



Law Council
OF AUSTRALIA

Business Law Section

Mr Sean Applegate

IP Australia

PO Box 200

Woden ACT 2602

Via email: consultation@ipaaustralia.gov.au

10 April 2015

Dear Mr Applegate,

IP Australia's Proposals to Streamline IP processes and support small business

1 This submission concerning certain proposals set out in IP Australia's Public Consultation on 'Proposals to streamline IP processes and support small business' is made by the Intellectual Property Committee of the Business Law Section of the Law Council of Australia (the **Committee**).

Key summary

- **Proposal 1:** The Committee supports the introduction of a 6 month grace period under the *Plant Breeder's Rights Act 1994* and amendments to the *Trade Marks Act 1995* and *Designs Act 2003* to the extent that such amendments would bring those Acts in line with the *Patents Act 1990*.
- **Proposal 2:** The Committee broadly supports the refining of re-examination procedures under the *Patents Act 1990* and the alignment of other Acts with those procedures, but has some concerns regarding possible inconsistencies and practical implications in large disputes.
- **Proposal 14:** The Committee supports the proposal to shorten the timeframe of acceptance of trade marks where there is an adverse report concerning a trade mark application, from 15 months to 6 months, but notes a possible alternative.
- **Proposal 17:** The Committee supports the introduction of an action for unjustified threats of infringement into the *Plant Breeder's Rights Act 1994*, and, subject to sufficiently robust discretionary considerations, the introduction of additional damages for unjustified threats.

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Aligning renewals (Proposal 1)

- 2 The Committee notes that the right to sue during the grace period is currently set out in the *Patents Act 1990*, and the *Trade Marks Act 1995*, *Designs Act 2003* and *Plant Breeder's Rights Act 1994* would require amendment accordingly. The Committee considers that this is overall a positive step.
- 3 However, the Committee also notes that the proposal seeks to retain the 'infringement exemption' under the *Trade Marks Act*, such that infringement actions would not be allowed in relation to trade marks. The explanation given is that trade mark owners 'may maintain their common law rights during the renewal grace period' (page 8). By 'common law' rights, the Committee understands IP Australia is referring to actions for passing off. However, actions for passing off require damage to the reputation of the trade mark owner, whereas infringement under the *Trade Marks Act* does not, meaning that there is a higher test under common law for infringement. Although damage to reputation may be made out, it is still a different test to the tests or grounds of infringement under the *Trade Marks Act*. Secondly, the Committee does not consider this approach to be in line with the proposed reforms to the other Acts in question.

Re-examination (Proposal 2)

- 4 The Committee refers to the proposed amendment to the *Patents Act* which would introduce a 6 month time limit for completing the re-examination after the first re-examination report (except where a hearing is requested or court proceedings are commenced, which would stop the clock on the 6 month period).
- 5 Based on the drafting of the current proposal, it appears that the 6 month period will apply only to re-examination of granted patents and that the current timeframes for accepted patents will remain the same. The Committee would like to understand the reason for this difference.
- 6 The Committee also wishes to express some concern regarding whether, in practice in complex patent matters, a six month period would be long enough to complete the process.

Extensions of time (Proposal 3)

- 7 The Committee supports the alignment of the Acts, but notes that the proposed combination could see 'tactical' objections to 3 month extension periods.

Acceptance Timeframe for Trade Marks (Proposal 14)

- 8 The Committee supports the proposal to align the *Trade Marks Act* closer to the other Acts, including by shortening the timeframe of acceptance where there is an adverse report concerning an application from 15 months to 6 months.
- 9 However, an alternative method of streamlining the process to acceptance, which the Committee has considered, is setting a deadline

for responses to adverse reports, rather than a time by which acceptances should be achieved.

Unjustified threats of infringement (Proposal 17)

- 10 The Committee supports the introduction of an action for unjustified threats of infringement into the *Plant Breeder's Rights Act*, and the removal of a trade mark owner's ability to stop such an action by commencing infringement proceedings.
- 11 The Committee is not against the proposal to introduce additional damages for unjustified threats. The Committee notes, however, that it is possible that a rights holder could have genuine grounds for issuing a threat, even where the threat is ultimately determined to be unjustified.
- 12 As damages are currently available for this scenario under s 128 of the *Patents Act*, for instance, additional damages may also be unfair in a given set of circumstances, especially when the award would be discretionary.
- 13 The Committee notes, however, that IP Australia has stated that the provisions would correspond with the current provisions for additional damages awarded for infringement under s 122 of the *Patents Act*, such as the flagrancy of the infringement and the conduct of the alleged infringer after being informed of the alleged infringement.
- 14 The Committee also understands that the rationale for the additional damages is to act as a deterrent against well-resourced entities looking to stifle SMEs. If the factors for consideration are aligned with s 122 and are robust enough to ensure fairness for both parties, the Committee supports this proposal. The Committee also suggests that IP Australia consider a provision allowing for reversal of awards of additional damages if it is subsequently proven that the alleged infringer had actually infringed a rights holder's rights.

If you would like to discuss any aspect of this submission, in the first instance please contact the Committee Chair, Sue Gilchrist, on 02-9296 2166 or via email: sue.gilchrist@hsf.com

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Keeves', with a long horizontal line extending to the right.

John Keeves, Chairman
Business Law Section