerous goods, and that differences in price signal the differences in quality to consumers. No significant new evidence was provided in the submissions to warrant reconsideration of this policy position.

Part 2 - PBR in Essentially Derived Varieties

Summary of submissions

10 non-confidential submissions were made in response to draft amendments to the Plant Breeder's Rights Act to allow non-PBR-protected varieties to be declared an essentially derived variety (EDV). The amendments were generally supported.

Several submissions proposed that an exclusive licensee of the grantee should be able to make an application for an EDV declaration, analogous to other amendments in this Bill (see Schedule 2 Part 12 that will allow an exclusive licensee to be able to sue for infringement).

Most submissions supported the general principle that an application for a declaration of an essentially derived variety must contain information that the second variety is a registrable plant variety, and no submissions opposed. However, submissions were divided on whether the second variety must meet all criteria for a registered plant variety, or whether certain criteria (in particular the prior sale criteria or the breeder requirement) should be excluded.

There was no consensus on who must pay the costs associated with a test growing, if required, on an application for an EDV declaration: the applicant, the second breeder, or whether the costs should be split.

IP Australia response

IP Australia agrees with the proposal that an exclusive licensee of the grantee should be able to make an application for an EDV declaration. We will seek amendments to the draft legislation that will allow an exclusive licensee to make an application for an EDV declaration, both for a registered and unregistered second variety.

IP Australia considers that in an application for a declaration for non-PBR protected second varieties it is appropriate that on the balance of probabilities the second variety is a registrable plant variety within the meaning of section 43. Otherwise there is the risk that protection will extend to a variety that would have been unregistrable if it had been the subject of an ordinary PBR application. It is not desirable to have varieties on the register that would normally be unregistrable.

With respect to the requirement to have a breeder, IP Australia notes that it is fundamental to the grant of a plant breeder's right that a variety has a breeder. If there is no breeder, there is no person against whom an EDV application can be served, and no possibility to defend the application. Further, there would be the possibility that an EDV application could be made in respect of a variety that has arisen naturally.

¹ Productivity Commission, [Intellectual Property Arrangements](#) (2016) p 395-6.

With respect to the prior sale criteria, IP Australia notes concerns that this effectively places a one-year limit between first sale of a second variety and the time in which an EDV application must be made. It will be incumbent on breeders to monitor the market closely and take prompt action if a derived variety is identified. However, IP Australia considers that this is appropriate, given that after the year expires, the second breeder will have foregone any potential PBR rights in the second variety, and that it strikes an appropriate balance of interests in that an EDV declaration should not be made after a variety has been on the market for many years.

On balance, IP Australia considers that it is appropriate that the applicant (grantee or exclusive licensee) for an EDV declaration must pay all costs associated with the test growing, and will prepare amendments to the draft legislation to provide this. No clear case was made for why the second breeder should pay, as the second breeder gains no benefit and it raises the potential of vexatious applications and unfairness to the second breeder if the second variety is found not to be essentially derived. On the other hand, a successful EDV applicant will gain PBR protection from the test growing, and could recover any costs as part of a licence negotiation with the second breeder.

IP Australia will monitor the implementation and effectiveness of these reforms to ensure that the appropriate balance is struck between the interests of PBR applicants and grantees, and the interests of other breeders and growers.

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

Summary of submissions

Four non-confidential submissions were made in response to the change of the grace period to apply for removal of trade marks from the register for non-use. The amendments were generally supported.

One submission suggested that the period should be 3 years from the filing date, rather than 3 years from the date the mark is entered in the register. Other submissions supported the proposal for 3 years from date the mark is entered in the register.

Some concern was also expressed that it was not clear whether the period starts from when the mark is entered in the register, or from its date of registration, noting that these can differ by some months.

IP Australia response

IP Australia considers that the period should end 3 years from the date the mark is entered in the register. The alternative approach (3 years from filing date) is out of step with international practice and creates complications where trade marks are not registered before 3 years from the filing date, as is sometimes the case. We also note that the period of 3 years from the date the mark is entered in the register was strongly supported in the previous consultation on the PC recommendations conducted by the Department of Industry, Innovation and Science.

IP Australia will amend the explanatory memorandum to ensure that it is clear that the 3 year period starts from when the mark is entered in the register of trade marks, and also to correct a typographical error in respect to transitional provisions identified by one submission. The transitional provisions should be interpreted such that the new time period will only apply to trade mark applications made on or after commencement of this part. A non-use application made in relation to a trade mark filed prior to commencement will have to be made in accordance with the current provisions, i.e. it can only be made after the period of five years from the filing date of the trade mark application has elapsed.

Part 4 - Innovation Patents

Summary of submissions

Five non-confidential submissions were received on the abolition of the innovation patent. Some submissions did not comment on the drafting, but expressed opposition to the decision to abolish the innovation patent system.

Submissions that commented on the implementation approach were generally supportive of the drafting, with mixed views on the transitional arrangements. One submission argued for a longer period of commencement for the abolition, and that applicants should be able to file an innovation patent 12 months after the filing date of a provisional application. Another submission supported a stronger approach and argued that divisionals and examination of innovation patents should not be allowed after the commencement date. A third submission supported the draft as proposed.

IP Australia response

IP Australia notes that the decision to abolish the innovation patent system was taken by the Government, and that this consultation was directed towards the implementation of that decision. No significant new evidence on the value of the innovation patent system was presented by the submissions that had not already been considered by the Productivity Commission and the Government in reaching that decision

There was a significant spread of opinion on the transitional arrangements for the phasing out of the innovation patent system, with support for longer and shorter transitional periods. On consideration, IP Australia is confident that the provisions as drafted strike a good balance between all relevant interests without adversely affecting existing rights.

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

One non-confidential submission was received, supporting the proposal.

Schedule 2: Other measures

Part 1 – Amending trade mark applications—non-legal persons

Summary of submissions

One non-confidential submission was received. Although not opposed to the proposal, the submission suggested that the draft provision has limited reach and does not address all relevant circumstances, e.g. the situation where the application is filed in the wrong name.

IP Australia response

The situation referred to by the submission is not intended to be covered by this provision, as it can be addressed by assignment of the application to the correct name. This provision is only to address the situation where the application is filed in the name of a party without legal personality.

IP Australia will make amendments to the explanatory memorandum to make the operation of the provision clearer.

Part 2 – Written requirements (& Regulations Part 2)

Summary of submissions

Two submissions were made in response to amendments that remove requirements that certain actions must be in writing. There were concerns that the legislation was drafted too broadly, and that ‘any’ means of communication would permit oral or other forms of communication that have no permanent or fixed record, and cannot be relied upon in the event of a dispute.

IP Australia response

IP Australia accepts the concern that the provision could be interpreted to allow for communication that cannot be reproduced or recorded in the event of a dispute. While IP Australia has no intention of using oral communication for notifications, we do not wish to limit the forms of communication that can be used to specific media (such as written or electronic), as the provision is intended to be enabling for potential future means of communication that cannot be predicted.

To address this concern without limiting communication to a particular type, IP Australia will prepare an amendment to the draft legislation, to limit the means of communication to one such that the content of the notification can be accessible and usable for future reference. This draws on concepts from the *Electronic Transactions Act 1999*, and is intended to ensure that the notification must be in a form that allows recipients to keep an appropriate record.

Part 3 – Filing requirements (& Regulations Part 3)

Summary of submissions

Two submissions were received in relation to filing requirements. One submission supported the proposed provisions provided the various Determinations and Directions maintain the ability for persons without access to electronic communications with means to file documents at the IP Office personally and by post. It was also sought that the various Determinations and Directions be published on IP Australia’s website, including copies of superseded Determinations and Directions. A second submission suggested minor drafting changes to the provisions in the PBR Act, and questioned the repeal of the definition of ‘approved means’, stating that the term ‘preferred means’ is inaccurate and misleading.

IP Australia response

In addition to providing the determinations in the Official Journals, IP Australia will seek to publish the determinations on IP Australia's website. We will also ensure that determinations are appropriately archived.

The term 'preferred means' in relation to filing a document or paying a fee is to be used across patents, trade marks, designs and plant breeders rights legislation for consistency. The amendments will allow the Commissioner or Registrars to determine, by written instrument, how documents may be filed or lodged and fees may be paid, and to allow lower fees to be charged if documents are filed or lodged by certain preferred means. As such, IP Australia considers the use of the term 'preferred means' in the PBR Act is appropriate.

Part 4 – Signatures (& Regulations Part 5)

No submissions were received on this proposal.

Part 5 – Computerised decision-making

Summary of submissions

Three non-confidential submissions were received in relation to computerised decision-making. Submissions sought greater prescription of the decisions to be automated, either by defining decisions in a legislative instrument or through limiting types of decisions that can be made. Submissions also sought an additional right to be heard for parties who are adversely affected by a computer decision.

IP Australia response

IP Australia notes that similar comments were made during previous consultation on this proposal. The provision is intended to be enabling to allow computerised decision making to be used as the technology evolves, and to remain flexible to ensure all appropriate decisions are captured. IP Australia will develop a governance framework to ensure that appropriate consideration and review is in place to determine how decisions are computerised.

IP Australia understands the desire to have specific appeal provisions against decisions taken by a computer. However, we note that all decisions taken by a computer will be as if they are made, exercised, complied with or done by the Commissioner/Registrar. Where the initial decision is appealable to the Administrative Appeals Tribunal (AAT) or a court, this will remain appealable if the decision is made by a computer program. If a person is dissatisfied with a computer generated decision, they could exercise their existing statutory right of review under the legislation.

In addition, a person may apply to the AAT for review of a substituted decision if the initial decision is appealable to the AAT. If a person believes a computer program has made an incorrect decision, they would be able to contact a staff member of IP Australia to discuss the issue.

As such, IP Australia considers that adequate lines of appeal exist to protect all parties' interests, and an additional specific appeal provision for computerised decisions is not necessary.

Part 6 – Address and service of documents (& Regulations Part 6)

Summary of submissions

One minor comment was received on this proposal. The submission was concerned that the interaction of section 73 (service of documents) and newly proposed section 72A (notifications) is unclear.

IP Australia response

IP Australia considers that the sections are clear. Section 72A relates to notifications, which are defined by particular sections of the acts requiring the Commissioner/Registrar to 'notify' a person of a matter. The note at the bottom of section 72A points the reader to section 73 and states that section 73 deals with service etc. of documents on a person, which is a different process.

Part 7 – Requirements for patent documents (& Regulations Part 7)

No submissions were received on this proposal.

Part 8 – Unjustified threats of infringement

Summary of submissions

Nine non-confidential submissions were received on the draft legislation in relation to unjustified threats of infringement. Submissions were generally supportive of this proposal noting it would strengthen the PBR system.

Some submissions raised questions about the interpretation of the legislation, in particular what constitutes a 'blatant or flagrant' unjustified threat warranting an award of additional damages. Submissions were also concerned that it was unclear if the right to recover additional damages was necessarily tied to an award of compensatory damages.

IP Australia response

IP Australia notes the concerns. We consider that further defining a flagrant unjustified threat in the legislation would limit the court's flexibility to tailor the remedy to the circumstances of the case. The intention is that a court will have considerable discretion, although IP Australia notes that additional damages for blatant or flagrant infringement have been part of patents, trade marks and designs legislation for a number of years, and the courts have developed a number of principles for assessing this. We would expect that the courts will use similar principles for assessing blatant or flagrant unjustified threats.

Regarding compensatory damages, IP Australia notes that according to the plain wording of the provision, 'additional' damages requires at least some award of ordinary damages. However, the wording of the provision has been modelled on provisions in the Patents, Trade Marks and Designs Acts. Court interpretation of these provisions (e.g. [Halal Certification Authority Pty Limited v Scadilone Pty Limited](#) [2014] FCA 614, paras 94 – 113)

has found that a notional award of minimal compensatory damages can be made in the event a court is unable to determine an actual loss, and that this award is sufficient to permit an award of additional damages. IP Australia will amend the explanatory memorandum to clarify that this is the intended interpretation of the provision.

Part 9 – Ownership of PBR and entries in the Register

Summary of submissions

One non-confidential submission was received on this issue. The submission commented on some minor drafting matters. In particular, the submitter expressed concern that the proposed change to s80(2)(d) adding the phrase ‘or for any other purpose’ would provide the Registrar with an unqualified basis for rectification of the register.

IP Australia response

IP Australia notes that proposed s80(2)(d) would not, in and of itself, provide power for the Registrar to modify the register. Instead, it would expand the regulation-making power in the PBR Act to allow the Governor-General to make regulations that define the reasons the Registrar is allowed to amend the register, and does not place a limit on what the regulations could allow those reasons to be.

This mirrors s228(2)(e) of the Patents Act, which provides similar regulation-making power with respect to regulations allowing the Commissioner of Patents to amend the register of patents. In practice, the Patent Regulations made under this power define the limits of the Commissioner’s power to amend the patents register.

IP Australia notes that regulations must be made by the Governor-General and are subject to parliamentary scrutiny and disallowance. As such, there will be appropriate oversight of the use of this power.

IP Australia will amend the explanatory memorandum to clarify this provision.

Part 10 – Trade mark oppositions (& Regulations Part 10 – Amendment of registered trade mark due to inconsistency with international agreements)

One non-confidential submission was received on this proposal stating that the proposal is considered uncontroversial.

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

Summary of submissions

Five non-confidential submissions were received on this part. All submissions supported the changes in principle, and three submissions were supportive of the drafting of this proposal as it is. Two submissions raised questions about the definition of ‘flagrant’ infringement and whether additional damages would necessarily be tied to an award of compensatory damages, analogous to the concerns about additional damages for flagrant threats of unjustified infringement (Part 8, above).

One submission questioned why the Olympic Insignia Protection Act (OIP Act) does not include an additional damages remedy.

IP Australia response

Noting the concerns are analogous to those raised in respect to Part 8, IP Australia will modify the explanatory memorandum to this part to clarify the proposed interpretation, as per our response to Part 8, above.

Amendment of the OIP Act is beyond the scope of these amendments. IP Australia has noted this issue, and will place it on our [register of new policy issues](#) for future policy consideration.

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

Summary of submissions

11 non-confidential submissions were made in relation to amendments to provide a definition of ‘exclusive licensee’ and to allow an exclusive licensee to take infringement actions. The majority of stakeholders were supportive or very supportive of the proposal. Two stakeholders, however, did not want the exclusive licensee to have an automatic right to sue infringers. Several stakeholders thought the definition of exclusive licensee was too restrictive, and considered that this should include a licensee who is an exclusive licensee of less than all the rights provided to a PBR grantee.

IP Australia response

IP Australia notes that the provisions for exclusive licensees to sue for infringement are based on equivalent provisions in the Patents Act and other IP rights legislation, which only allows an exclusive licensee of all the exclusive rights of an IP right to sue for infringement.

Broadening the reach of the licensee’s rights to bring infringement proceedings for partial rights would take PBR legislation beyond the scope of the patents legislation on which it is based. This requires further policy analysis and is beyond the scope of the current proposal. IP Australia notes that the scope of exclusive licensees for patents is an issue that has previously been raised by stakeholders for policy consideration, and is on our [register of new policy issues](#). We will add the issue of the scope of PBR exclusive licensees to this issue, and consider both of them together as part of future policy work.

IP Australia considers that the default position should be that exclusive licensees have the right to sue for infringement, in line with other IP rights. Noting that grantees will have to be joined as a defendant in the action unless joined as a plaintiff, grantees will retain some control over or interaction with the proceedings. Grantees who wish to limit the exclusive licensee’s right to bring infringement proceedings can address that issues in the terms of the license. IP Australia will clarify the wording in the explanatory memorandum to this provision.

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

Summary of submissions

One non-confidential submission commented on this proposal. The submitter was concerned that the proposal would give the Designated Manager very broad powers to disclose personal information to the Board, and that there is no apparent obligation on the Board to hold this information in confidence.

IP Australia response

IP Australia notes that the Board and its members are statutory office holders under Commonwealth legislation, and as such are subject to obligations of confidence in the same way as other Commonwealth officers and employees. The Board is also bound by the *Privacy Act 1998 (Cth)* which governs the use and disclosure of personal information. As such, IP Australia considers that there are appropriate safeguards in place to ensure that Board members do not misuse personal or confidential information provided to them.

Part 14 – Secretary’s role in Plant Breeder’s Rights Act, (& Regulations Part 11)

No submissions were received on this proposal.

Part 15 – Seizure notices

Summary of submissions

One non-confidential submission commented on the proposal. The submission opposed the amendments giving the Comptroller-General of Customs discretion to withhold the name and address of the place of business or residence of the importer of seized goods "for reasons of confidentiality", arguing that this power was too broad and would undermine the enforcement provisions introduced by the *Raising the Bar Act 2012*.

IP Australia response

IP Australia, the Department of Communications and the Arts and the Department of Home Affairs (collectively ‘the agencies’) note the concern. The power is intended to be a rarely used safeguard whereby the Comptroller-General of Customs can withhold the name and address of the designated owner/importer or the objector if there is a significant risk that the physical safety of the other party may be compromised by providing such information. The agencies do not propose to make any changes to this provision.

Part 16 – Prosecutions

One submission was received on this proposal stating that the proposal is considered uncontroversial.

Part 17 – Updating references to Designs Act

No submissions were received on this proposal.

Part 18 – Removing certain references to New Zealand

No submissions were received on this proposal.

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

No submissions were received on this proposal.

Part 20 – Other amendments

No submissions were received on this proposal.

Part 21 – Repeals of Acts

No submissions were received on this proposal.

Next steps and further information

IP Australia is currently in the process of making changes to the draft legislation and explanatory material as outlined above.

However, please note that the final form of the amendments in the Bill is subject to the Government's final approval. The views expressed in this document are the views of IP Australia (and where indicated, select other agencies) and do not necessarily represent the views of the Government as a whole.

IP Australia hopes to have the Bill ready for introduction in the autumn 2018 parliamentary sitting period. However, the timing of introduction is subject to available resources and other Government priorities.

Once the Bill is introduced, stakeholders will be able to track the Bill's progress on the Parliament of Australia [website](#).

Stakeholders who would like further information or to discuss the proposed changes further may contact Andrew Wilkinson on (02) 6225 6199 or at Andrew.Wilkinson@ipaustralia.gov.au.