



Australian Government

IP Australia

Public Consultation

Streamlining and simplifying IP regulation



Acknowledgement of Country

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- New Zealand Ministry of Business, Innovation and Employment (MBIE)
- to the Department of Industry, Science and Resources and other Commonwealth government agencies
- the Trans-Tasman IP Attorneys Board
- to relevant contractors providing services to the above parties
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IP Australia will consider your views but there is no guarantee that they will determine government policy.

Executive Summary

IP Australia is contributing to the Australian Government's productivity agenda by proposing improvements to streamline and simplify IP regulation. These reforms are intended to reduce compliance burden and provide greater flexibility for businesses, allowing them to spend less time on regulatory processes and more time delivering better and cheaper products and services.

We seek your views on these potential improvements. IP Australia will consider comments and make legislative changes subject to the Government's views.

How to read this consultation paper

This paper sets out proposals for reform (section A) and issues for further investigation (section B).

The summary table below outlines each issue and IP Australia's preferred solution. Comments are welcome on any or all proposals which are linked in the table below for easy navigation.

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Making a Submission

The purpose of this consultation paper is to invite your feedback on proposals to streamline and simplify IP regulation.

Written submissions can be uploaded to IP Australia's Consultation Hub: <https://consultation.ipaustralia.gov.au/>

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

A short online survey is also available on the Consultation Hub.

The contact officer is Lisa Bailey, who may be contacted on (02) 6222 3695 or at Lisa.Bailey@ipaustrialia.gov.au.

Submissions should be received no later than 2 April 2026.

Introduction

The Australian Government is focused on improving productivity growth for the benefit of all Australians. A part of this agenda is [better regulation](#) to remove unnecessary compliance burdens.

Businesses that interact with the IP system can play a role in improving Australia's productivity. New inventions, product designs and plant varieties can help businesses and consumers get more value out of what they pay for. Strong brands help consumers ensure that their dollars go to firms that represent good quality and value. Reducing time and cost of IP regulatory compliance allows business to redirect resources to providing better and cheaper products for their customers.

As part of the Government's productivity agenda, the Director General of IP Australia wrote to the Treasurer and the Minister for Finance identifying potential legislative reforms to streamline and simplify IP regulation (see pages 7 to 9 of the [letter](#)). These reforms relate to the *Designs Act 2003* (Designs Act), *Patents Act 1990* (Patents Act), *Plant Breeder's Rights Act 1994* (PBR Act) and *Trade Marks Act 1995* (Trade Marks Act) and their associated regulations. These measures are intended to be relatively simple and uncontroversial and can be progressed in the short term, subject to resourcing and legislative priorities.¹

In addition to the potential reforms in the letter, IP Australia has identified further productivity enhancing reforms that are included in this consultation. For some proposals, IP Australia has identified a preferred solution. For other proposals, further analysis is required. Some of the proposals mentioned in the letter will not go ahead at this time, as further analysis has indicated they are too complex for this package of work. We will revisit them in a later package when more in depth analysis and consultation is possible.

Please note that preferred solutions presented here represent the preliminary views of IP Australia, and where applicable, the New Zealand Ministry of Business, Innovation and Employment (MBIE) on the best option for reform. The issues are presented for stakeholder comment only and do not represent the policy position of either the Australian or New Zealand Governments.

IP Australia, and MBIE where applicable, will consider the consultation comments in providing any future advice to the two Governments. Each Government may form its own view on the appropriate policy response (if any), which could differ from the preferred solution(s) outlined in this paper.

¹ Note that the Director General's letter indicates other opportunities for consideration of more complex or significant productivity-enhancing IP reforms that will require more detailed analysis: see pages 10 and 11 of the [letter](#).

Section A: Proposals for reform

This section sets out proposals where IP Australia has a preliminary view on a preferred solution. We seek your views on the preferred solution. If stakeholder views confirm that the preferred solution is appropriate, IP Australia intends to progress the reforms at the next available opportunity, subject to other Government priorities.

The proposals focus on productivity enhancing measures that are relatively straightforward and uncontroversial and can be progressed quickly. If stakeholders identify significant issues with a preferred solution that cannot be easily addressed, IP Australia may postpone further consideration of the issue to a later package of policy work to allow for more extensive policy analysis and development.

Proposal 1: expanding the definition of exclusive licensees for patents

Issue

Only a patentee or their exclusive licensee can sue for infringement of a patent. However, 'exclusive licensee' has a narrow meaning: the patentee must license all aspects of the right to exploit the patent. If an exclusive licensee brings infringement proceedings the patentee must be joined as a defendant or a plaintiff.

The commercial reality is that patentees will often grant exclusivity in respect of part of the patent rights; for example, an exclusive license to sell, but not manufacture, the invention. Or the patentee may grant an exclusive licence to sell the invention only in part of an Australian territory, such as only in Western Australia but not in other states and territories.

These 'partial' exclusive licensees are disadvantaged if the patentee does not bring infringement proceedings. Even if the patentee does sue, the licensee's losses may not be fully compensated. This approach complicates licensing negotiations and increases transaction costs. This is not consistent with other IP rights, for example copyright, or with the rights of partial exclusive licensees in other jurisdictions including the United States, United Kingdom and Canada.

Preferred solution

Expand the definition of exclusive licensees to include partial exclusive licensees, such as:

- A licensee who has exclusive rights to exploit some, but not all, of the patentee's rights.
- A licensee who has exclusive rights to exploit the patented invention only in parts of Australia.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Do you think the proposal should be expanded to provide the same rights to partial exclusive licensees of designs and PBR? Please explain the reasons for your view.

Proposal 2: shortening oppositions for pharmaceutical patent extensions of term

Issue

The legislation treats oppositions to pharmaceutical patent term extensions under section 75 of the Patents Act as substantive oppositions. This means parties must follow lengthy, inflexible timelines, 3 month periods for

evidence in support and answer, plus 2 months for reply. These rigid periods do not reflect the nature of section 75 oppositions, which generally involve confined questions of law and comparatively limited evidence. For example, a sample of recent opposition cases found that section 75 oppositions received less than one fifth of the evidence compared to recent oppositions to grant (section 59).² As a result, proceedings typically run for more than a year, creating unnecessary delay. While the number of cases is small, prolonged uncertainty can impact manufacturers of generic medicines and broader public interest considerations, particularly where delayed market entry affects pricing and competition.

Preferred solution

Amend the Patents Regulations to reclassify section 75 oppositions as procedural oppositions. This change gives the Commissioner of Patents flexibility to manage these matters more efficiently by setting tailored evidentiary periods, shortening them where appropriate, or dispensing with them entirely. The Commissioner already has extensive experience directing procedural oppositions, and this approach has proven to be both flexible and effective. Applying the same framework to section 75 oppositions would reduce unnecessary delay, support timely resolution, and provide greater certainty for businesses, including generic manufacturers and the broader public.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 3: introducing an examination report response system for patents and trade marks

Issue

Australia's current "time to acceptance" system for examination responses gives applicants a fixed 12 month (patents) or 15-month (trade marks) period regardless of how many responses they make or whether they respond at all. This model was designed for slower, paper-based processes and is increasingly outdated. It allows large numbers of applications to sit unresolved, creating clutter, uncertainty and delays for third parties seeking clarity on protected claim scope, or other applicants whose own applications cannot progress while earlier applications remain pending. Around 16% of patent applications with a first report issued lapse without any response, and there are currently around 12,700 pending patent applications awaiting a response. Similarly, up to 14% of all incoming trade mark applications lapse without any response, and about 29,000 pending trade mark applications are currently awaiting a first reply. The system design creates poor user experience and is inconsistent with most other international IP offices that have a fixed period to respond after each report.

Preferred solution

Shift from a single long deadline to shorter response-based deadlines. Applicants would need to respond within set timeframes (e.g. 2 months) and would have a limit on the number of formal responses before rejection procedures commence (e.g. 3 responses).

² Sample of four section 75 oppositions (that went through all evidentiary stages) resulted in an average total page count of 181.3 (including both declarations and exhibitions). Sample of 34 section 59 oppositions (that went through all evidentiary stages) resulted in an average total page count of 1099 (including both declarations and exhibitions).

Consultation questions

Do you support the proposal for trade marks? Do you support the proposal for patents? Please explain the reasons for your view.

Proposal 4: awarding costs above the schedule in trade mark oppositions

Issue

Trade mark oppositions are an opportunity to challenge the registration of an accepted application or the removal of a registered mark. Occasionally, poor behaviour of a party in an opposition can significantly delay the proceedings and cause the other party to expend extra costs. Prolonged opposition proceedings also impose costs on third parties by prolonging uncertainty about their freedom to operate.

Costs may be awarded when an opposition is decided, usually in favour of the successful party. In trade mark oppositions, costs are limited to the specific amounts specified in a schedule to the regulations. These standard amounts are generally only a portion of the actual costs incurred, to ensure that potential cost orders do not act as an undue barrier to opposition actions. However, the Registrar of Trade Marks does not have a discretionary power to award costs above the schedule in circumstances where it is warranted. This power already exists for patents and designs and existed in the previous *Trade Marks Act 1955*.

Preferred solution

IP Australia proposes to amend the trade marks legislation to permit the award of opposition costs above the scheduled amount. The new power would be modelled on the similar existing patents and designs powers and would only be used in exceptional cases. Parties would have the opportunity to be heard should the Registrar intend to exercise this discretion.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 5: updating references to the Madrid Protocol, Madrid Regulations and Nice Agreement

Issue

Australia's trade mark legislation currently incorporates static references to the Madrid Protocol and Regulations, which are international instruments for the registration of trade marks under the [Madrid System](#). Another international instrument, the Nice Agreement, provides the number and headings of the classes of goods and services which trade marks claim (the 'class headings'). The Nice Agreement is not directly referenced in the trade marks legislation; the class headings are set out directly in Schedule 1 to the Trade Marks Regulations which derives its wording from the Nice Agreement.

Because these instruments are updated regularly, the Trade Marks Act and Regulations frequently become misaligned with the most recent versions. Direct impacts on customers are limited. Annual changes to Madrid Regulations are rarely substantive, and IP Australia implements the most recent version of the Nice Agreement in its internal tools. However, this creates unnecessary legislative maintenance, risks outdated references and may cause confusion for those users who consult the legislation directly. It also diverts IP Australia's policy resources from other productivity enhancing reforms that would benefit businesses.

Preferred solution

Amend the Trade Marks Act and Regulations so that existing references to the Madrid Protocol and Regulations apply to the versions as in force from time to time. Amend the Trade Marks Act and Regulations so that the source of the 'class headings' is the Nice Agreement as in force from time to time. This future-proofing would remove the need for ongoing legislative amendments, ensure alignment with international systems, and provide clearer and more accurate legislative references.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 6: finalising trade mark oppositions that are not progressing

Issue

The Trade Marks Act and Regulations do not currently give the Registrar sufficient powers to finalise opposition matters that are not progressing because the parties have disengaged from formal processes. When matters progress to the point of a final decision, parties must request a hearing or a decision on the written record. Both options require a fee. If the fee is not paid, an opposition can remain in limbo indefinitely. This creates uncertainty for businesses awaiting outcomes to assess their freedom to operate or progress their own applications. A number of these matters have accumulated and sit unresolved on the Trade Marks Register.

IP Australia previously consulted on an exposure draft of a proposed solution to this issue in the *Trade Marks Amendment (International Registrations, Hearings and Oppositions) Regulations 2025*. Submissions supported addressing unresolved oppositions but provided mixed feedback on the proposed solution. As a result, the proposal was removed from that package, and a revised solution is presented below for further feedback.

Preferred solution

Amend the Trade Marks legislation to give the Registrar the power to dismiss or finalise oppositions where *both parties* have abandoned the matter and are no longer participating. This would provide timely resolution, reduce unnecessary burdens, and prevent parties from exploiting procedural gaps.

As with the original proposal, this would apply to the most common oppositions in trade marks, namely oppositions to registration and opposition to removal of a trade mark from the Register for non-use, and their equivalent for international trade marks. It is proposed that the opposition may *only* be finalised if *neither* party has requested a hearing or a decision on the written record (including paying the relevant fees) within 3 months of being invited to do so. Also, if either party requests a hearing or decision on the written record *after* this timeframe and before the opposition is finalised, the matter will still be decided by the Registrar.

IP Australia expects it would be rare that a party that would have the opposition decided in their favour by default would pay for a hearing or final decision. However, we understand from submissions that there could be circumstances where this is desired, for instance to have a decision made on the record.

What happens when the Registrar finalises the opposition?

The outcome for an opposition finalised in this way will be the state of the Register had the originating party not commenced the action. For oppositions to registration (or protection of an international trade mark), this means the opposition would be dismissed and the trade mark would proceed to registration, absent other intervening factors.

For oppositions to non-use removal (or cessation of a protected international trade mark), this means the opposition would be ended favourably to the non-use opponent. The non-use action would fail, and the trade mark would remain on the Register. Noting that a party is at no risk of having the opposition ended unfavourably if they simply continue to participate in the opposition process. This is discussed in more detail in our response to submissions on the earlier [consultation](#).

When will the discretion be exercised?

This is a discretionary power and would only be used where the matter is not progressing and more than 3 months has passed. The discretion would not be used automatically when the matter reaches 3 months. Rather, it will become available no earlier than 3 months after the request for a hearing could have been made or the fee could first have been paid. The minimum of 3 months is consistent with other similar time periods in oppositions, noting the benefits to all parties of resolving these matters in a timely manner.

As part of this change, the Registrar would provide clear guidance on the exercise of discretion to finalise opposition matters, including on the circumstances and process for issuing warnings of an upcoming finalisation and allowing parties to respond.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 7: correcting trade mark ownership errors

Issue

There is currently no clear legal mechanism to correct ownership errors made when filing a trade mark application. While some types of mistakes can be fixed (e.g. listing a non-legal entity as the owner), applicants cannot administratively rectify situations where the wrong legal entity was named as owner at filing (e.g. filing in a personal name instead of related entity, or in the name of the wrong entity in a multi-corporate structure). This creates significant risks as trade marks may become vulnerable to opposition or cancellation, valuable rights may be lost due to innocent errors, and the Register may contain unenforceable marks. The problem particularly affects self-filers and small businesses, who may be unaware of the legal requirements and only discover issues during litigation.

Preferred solution

Amend the trade mark legislation to allow the Registrar to correct ownership errors before and after registration in defined circumstances (e.g. where entities are closely connected or act in concert) and with safeguards such as advertising changes and allowing affected parties to be heard. The change would be considered in determining whether ownership requirements have been met, supported by clearer court discretion to refuse to cancel a registered trade mark where a genuine mistake occurred in similarly defined circumstances.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 8: removing the requirement for certificates of verification for trade marks and designs

Issue

Trade mark and design applicants are currently required to file a certificate of verification with any translated document. This requirement is rarely relevant, adds unnecessary administrative burden, creates confusion for infrequent or unsophisticated users, and results in inconsistency with the patents system, where certificates are only required if the regulator reasonably doubts the accuracy of the translation.

Preferred solution

Amend the trade marks and designs regulations so certificates of verification are only required on a case-by-case basis, where the Registrar reasonably doubts the accuracy of a translation.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 9: expressly allowing virtual marking of products protected by patents, PBR and designs

Issue

Physical product marking is required to indicate the patented, registered design or PBR status of a product. When the rights change status, for example, when a patent expires, manufacturers must alter the physical product or packaging to avoid making false representations under the Patents Act, Designs Act or PBR Act. Product markings put competitors on notice that IP rights are in place and prevent competitors from making out an innocent infringer defence. However, updating physical markings on all future products can be costly and burdensome, particularly for small and medium enterprises. Virtual marks are already used in jurisdictions such as the United States and United Kingdom and may reduce compliance costs while providing accurate, accessible information for business. In Australia, current legislation does not expressly provide for virtual markings which may be deterring business from adopting them in place of physical markings.

Preferred solution

Amend the patents, designs and PBR legislation to expressly provide for virtual marking. A virtual mark, such as a QR code, barcode or URL, would direct people to an up-to-date online webpage maintained by the rightsholder listing the status of the relevant patents, designs or PBRs. Rights holders would only need to update the online information rather than modify physical products.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 10: introducing a grace period for PBR renewals fees

Issue

Plant Breeder's Rights (PBRs) can be lost if the annual renewal fee is not paid by the due date. Unlike patents, trade marks and designs, the PBR Act contains no grace period, meaning a missed deadline results in irreversible loss of rights. This creates a high risk of inadvertent lapses, particularly for small or regional businesses that manage multiple IP rights. The absence of a harmonised renewal process also creates inconsistency across IP rights.

Preferred solution

Amend the PBR Act to introduce a 6 month, non-extendable grace period for payment of renewal fees, modelled on the patents legislation. Under this approach, a PBR would cease if the renewal fee is not paid by the due date but could be kept in force if the fee is paid within 6 months, together with a \$100 per-month late fee. If the fee is not paid within that period it would cease permanently.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Proposal 11: removing herbarium deposit requirements for PBR

Issue

Under the PBR Act, it is mandatory for applicants seeking protection for plant varieties indigenous to Australia to provide an herbarium specimen deposit before a right can be granted. This is in addition to the requirement relating to all plant varieties that propagating material must be stored at a genetic resource centre. The Australian Cultivar Registration Authority (ACRA) has been declared the herbarium by the Registrar of PBR for this purpose.

When the PBR system was introduced to Australia in 1987, ACRA provided an advisory service to the PBR Office on taxonomic identification and growing trials. The herbarium deposit requirement supported this function. In more recent years, there has been less use of ACRA as an advisory service. This may be due to the PBR Register holding a repository of information about all PBR protected varieties and the ease of accessing information online. IP Australia has received feedback from PBR applicants and qualified persons that the herbarium deposit requirement can cause delays, add extra costs and provides little practical benefit to breeders working with native species.

Preferred solution

Amend the PBR Act to repeal the mandatory herbarium deposit requirement for native plant varieties. Deposits would instead become voluntary, allowing breeders to provide specimens should they choose to do so. This change would reduce cost and administrative delay, streamline applications, and improve alignment with the practical needs of applicants.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Are there any unintended consequences for repealing this requirement?

Proposal 12: closing the attorney re-registration loophole

Issue

The Trans-Tasman patent attorney regime is a joint regulatory and disciplinary framework established by Australia and New Zealand that provides a single registration system, and a single disciplinary process with the same professional standards for patent attorneys in both countries. The registered trade mark attorney regime under Australian law operates under a similar regime, but with effect in Australia only.

In May 2023, IP Australia and MBIE concluded a review of the Arrangement between the Governments of Australia and New Zealand relating to the Trans-Tasman Regulation of Patent Attorneys (the Arrangement). The review concluded that, at a high level, the regime is working well but recommended several improvements. Recommendation 8 stated “IPA and MBIE should review the reregistration and restoration criteria and consider providing more rigorous requirements of good fame, integrity, and character to those seeking reregistration or restoration. Ministerial consideration of possible amendments to the Patent Regulations may be required”.

Currently, a registered patent or trade mark attorney, who becomes aware of a complaint against them, can cease the disciplinary process by requesting voluntary deregistration. Later, the deregistered attorney can obtain restoration to the register, without having addressed the complaint. When the disciplinary process recommences, the attorney can repeat the same behaviour to indefinitely avoid the disciplinary process concluding.

Businesses depend on competent and ethical attorneys to assist them with their IP rights. The loophole prevents consumers from knowing crucial information about an attorney before they are engaged. It increases the risk that a registered attorney who has acted improperly in the past could continue to act improperly in the future, jeopardising the financial and business interests of unwitting clients. This may reduce the efficiency of the market for attorney services. It also reduces the efficiency of the attorney disciplinary regime, whose costs are ultimately borne by other attorneys and users via fees. Regulators of other comparable professions can continue disciplinary processes against deregistered professionals. For example, deregistered migration agents or former legal practitioners.

Preferred solution

IP Australia (in partnership with MBIE) proposes to amend the Patents Act and the Trade Marks Act to empower the regulations to:

- allow the investigation and discipline of deregistered IP attorneys
- govern how deregistered IP attorneys might be restored to the register. For example, the regulations could empower the Disciplinary Tribunal to bar restoration for some while, or forever; or introduce rigorous requirements of good fame, integrity and character to those seeking registration or restoration.

IP Australia (in partnership with MBIE) intends to consult further separately on the details of the amendments to the regulations at a later stage.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Do you have views on what safeguards for re-registration should be provided for in the regulations?

Proposal 13: removing office attendance requirement for patent attorneys

Issue

Under the Trans-Tasman regulatory regime, section 203 of the *Patents Act 1990* (Australia) and section 280 of the *Patents Act 2013* (New Zealand) require a registered patent attorney to be in regular physical attendance at their office and in continuous charge of the patents work undertaken there. This requirement no longer reflects modern workplace practices, where remote work and remote supervision are routine. It may impose unnecessary compliance costs, particularly on small firms. Other professional responsibilities (as set out in the Code of Conduct) already impose obligations on attorneys to appropriately supervise their juniors' work (whether that supervision occurs in person or virtually).

As part of the review of the Arrangement, IP Australia commissioned Dr Vivienne Thom to conduct an independent review into the effectiveness of the Arrangement. Recommendation 4 of Dr Thom's report states "IP Australia and MBIE should review the requirement in section 203 of the Patents Act to have a registered patent attorney in regular attendance at an office and in continuous charge of the patents work done at that office or place".

Preferred solution

IP Australia and MBIE propose to simultaneously amend or repeal s 203(b)(i) and corresponding New Zealand section 208(b)(i) to make clear that an attorney may supervise and be "in attendance" either physically or remotely.

Consultation questions

Do you support the proposal? Please explain the reasons for your view.

Section B: Issues for further investigation

This section sets out policy issues where IP Australia does not have a preliminary view on a preferred solution. We seek your views on whether a problem exists, and if so, how it might be addressed.

After considering stakeholder comments, IP Australia may develop preferred solutions and, subject to government priorities, may progress these issues in a later round of productivity enhancing reforms.

Policy issue 1: removing the declaration requirement for initial short extensions of time and limiting the time patents can be revived with an extension of time

Issue

Currently, parties seeking an extension of time under section 223 of the Patents Act generally must provide a declaration of the reasons for granting the extension. This imposes costs on applicants, particularly as they commonly engage patent attorneys or lawyers to prepare and file the declaration. In many instances, the risk of incorrectly granting a short extension of time may be small. Where the extension is short, the disadvantage to competitors and other third parties may be negligible.

An additional issue is that currently, lapsed or ceased patent rights may be reinstated with a successful extension of time application. From a third party's perspective, this could occur at any time after the right has lapsed or ceased. While there are current provisions that protect third parties from infringement proceedings if they exploit the invention in the time between the right lapsing or ceasing and it being restored, there are no protections against the time and money they may have invested to exploit the invention on the assumption that the right had lapsed or ceased.

Possible solution(s)

The legislation could permit one automatic extension of time for short periods (e.g. up to 3 or 6 months) per action, before the relevant deadline has passed. This would mean that the applicant would not need to submit a declaration but only pay a fee. A similar system exists during trade marks examination for the first 6 months of extensions.

Additionally, when a deadline has passed, a time limit (e.g. 3 months) could be imposed on filing requests for extension of time. This time limit would operate from the relevant deadline, rather than the removal of the barrier that prevented the applicant/patentee from meeting the deadline. This way, third parties will have clarity around when they can confidently exploit the lapsed/ceased invention without fear of the right being restored.

Consultation questions

Do you agree that a problem exists? If so, do you have a preferred view on how to solve it? Please explain the reasons for your view.

Policy issue 2: reforming patent timeframes

Issue

The patent system provides extensive mechanisms for applicants to prolong pendency of a patent application, both before and after examination. While flexibility to prolong the process often suits applicants, it may not suit the interests of third party competitors who may benefit from certainty sooner regarding their freedom to

operate. Third parties have options to reduce pendency before examination but have few effective mechanisms to reduce post examination request pendency. This is the case even if the competitor has a legitimate interest in resolving the application in a reasonable timeframe. Soon to be published economic research suggests that larger patent filers may be delaying finalisation of low value patent applications and that this impedes competitors from follow on innovation. Mechanisms to speed up the patent examination and grant process may encourage technological competition in the public interest.

Possible solution(s)

Provide a mechanism whereby a third party can indicate their interest in a particular patent application being resolved quickly. If the mechanism is activated, the applicant would still be given the time they genuinely need to resolve the issue (e.g. extensions of time with appropriate justifications, and divisional filing to overcome unity objections would continue to be permitted). However, once activated, flexibilities that permit the applicant to delay for commercial or tactical reasons (as opposed to genuinely addressing the issues raised in examination) would not be available. For example, the relaxed requirements flagged in the [previous proposal](#) would not apply. Nor would the ability to file a divisional application for reasons other than to overcome a unity objection.

Consultation questions

Do you agree that a problem exists? If so, do you have a preferred view on how to solve it? Please explain the reasons for your view.

Policy issue 3: streamlining the treatment of applications in respect of more than one design

Issue

The Designs legislation allows a single design application to include more than one design. This may involve multiple designs applied to a single product (for example a mug with different designs) or designs applied to different products (for example different designs applied to a mug, a plate and a bowl), so long as each product belongs to the same Locarno Agreement class. Each design included in such an application is allocated a separate design number, while forming part of a single application until registration.

The ability to file multiple designs in a single application helps to streamline the application process, reduce costs, and provide flexibility in managing design protection. However, preliminary stakeholder feedback suggests that the practical value of multiple design applications may be limited, and that the framework can be complex to understand and navigate. Some applicants have indicated that the risks and administrative complexity associated with filing multiple designs together may outweigh the benefits, particularly where designs do not progress through the system at the same time.

Filing a single application in respect of more than one design offers benefits, including:

- A reduced filing fee for the second and any subsequent design included in the application
- A common filing date across all designs in the application
- Convenience at the time of filing, as applicants can submit related designs through a single transaction.

However, applicants have also identified several challenges, including:

- An issue affecting one design may delay or prevent the registration of other designs in the application
- Where registration is requested for only some designs, unregistered designs may not be able to be separated into a different application at a later stage
- Tracking the status of individual designs can become complex when designs proceed at different times.

Possible solution

Amend the Designs legislation to streamline and reduce complexity in how applications for more than one design are handled after filing.

Consultation questions

Do you consider the drawbacks of filing a single design application in respect of more than one design unnecessarily limit the usefulness of such applications? If so, please explain your views.

Do you have a preference to how each design in a single design application should be treated? If so, please explain the reasons for your view.

Policy issue 4: increasing flexibility for filing excluded designs

Issue

Section 23 of the Designs Act requires an applicant to amend their initial application before filing an excluded design application and to do so within a prescribed regulatory period. An excluded design application lodged before the amendment request, or before the amendment is made, may fall outside the prescribed period. Although this does not invalidate existing registrations, it raises uncertainty for applicants and arguably imposes unnecessary complexity on applicants who must be careful to do the 2 actions in the required order. With around 900 excluded design applications filed annually, and many lodged on the same day as amendment requests, there are potential gains for applicants in considering a more streamlined approach.

Possible solution

Amend the Designs Act to clarify that the order of filing the amendment request and the excluded design application does not matter, provided both occur before the initial application lapses or is withdrawn.

Consultation questions

Do you agree that a problem exists? If so, do you have a preferred view on how to solve it? Please explain the reasons for your view.

Policy issue 5: clarifying exhaustion in the PBR Act

Issue

Section 23 of the PBR Act provides that a PBR owner's right over propagating material exhausts after the first sale of that material, unless the propagating material is either further produced or reproduced, or exported to a country that does not provide PBR protection for that variety, for a purpose other than final consumption.

In *Cultivaust Pty Ltd v Grain Pool Pty Ltd [2004] FCA 638* (Cultivaust), Justice Mansfield found that the sale of the first generation of propagating material (G0) exhausts the PBR in that material and gives the purchaser an implied licence to grow and sell the first generation of crop (G1). The implied licence does not extend to cover the sale of second and subsequent generations of crops, and authorisation is required to grow and sell any plants propagated from the G1 plant (G2+).

This implied licence doctrine complies with the PBR Act, but contrasts with the exhaustion doctrine under the *Patents Act 1990*. In 2020, the majority of the High Court found that for patents, the exhaustion doctrine, rather than the implied licence doctrine, applies. See *Calidad Pty Ltd v Seiko Epson Corporation [2020] HCA 41*.

The former Advisory Council on Intellectual Property (ACIP) Review of PBR Enforcement found after the Cultivaust decision there was confusion significant enough to cause inefficiencies in the industry.³ The University of Queensland's 2022 research report⁴ on this issue noted that there continues to be significant confusion on the operation of exhaustion.

For further discussion on exhaustion in the PBR Act, please see [University of Queensland PBR policy research | IP Australia](#).

Consultation questions

Is there still uncertainty in the industry around how exhaustion operates in the PBR Act? If so, please explain the impact of that uncertainty.

If the legislation was clarified, do you prefer the approach of the Cultivaust decision or the exhaustion doctrine?

Policy issue 6: clarifying how rights apply where harvested material is also propagating material

Issue

A PBR is an exclusive right in respect to propagating material of a protected variety, which can be extended to the harvested material and products of harvested material in certain circumstances. Propagating material is defined in the PBR Act as 'any part or product from which, whether alone or in combination with other parts or products of that plant, another plant with the same essential characteristics can be produced'. Seeds, cuttings and bulbs are examples of propagating material.

This right extends to the harvested material if the PBR owner did not have the reasonable opportunity to exercise their exclusive rights over the propagating material. Similarly, if the PBR owner did not have a reasonable opportunity to exercise their exclusive rights over both the propagating and harvested materials that were used without authorisation, the right may still extend to any products derived from that harvested material.

In Cultivaust, it was found that the sale of the first generation of propagating material (G0) implied a license for the purchaser to grow and sell the first generation of barley crop (G1). By nature, harvested barley can also be used for propagation. The court determined that the G1 crop is considered harvested material for the purpose of the PBR Act, and that in that case the PBR owner had reasonable opportunity to exercise their rights over the propagating material (G0) in the first instance. In the 2010 Review of PBR enforcement ACIP noted that the decision resulted in significant uncertainty as to when harvested grain is considered propagating material or harvested material and that industry has had to address these ambiguities in end point royalty schemes through private contracts.⁵

Possible solution(s)

In its 2010 [review of PBR enforcement](#), the former ACIP recommended amending the PBR Act to specify that any harvested material that can be used as propagating material will be considered propagating material for the purposes of section 11 of the PBR Act, regardless of how it is used. The University of Queensland's 2022 research report on harvested material made the same recommendation to clarify the provision.

³ Advisory Council on Intellectual Property, 2010, Review of enforcement of Plant Breeder's Rights, 74.

⁴ Charles Lawson, *Exhaustion and the Plant Breeder's Rights Act 1994* (Cth) (Black Jettie, 1st ed, 2022), prepared for IP Australia.

⁵ Advisory Council on Intellectual Property, 2010, Review of enforcement of Plant Breeder's Rights, 39.

For further discussion please see [University of Queensland PBR policy research | IP Australia](#).

Consultation questions

Is there a need to amend the definition of propagating material in the PBR legislation, so that it extends to all harvested material capable of propagation? Please explain the reasons for your view.

Are there any unintended consequences if this change were made? If so, please provide details.

Next steps

IP Australia, and where appropriate in partnership with MBIE, will carefully consider all submissions and take them into account when advising Government on which issues to take forward as part of the productivity agenda.

Subject to Government decisions, proposals will be progressed as legislative priorities allow. It is not possible to give a specific timeframe for when the legislation may be made.

IP Australia will work in partnership with New Zealand Government (MBIE) on proposals 12 and 13, including considering submissions, advice to both Governments and any future public consultation on the proposals related to the Trans-Tasman IP attorney regime.

We also welcome any other ideas that you may have to streamline and simplify IP regulation. These can be submitted at any time via consultation@ipaustalia.gov.au or via our [Policy Register](#).