

20 January 2016

The Hon J L B Allsop AO
Chief Justice
Federal Court of Australia
Chief Locked Bag A6000
Sydney South NSW 1235

By email: nswdr@fedcourt.gov.au

Dear Chief Justice

Consultation on draft Federal Court Central Practice Note and draft National Court Framework Practice Notes

Thank you for inviting the Law Council of Australia to provide comments on the Draft National Court Framework Practice Notes.

The Law Council commends your Honour and the Court for this initiative and the aims of the national framework reform project more generally, and it welcomes the proposed simplification of the Court's practice notes.

The Law Council acknowledges contributions from the Law Society of South Australia, the Law Institute of Victoria and the following Section committees:

- the Taxation Committee of the Business Law Section;
- the Intellectual Property Committee of the Business Law Section;
- the Federal Court Liaison Committee of the Federal Litigation and Dispute Resolution Section (FLDRS);
- the Alternative Dispute Resolution Committee of the FLDRS;
- the Administrative Law Committee of the FLDRS; and
- the Industrial Law Committee of the FLDRS.

For ease of reference, comments on the draft Central Practice Note and draft National Practice Area (NPA) Practice Notes are presented in **Attachments A – F**.

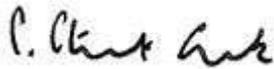
The Taxation Committee's comments, previously lodged, are at **Attachment G**.

The United Kingdom's [Patents Court Guide](#) (2015) is at **Attachment H**.

A brief profile of the Law Council is at **Attachment I**.

Thank you again for the opportunity to provide these observations and to be involved in the development of the new Practice Notes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Stuart Clark'.

S. Stuart Clark AM
PRESIDENT

Comments on the draft Central Practice Note

1. The Law Council of Australia generally supports the approach taken in the draft [Central Practice Note: National Court Framework and Case Management](#).
2. The Law Council endorses the Court's proposed pro-active approach to the first pre-trial case management hearing where the Court aims to identify the real issues in dispute, assess the steps taken to resolve the dispute, and to encourage parties to re-assess whether claims or defences raised ought be maintained or abandoned.
3. The Law Council has long been a supporter of effective case management and alternative dispute resolution. The Law Council first adopted a national policy on Alternative Dispute Resolution in 1989 and reaffirmed it in 2008.
4. Comments welcoming the Court's approach to this active case management approach are provided further below in comments from the Industrial Law Committee at [27], the Intellectual Property Law Committee at [46]–[51] and the Law Society of South Australia at [76].
5. The Law Council queries whether [13] in the Central Practice Note should refer to the *Civil Dispute Resolution Act 2011* (Cth) and the *Federal Court Rules 2011* (Cth) (**the Rules**) regarding the requirement to file a “genuine steps” statement.
6. The Law Council notes that, to the extent that the Practice Notes refer in places to practitioners liaising directly with the Duty Judges' chambers and self-represented litigants liaising with the Registry (such as at [4.2]–[4.3] in the [Commercial and Corporations NPA Practice Note](#)), risks may be created that self-represented litigants may raise allegations of perceptions of bias.
7. As a general comment, the Law Council suggests that the Central Practice Note include a statement that in the event of any inconsistency with the *Federal Court of Australia Act 1976* (Cth) (**the Act**), the Rules and the Practice Notes; the Act and the Rules will prevail to the extent of any inconsistency.

Responsibility for drafting submissions

8. The draft *Central Practice Note* provides at [14.1] that the preparation of written submissions filed in the Federal Court should be the responsibility of the advocate who is to address the Court at the hearing. It provides

[W]ritten submissions ... should not be prepared by supporting lawyers who, too often appear anxious to see every single point, however minor, addressed exhaustively. Voluminous, repetitive and prolix submissions may be rejected by the Court with consequential costs orders.
9. The Law Council agrees that succinct submissions can effectively summarise and simplify the issues in dispute, and assist the Court in writing judgments.
10. We also appreciate the value of requiring the advocate who is to address the Court at the trial having responsibility for (and thus settling) written submissions.

11. The Court may be aiming to prevent a situation that does occur from time to time whereby the advocate puts oral submissions that are different to the written submissions prepared by the supporting lawyers. In particular the Court is not assisted by written submissions that address a great variety of potential points (which necessitate the other party and the Court understanding them before the hearing), only for a party to either abandon them or put them only formally at the hearing.
12. The Law Council is concerned, that as drafted, the current provision removes (or discourages) an appropriate role for supporting lawyers in the preparation of a matter for hearing and their involvement in the preparation of written submissions. Experienced solicitors are very good and efficient at preparing drafts of submissions for review by counsel, especially given their usually detailed role in the gathering of evidence and the preparation of affidavits. Often their background knowledge of the proceeding's makes them more appropriate to draft such submissions.
13. The Law Council supports the Practice Note emphasising the need for advocates appearing at the hearing to take personal responsibility for the content of the written submissions, and to have an active role in their preparation as well as their final form. However, it objects to the Practice Note dictating that submissions "should not be prepared by supporting lawyers". The Law Council would support text to the effect that written submissions should be as succinct as possible and focussed on issues of substance; that they should not exhaustively address every point in the case, however minor; that the lawyer or lawyers who are responsible for their presentation to the court should have direct involvement in the framing, preparation and finalisation of the submissions; and that excessively voluminous, repetitive and prolix submissions may be rejected by the Court with consequential costs orders.
14. The Law Council considers that it should not matter who drafts documents for filing in court providing the advocate appearing in court reviews and clears each submission and endorses the document appropriately.

Minor comments

- Cross-referencing within the Draft National Practice Area Practice Notes
 - Re [5.4] of the Draft Practice Note for the Employment and Industrial Relations National Practice Area
 - Should a cross-reference be added to [13] in the Central Practice Note after "*necessary pre-trial hearing*" so as to better explain the effect of the phrase in the [5.4] of the Employment and Industrial Relations Draft Practice Note?
- "address" in [12.3] should be "addressed".

Comments on the draft Practice Note – Administrative Law, Constitutional Law and Human Rights National Practice Areas

15. The Administrative Law Committee (the AL Committee) of the Law Council's Federal Litigation and Dispute Resolution Section generally supports the approach taken in the draft Practice Note for the [Administrative Law, Constitutional Law and Human Rights National Practice Area](#).

Applicable Constitutional and Legislative Provisions

16. Paragraph [6.9] requires “each party ... to file and serve electronically a bundle of the particular constitutional provisions, statutes and regulations applicable to the questions the subject of the application, including any transitional or savings provisions.
17. The AL Committee notes that [6.9] involves a transfer of workload from the Court to the parties, and in reality usually the respondent, where the applicant is self represented or represented by a small firm. Judges currently ask for bundles of legislation in some, but by no means all cases.

Additional Requirements for Administrative Law Cases

18. The draft [Practice Note on Administrative Law, Constitutional Law and Human Rights](#) provides at [6.11]

Additional Requirements for Administrative Law Cases

6.11 Where the Federal Court Rules do not already provide, any reasons given for the decision under review are to be filed with the originating application if the applicant has them, otherwise by the respondent within 10 business days of the date of service of the application.

6.12 Where the Federal Court Rules do not already provide, a respondent may be directed to file promptly the material before the decision maker at the time of making the decision.

19. The AL Committee suggests that the Court may wish to clarify [6.11] by omitting “*if the applicant has them, otherwise by the respondent within 10 business days of the date of service of the application*”. This would remove any suggestion that a respondent has a duty to file a reasons statement in the Court within 10 days of service of the application in circumstances where the respondent has not given any reasons to the applicant, or if the applicant has mislaid them.

A respondent should not be under a duty to give reasons, and in some circumstances may be expressly exempted from such a duty under the *Administrative Decisions (Judicial Review) Act 1989* (Cth) (**AD(JR) Act**) [s 13\(11\)](#), and Schedule 2.

20. Paragraph [6.11] could possibly be read:

- requiring the provision of a statement of reasons, if one has not already been provided, within 10 business days after the application, or
- implicitly making a statement of reasons, filed within 10 business days, admissible in the proceedings where it otherwise might not be (a statement that was not in the form of an affidavit, written after the case commenced, could currently be objected to by the applicant).

21. As either of these interpretations would be a significant change in the law, the AL Committee infers that [6.11] is intended merely to require the filing of any statement of reasons that may exist. The AL Committee suggests that there may be benefit in clarifying this.

22. The AL Committee does not read [6.11] as a rule about admissibility of a reasons statement but regards [6.11] and [6.12] as concerning the filing of evidence at an early stage. Then at the later stage paragraphs [9.1] and [9.2] would apply. It is assumed that public interest immunity and privilege claims qualify [6.12], which is a discretionary power to give directions.

Comments on the draft Practice Note – Employment and Industrial Relations National Practice Area

23. The Industrial Law Committee (the IL Committee) of the Law Council's Federal Litigation and Dispute Resolution Section generally supports the approach taken in the draft [Practice Note for the Employment and Industrial Relations National Practice Area](#).
24. The IL Committee endorses the Court adopting a pro-active approach during the pre-trial case management conference to identify the real issues in dispute and to encourage parties to re-assess whether claims or defences raised ought be maintained or abandoned.

Preparation of evidence

25. The Consultation Draft Practice Note provides [9.1]–[9.2]:

To the extent that the proceeding involves questions of fact that are in controversy or are not admitted (under Part 22 of the Federal Court Rules or otherwise), the Court will usually expect evidence-in-chief at trial to be led orally.

To the extent that evidence is to be given orally at the final hearing, the parties will be expected to exchange (but not to file) an outline of the evidence proposed to be given in chief by each witness. This should be done as early as possible and no less than 14 days before the commencement of the final hearing. Such outlines of evidence are by way of disclosure of the case of the party and will not, subject to the leave of the Court, be the subject of cross-examination or be tendered as a prior statement of the witness.

26. The IL Committee appreciates that the Court is concerned to ensure that witnesses who give contested evidence are provided with an occasion to give their oral evidence without the immediate pressure of cross-examination. This also affords the Court a better opportunity to assess their evidence. The IL Committee is concerned, however, that these requirements may:
- tend to increase overall legal costs and court time, since lawyers will usually still prepare witness statements in advance of a hearing, while time in Court will be extended by a requirement for a witness to give oral evidence as to all relevant matters including those not in contest;
 - make it more difficult for the parties and their lawyers to assess the strengths and weaknesses of each case at an early point in time when settlement is more likely; and
 - detract from the orderly preparation of the matter for hearing, especially the requirement that only an “outline of evidence” be prepared and that outline be served no less than 14 days prior to trial.

27. The IL Committee notes that the usual practice in relation to the preparation of a matter for hearing is that a legal practitioner would obtain a detailed statement or proof of the effect of controversial evidence, including of key conversations that are disputed or likely to be disputed, from a witness well in advance of 14 days before the trial.
28. The IL Committee anticipates that a requirement for the service of outlines of evidence only, and the necessary increased time in taking evidence orally only, may lead to the elongation of the trial, particularly for the reception of non-controversial evidence. This risks increasing parties' legal costs.
29. The IL Committee understands that the Practice Note provides guidance and that its application can be adjusted for a particular case. The IL Committee nevertheless suggests that the Court may wish to consider the following text as an alternative to [9.1]–[9.2]:

Each witness (whether addressing a controversial or non-controversial issue) should prepare and file an affidavit within the timeframe specified in directions made at the initial case management hearing, or within two months of that hearing if no timeframe was specified. ;

Each affidavit should set out relevant background matters, such as job titles and qualifications.

Each affidavit should contain material that sets out a chronology of relevant events, including:

- *correspondence sent, received or prepared, whether addressing a controversial or non-controversial issue, and annexes or exhibits of such correspondence (including contracts, emails, letters and file notes); and*
- *the time and place of conversations, whether controversial or non-controversial. For example "On [date], at approximately [time], I met Ms Smith at [location]. The meeting lasted for approximately [time period]."*

Conversations that are expected to be non-controversial should be set out in the usual way.

30. This alternative proposal :

- enables the parties and the legal practitioners to be provided with notice of the effect of controversial evidence well in advance of the trial and the minimum 14-day timeframe specified in [9.2] of the Consultation Draft Practice Note;
- enables the parties and legal practitioners to determine the real issues in dispute and may enable other interlocutory steps, such as discovery, to be resolved or conducted more quickly or effectively.
- enables the Court to receive into evidence an affidavit disclosing controversial and non-controversial evidence in a time and cost effective manner with less inconvenience to the witnesses due to shorter periods spent attending or waiting at the hearing, and with a shorter hearing time;

- enables the parties and legal practitioners to assess or re-assess the strength and weaknesses of claims and defences in a more detailed manner that may facilitate the earlier settlement of matters;
 - affords the Court, because of the requirement that contested evidence be addressed orally in examination in chief, an opportunity to observe, and assess the credibility of each witness, at least in relation to contested issues, and thus enables the Court to meet part of the implied object of [9.1] and [9.2] of the Consultation Draft Practice Note; and
 - affords witnesses a period of time to settle in the witness box, ameliorating a practical concern over the current system of calling witnesses.
31. The IL Committee also suggests that a precedent affidavit accompany the final form of the Practice Note to provide guidance to both legal practitioners and self-represented litigants on the appropriate contents of affidavits.

Minor comments

32. The IL Committee also makes the following observations concerning various paragraphs in the Consultation Draft Practice Note:
- Re [2.1] – generally, and in view of [2.1(i)], should the paragraph indicate that a claim for declaratory relief relating to the jurisdiction or power of the Fair Work Commission be classified as within the Employment and Industrial Relations NPA?
 - Re [2.1] – Should the Practice Note indicate how issues of judgment concerning whether a matter falls within the Employment and Industrial Relations NPA are to be resolved? A possible approach could be for the Practice Note to permit an additional one-page statement addressed to the National NPA Registrar to be filed that seeks a determination, and for the National NPA Registrar to advise the parties within 14 days of the determination.
 - Re [2], first sentence – Should “and” be replaced with “and/or” so that it reads:

The Employment and Industrial Relations National Practice Area (NPA) incorporates proceedings that are substantially of a character of employment and/or industrial relations.
 - Re [2.1(a)] – Should the sub-paragraph include “and regulations”.
 - Re [2.1(g)] – Is the second reference to “jurisdiction” a typographical error, which should read “the matter”?
 - Re [2.1(k)] – Should the following be added at the end of this sub-paragraph:

“, including proceedings to enforce a restraint contained within an employment contract”?
 - Re [2.2] – Should this also refer to the [Fair Work \(Building Industry\) Act 2012](#) (Cth)?
 - Re [4.3] – Should the reference to “*supporting material*” be replaced with “*statement of claim or affidavit(s)*” so as to avoid confusion over the nature of the “supporting material”?

- Re [4.4] – Should this recognise expressly that, while some types of matters need to be commenced by an application and affidavit, there will be other types of matters that can be commenced either by way of an application or a statement of claim and in respect of those matters the Court may require, in an appropriate case, a party that has commenced by way of application and affidavit to also file a statement of claim (or similar document)?
- Re [4.4] and [4.5] – Should these paragraphs recognise the ability of a party to file further affidavits or material to make out its case, in addition to the supporting affidavit? Should these paragraphs also recognise that the supporting affidavit is intended to elucidate the claims made or arguments to be put, and is not necessarily intended to represent the entire evidentiary case of a party?
- Re [4.6] – Should this be moved so as to appear immediately after [4.2]?
- Re [4.6] – Is it better to replace “*the Court will facilitate the filing of an affidavit*”, with “*the Court will expect an affidavit to be filed*”?
- Re [4.7] – Should the practice set out in this paragraph extend to a claim for declaratory relief relating to the jurisdiction or power of the Fair Work Commission?
- Re [5.3] generally: should this text address objections to evidence and the issue of section 78B notices?
- Re [5.3(j)] – Should the paragraph also address the possibility of separating questions of liability from penalty?
- Re [5.4] – Should a cross-reference be added to [13] in the Central Practice Note after “*necessary pre-trial hearing*” so as to better explain the effect of the phrase in [5.4]?
- Re [9.1] – Should the method by which the parties are to raise with the Court “any agreement” be addressed by the Re [?
- Re [10.1] – Should the practice note address when the question of costs is to be addressed (and, in particular, at the trial or a separate (subsequent) hearing)?

Comments on the Draft Practice Note – Central Practice Note and Intellectual Property National Practice Area

33. The Intellectual Property Committee of the Business Law Section of the Law Council of Australia ('the IP Committee') and the Law institute of Victoria particularly welcome the National Court Framework and the draft Practice Note for the [Intellectual Property National Practice Area](#) (IP NPA).

General comments

34. We query whether further streamlining might be possible. We are aware of the approach of the Patent Court of the United Kingdom's High Court which has achieved a significant measure of success in reducing the length and cost of patent trials, in part in response to competition from the civil law approach in Germany.¹ For the information of the Court a copy of the UK *Patents Court Guide* is attached, parts of which we refer to below. This document, and the rules of the Court, contains a clear and concise set of procedures which have a great deal to commend them. Certainly, many of our colleagues in the UK have suggested that they contribute to the significant improvement in the efficiency being achieved in the UK Patents Court in recent years.

35. Under the UK Patents Court's optional streamlined procedure for patent litigation:

- All factual and expert evidence is in writing;
- There is no requirement to give disclosure of documents;
- There are no experiments; and
- Cross examination is only permitted where necessary.²

36. Cases can proceed under this framework at the agreement of the parties, or if the Court so directs, in suitable cases, on the application of a party. Any party may apply for their case to be conducted under the streamlined procedure. The trial date is fixed at the time of the Order to conduct the proceeding under this framework. The trial duration is also fixed, and is usually one day.³

37. The procedure might be appropriate in some circumstances, particularly when patents with a limited value at stake are involved, as it is far less expensive and time consuming than the standard procedure.⁴

The triage process

38. The IP Committee embraces the Federal Court's concept of a triage process by which the Court will seek to match, by capacity and experience, the most appropriate available judge to matters as they are filed.

¹ See for example <https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part63> and https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part63/pd_part63

² United Kingdom, High Court, *The Patents Court Guide* (2015) [7.6].

³ Richard Miller, Guy Burkill, Colin Birss and Douglas Campbell (eds) *Terrell on the Law of Patents* (Sweet & Maxwell, 17ed, 2011), [18–136].

⁴ Sebastian Moore, 'The Patents Court's streamlined litigation procedure – two years on' (2005) *Journal of Intellectual Property Law & Practice* 1(2), 113.

39. The IP Committee notes that patent litigators, in particular, have in recent decades evolved a very simplified and largely standardised set of pleadings. This may make it difficult for the Court to determine from the pleadings themselves the true character of new proceedings. Accordingly, the IP Committee would be pleased to engage with the Court as to whether there is information which practitioners may provide to the Court on filing (or at some appropriate subsequent stage) that may assist the Court in most appropriately allocating each new docket to ensure an optimal allocation given the capacity and experience of the available docket judges.
40. The IP Committee notes that [2.1] of the draft IP NPA Practice Note suggests that all applications under the AD(JR) Act should be excluded.
41. The IP Committee suggests that this be reconsidered. Many applications involving the prosecution of Patent Applications or other issues arising in relation to intellectual property rights result in applications under this Act and would most appropriately be considered under this NPA. The Court will appreciate that such applications can involve complex technology.
42. The IP Committee also recommends that matters involving geographical indications be included within the IP NPA.

The first directions hearing – case management conference

43. In the UK Patents Court, the first hearing is described as a pre-trial case management conference (CMC).
44. As in the UK, the IP Committee sees considerable merit in the use of a quite informal, and continuing CMC. By informal, the IP Committee is intending to identify a process by which the Court facilitates the parties reaching early identification of the issues and which develops an efficient and cost-effective process to a known trial date with a minimum of formality. Practitioners with experience of the old Victorian Fast Track List refer to the way in which the Court utilised such conferences as a way of cutting through otherwise intractable procedural disputes, quickly and efficiently, without reams of correspondence and lengthy affidavits.
45. In some proceedings, it may well be that the CMC and the Directions Hearings will in practice merge or where the distinction will cease to be meaningful. The use of the term “conference” perhaps aptly connotes a working hearing, focussed on practical management of the proceeding.
46. The IP Committee believes that the essence of the process must be decisive decision making, strongly enforced. The IP Committee encourages to Court to assume a willingness to enforce directions so that compliant parties are not effectively placed at a disadvantage by leniency or indulgences being too readily extended to non-compliant parties
47. The UK *Patents Court Guide* contains templates for orders following the case management conference and following judgement. The templates plainly include a wide array of possible orders, only some of which are likely to be applicable to any particular proceeding. They appear, however, useful in that they provide a guide or checklist to both the parties and the Court of matters that may need to be dealt with and that can, where appropriate, be the subject of discussions leading up to the case management conference raised during that conference.

48. Accordingly, the IP Committee commends to the Court the concept of providing such templates in the practice direction, not for the purpose of constraining or confining the exercise of the Court's powers and discretions, but for the purpose of facilitating a consistency of approach across the practice group area beginning at the first case management conference.

Fixing a trial date

49. Fixing the trial date early in the proceedings promotes certainty and clarity. The IP Committee recognises that it can often be difficult to fix a trial date at an early stage due to the complexity of patent litigation, but welcomes the timing set out in the Draft Central Practice Note at [8.4], [8.8], [13.1] and [16.1]. In particular, the IP Committee supports the Federal Court's endeavours to, wherever possible, set matters down for hearing within 6 months of the case management hearing and, in the ordinary course, deliver judgment within 3 months of the final submissions.
50. The IP Committee considers that setting and maintaining clear timeframes promotes efficiency and will encourage parties to ensure that only the most significant issues are raised at the hearing. The IP Committee notes that the timing set out in the Draft Central Practice Note has not been explicitly referred to in the IP NPA Practice Note, and that some comments in the IP NPA Practice Note could be interpreted as suggesting an alternative approach.
51. The IP Committee suggests that the language around timing for IP NPA matters be clarified to ensure that the timing in the Draft Central Practice Note covers IP NPA matters, or that this approach be set out expressly in the IP NPA.
52. The IP Committee also notes that in the UK Intellectual Property Enterprise Court, and under the streamlined procedure in the UK Patents Court (discussed below), the trial date or a trial window is usually fixed at the CMC.⁵ A trial 'window' refers to a period of time, in which the eventual trial date will fall.⁶ The trial window is determined based on submissions from the parties as to the estimated length of the trial, the complexity of the issues, the time required for the judge to consider the documents and the area of technology.⁷ The practice in the UK suggests that trial dates are set down early in the proceedings.⁸ This has the very substantial benefit of both providing certainty for the parties and imposing a discipline on them.
53. The IP Committee therefore supports the setting of timeframes as early as is practicable for the Federal Court, and submits that the practice of the UK Patents Court, in at least fixing a trial 'window' at the end of the first CMC, should be adopted by the Federal Court, to support efforts to set matters down for hearing within 6 months of that CMC.

Standard discovery in patent actions

54. The draft Central Practice Note observes that discovery is made pursuant to the *Federal Court Rules 2011* (Cth) (the Rules).⁹ [Rule 20.14](#) provides for standard

⁵ Richard Miller, Guy Burkill, Colin Birss and Douglas Campbell (eds), *Terrell on the Law of Patents* (Sweet & Maxwell, 17ed, 2011), [18–136].

⁶ See Michael Davison, 'Introduction to civil proceedings in England', Hogan Lovells, *Lexology* (1 May 2013) (accessed from: <http://www.lexology.com/library/detail.aspx?q=91598c14-7fed-400e-8485-161627d03ffb>).

⁷ CPR, Pt 63, Practice Direction 63 – Intellectual Property Claims, [5.11].

⁸ Christian Helmers and Luke McDonagh, 'Patent Litigation in the UK' (2012) *LSE Law, Society and Economy Working Papers 12/2012*, 7.

⁹ See Federal Court of Australia, [Draft Central Practice Note](#), Consultation Draft (16 October 2015), [10.1]–[10.3].

discovery in Federal Court proceedings. The provision is similar to the Civil Procedure Rules in the UK High Court relating to standard discovery. However, discovery in the UK Patents Court is more limited. The following documents are not subject to standard discovery in Patents Court cases:

- Documents relating to the infringement of a patent where the defendant serves the claimant full particulars of the product or process alleged to infringe, including any necessary drawings or illustrations;¹⁰
 - Documents relating to any ground on which the validity of a patent is put in issue, except documents which came into existence within the period beginning two years before the earliest claimed priority date and ending two years after that date;¹¹ and
 - Documents relating to commercial success.¹² However, where commercial success is in issue, the patentee is required to provide summaries of the revenues received from the patented product or process, and the revenues received from an equivalent product or process prior to the patented invention.¹³
55. The IP Committee recommends that the Federal Court consider adopting these exceptions from the standard approach in patent cases (subject to exceptional circumstances being demonstrated).
56. The IP Committee also recommends a further exception; that the inventor's records are not subject to standard discovery unless the patentee indicates that they intend to rely on those records to demonstrate the difficulties encountered in arriving at the invention. This is consistent with the judgment of the High Court in *Wellcome Foundation Ltd v VR Laboratories (Aust) Pty Ltd* [1981] HCA 12, which held that the inventor's records were unlikely to be helpful on the issue of obviousness.¹⁴
57. Some judges in the Court already order limited discovery to similar effect, but adopting the exceptions expressly in the Practice Notes would provide a standard point of reference. Of course, as with the case of model directions discussed above, the Court has discretion to order special discovery which deviates from standard discovery in appropriate circumstances.

Primers

58. The draft IP NPA Practice note at [5.4(d)] and [6.6] – [6.11] refers to primers; at [6.12] – [6.13] refers to concise statements; at [6.14] – [6.16] refers to descriptions of a Product, Method or Process; and at [6.17] – [6.19] refers to an Agreed Statement or Table.
59. The IP Committee agrees that an agreed primer (and other agreed documents described in Part 6) can be helpful in appropriate cases, to assist in explaining the relevant technology at the hearing and narrowing the issues in dispute. However, the IP Committee is mindful that such documents can often be difficult for parties to agree upon and can in practice add considerably to cost, if not managed effectively by both sides and the Court.

¹⁰ CPR, Pt 63, Practice Direction 63 – Intellectual Property Claims, [6.1(1)].

¹¹ CPR, Pt 63, Practice Direction 63 – Intellectual Property Claims, [6.1(2)].

¹² CPR, Pt 63, Practice Direction 63 – Intellectual Property Claims, [6.1(3)].

¹³ CPR, Pt 63, Practice Direction 63 – Intellectual Property Claims, [6.3].

¹⁴ *Wellcome Foundation Ltd v R Laboratories (Aust) Pty Ltd* [1981] HCA 12, [46]–[48].

60. The draft IP NPA Practice Note proposes consideration of an agreed primer as early as the first case management hearing, and before the parties' evidence has been prepared. The IP Committee considers that this may often be too early in the proceeding for the parties to have formed a view on the agreed and contentious facts or, in some cases, even engaged, or at least received preliminary advice from, an expert to assist with the preparation of the material.
61. The IP Committee also considers that, for the same reasons, the commencement of the proceeding is too early for a tutorial to be conducted.
62. Although the proposed Practice Note suggests amendments and revision of the agreed primer during the proceeding as issues arise, this runs the risk of increasing costs through the duplication of evidence preparation and negotiating amendments to the primer.
63. The IP Committee therefore suggests that the Court exercise caution in directing that a primer be agreed between the parties, and consider directing what time is appropriate for the preparation of any such primer or agreed document, only after at least one party's evidence has been filed.

Expert witnesses

64. In intellectual property cases, especially patent cases, the IP Committee submits that the Court should ordinarily expressly make a direction limiting the number of expert witnesses that can be called by each party. This will have three main benefits.
 - A limit on the number of witnesses that can be called will encourage parties to focus on the critical elements of the case and narrow the issues in the proceeding;
 - Fewer witnesses will mean less evidence needs to be prepared by each party, which as a result will reduce the time and cost to the parties and the Court; and
 - Presently, parties call multiple witnesses to insure against potential negative inferences that might arise from not calling a relevant witness. A limit on the number of witnesses will mitigate any adverse inferences, and will encourage parties to select the most relevant witnesses.
65. The IP Committee notes that there is a variety of ways in which the scope of the expert evidence can be reduced to focus on the matters genuinely in issue between the experts but that the optimal approach may vary significantly between cases. Options open to the parties may include, after Tyco issues have been dealt with, an early physical or virtual meeting, between experts, the circulation of a draft primer (not for agreement but to identify any areas of conflict) and the early circulation of the moving party's expert evidence amongst others.
66. Accordingly the IP Committee recommends that the approach to the way in which expert evidence will be dealt and the way in which the Court may most usefully be instructed on relevant technology be discussed at the first Case Management Conference.

The Tyco issue

67. The draft IP NPA Practice note at [5.4(d)] raises as an issue to be dealt with at the Case Management hearings in patent proceedings, “*the way in which experts are introduced to the patent and the prior art*”.
68. In relation to these words, the IP Committee agrees that the way in which the experts are introduced to the patent and the prior art is frequently a significant matter in a patent case and that it would be beneficial to address this at an early stage. In particular, the manner in which experts are briefed can leave them exposed to the criticism that any inventive step analysis undertaken by the expert is tainted by hindsight (such as occurred in *Minnesota Mining & Manufacturing Co v Tyco Electronics Pty Ltd* (2002) 56 IPR 248).
69. The risk of the influence of hindsight is well known in patent law and it is prudent for a party to take measures to eliminate or reduce it. The IP Committee suggests that an appropriate way of addressing this risk is to identify it at an early stage and permit a party sufficient time to address it. Another possibility that has been raised in the past is whether the parties might agree that *Tyco* does not apply. However, the IP Committee believes that it is unlikely that the parties would be able or willing to do so.
70. The question whether hindsight bias has occurred is a question of fact. It is difficult to see how the parties could effectively agree that such a fact did not exist. Furthermore, it is unlikely that a patentee, properly advised, would be willing to do so, in particular prior to the preparation of the evidence.

Comment on the Draft Practice Note – Native Title National Practice Area

71. The Law Society of South Australia wishes to advise the Court that in its view, the [Draft Native Practice Note Native Title National Practice Area](#) is drafted in broadly satisfactory terms.
72. The Society notes that whilst appearing to be fairly prescriptive in nature, the proposed Practice Note “*is intended to set out guiding principles for the conduct of these proceedings and is not intended to be inflexibly applied*”.
73. There is certainly merit, in the Society’s view, in having flexible guiding principles which focus attention on the issues to which the relevant legal practitioners should give consideration, including the issues set out in [6.2] of the Practice Note, with regard to first case management hearings.
74. At the present time, in the absence of these guiding principles, it is often unclear as to what the Federal Court’s expectations may be, particularly at the time of the first hearing.
75. The Society has some concerns about [6.2(h)], which proposes that careful consideration be given at the time of the first hearing as to “*how the matter should be pleaded: whether by way of statement of issues, facts and contentions, formal pleadings or points of claim and defence*”. The Society understands that as most native title claims lead to a consent determination of native title, there is generally no need for more formal pleadings than the originating application in the standard form in the Federal Court, i.e. the Form 1. Accordingly, there is, in the Society’s view, no need for consideration regarding greater formality as to the facts and contentions which may be asserted by the parties unless and until it becomes likely that the claim will proceed to a contested trial.

Comments on the Draft Practice Note – Taxation National Practice Area

76. The Law Society of South Australia notes that the [Draft Practice Note for the Taxation National Practice Area](#) includes a *pro forma* questionnaire that includes a question under heading “Related Taxation Matters?” which states:

“Are there taxation appeals filed or to be filed in the Federal Court or the AAT involving:

....

(2) a different taxpayer and the same/related issues?

if so, outline the stage these matter(s) have reached”.

77. The Society considers that this should be removed, on the basis that a practitioner is unlikely to know that another, unrelated, person has or is about to file a claim on a similar issue.
78. Comments made by the Taxation Committee of the Law Council’s Business Law Section follow. These have been lodged separately also.



The Hon Justice Tony Pagone
Federal Court of Australia
305 William Street
MELBOURNE VIC 3000
Via email: vicreq@fedcourt.gov.au | practice.notes@fedcourt.gov.au 27 November 2015

Dear Judge,

National Tax Practice Consultation Process: Draft Taxation National Practice Note

This is a submission made on behalf of the Taxation Committee of the Business Law Section of the Law Council of Australia (LCA).

The LCA represents a large proportion of the persons who advise and represent both taxpayers and the Commissioner of Taxation in proceedings in the Federal Court.

The LCA welcomes the opportunity to provide comments for the consideration of the Federal Court on the Draft Taxation National Practice Note (Tax Note) and the Draft Central Practice Note (CPN).

Summary of submission

The LCA wholly endorses the focus on early identification of essential issues with a view to facilitating both the early resolution of disputes and (if early resolution is not possible) the efficient and expeditious conduct of tax disputes.

The LCA submits that the Court should consider the following revisions to the Tax Note to better achieve those objectives:

1. Clarify the circumstances when the Court will consider hearing like cases together or sequentially.
2. More specific guidance on the form and content of appeal statements, whilst maintaining the flexibility of those documents having regard to the circumstances of each case. This would be of particular assistance to self-represented litigants, and advisers who do not regularly appear in the Federal Court tax list.
3. A requirement that the Commissioner file and serve within 14 days of receipt of the applicant's appeal statement a document stating in respect of each fact contended for by the applicant whether the Commissioner admits, does not admit, or denies that fact.

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The Patents Court Guide

Issued October 2015

By authority of the Chancellor of the High Court

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Profile of the Law Council of Australia

The Law Council of Australia exists to represent the legal profession at the national level, to speak on behalf of its Constituent Bodies on national issues, and to promote the administration of justice, access to justice and general improvement of the law.

The Law Council advises governments, courts and federal agencies on ways in which the law and the justice system can be improved for the benefit of the community. The Law Council also represents the Australian legal profession overseas, and maintains close relationships with legal professional bodies throughout the world.

The Law Council was established in 1933, and represents 16 Australian State and Territory law societies and bar associations and the Law Firms Australia, which are known collectively as the Council's Constituent Bodies. The Law Council's Constituent Bodies are:

- Australian Capital Territory Bar Association
- Australian Capital Territory Law Society
- Bar Association of Queensland Inc
- Law Institute of Victoria
- Law Society of New South Wales
- Law Society of South Australia
- Law Society of Tasmania
- Law Society Northern Territory
- Law Society of Western Australia
- New South Wales Bar Association
- Northern Territory Bar Association
- Queensland Law Society
- South Australian Bar Association
- Tasmanian Bar
- Law Firms Australia
- The Victorian Bar Inc
- Western Australian Bar Association

Through this representation, the Law Council effectively acts on behalf of more than 60,000 lawyers across Australia.

The Law Council is governed by a board of 23 Directors – one from each of the constituent bodies and six elected Executive members. The Directors meet quarterly to set objectives, policy and priorities for the Law Council. Between the meetings of Directors, policies and governance responsibility for the Law Council is exercised by the elected Executive members, led by the President who normally serves a 12 month term. The Council's six Executive members are nominated and elected by the board of Directors.

Members of the 2016 Executive as at 1 January 2016 are:

- Mr S. Stuart Clark AM, President
- Ms Fiona McLeod SC, President-Elect
- Mr Morry Bailes, Treasurer
- Mr Arthur Moses SC, Executive Member
- Mr Konrad de Kerloy, Executive Member
- Mr Michael Fitzgerald, Executive Member

The Secretariat serves the Law Council nationally and is based in Canberra.