

**National Interest Analysis [2018] ATNIA 5
with attachment on consultation**

**Agreement between the Government of Australia and the International Bureau of the
World Intellectual Property Organization in relation to the functioning of the
Australian Patent Office as an International Searching Authority and International
Preliminary Examining Authority under the Patent Cooperation Treaty**

[2018] ATNIF 20

NATIONAL INTEREST ANALYSIS: CATEGORY 2 TREATY SUMMARY PAGE

Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty

[2018] ATNIA 5
[2018] ATNIF 20

Nature and timing of proposed treaty action

1. The proposed treaty action is the definitive signature of the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty* (the proposed Agreement).
2. A minor treaty process¹ was undertaken in October 2017 to enable a 12-month extension of the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty* [\[2009\] ATS 1](#) (Existing Agreement) as it was due to expire on 31 December 2017. This extension, until 31 December 2018, was agreed to allow sufficient time for the Australian Government to undertake a major treaty process in 2018 on the proposed Agreement. The proposed Agreement renews the Existing Agreement on largely the same terms, subject to the technical changes outlined at paragraph 15 below.
3. The proposed Agreement that is the subject of this National Interest Analysis must enter into force by 1 January 2019 to provide for continued operation of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority (International Authority). The proposed Agreement will continue until 31 December 2027. As the proposed treaty action entails a definitive signature, signature will not occur until the Australian domestic treaty process is complete. It is intended for signature to take place as soon as possible, but not later than 31 December 2018, with the Agreement to enter into force by 1 January 2019.

Overview and national interest summary

¹ Amendment to the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty* [\[2017\] ATS 22](#).

4. The Patent Cooperation Treaty (PCT) [\[1980\] ATS 6](#), which facilitates the filing and assessment of a patent application in multiple jurisdictions, provides for the appointment of International Searching Authorities (ISA) (Article 16(3)) and International Preliminary Examining Authorities (IPEA) (Article 32(2)). The proposed Agreement effects the appointment, and provides for the functioning of, the Australian Patent Office as an ISA and IPEA, jointly an International Authority, and is necessary to allow IP Australia to be a competent search and examination authority for 'international applications' for patents filed from Australia.

Reasons for Australia to take the proposed treaty action

5. The purpose of the PCT is to simplify and streamline the process of filing for patent protection in a number of countries via a single international patent application. This serves to avoid having to meet the various requirements that can be found in different jurisdictions. As of April 2018, the PCT has 152 contracting states. Use of the PCT provisions thus saves time, work and money for any person seeking a patent in a number of countries. An essential element in this simplified process is the appointment of International Authorities to conduct the required international search and examination functions, thus avoiding unnecessary repetition of this work in each country. This also gives significant cost savings to patent applicants.
6. The PCT provides for the Assembly of the International Patent Cooperation Union, an organ of the World Intellectual Property Organization (WIPO) General Assembly, to appoint a national patent office as an International Authority, subject to an agreement being concluded between the International Bureau of WIPO and the relevant office. In the case of Australia, the agreement is between the Government of Australia and the International Bureau.
7. The Australian Patent Office, a current function of IP Australia, has been an International Authority under the PCT since 31 March 1980. The text of the proposed Agreement, which allows the Australian Patent Office to continue functioning as an International Authority until 31 December 2027, was approved by WIPO's General Assembly in October 2017.
8. The Australian Patent Office is currently one of only two International Authorities that Australian patent applicants can use for carrying out their international searches and international preliminary examinations when filing an international patent application. The other International Authority is the Korean Intellectual Property Office. In addition to providing International Authority services to Australian inventors, the Australian Patent Office provides International Authority services to developing countries as well as to Brunei Darussalam, New Zealand, the Republic of Korea, Singapore, the United Arab Emirates, and the United States of America.
9. The existence of the Australian Patent Office as an International Authority has considerable benefits for industry and technology. The examination and support staff of the Australian Patent Office are readily accessible to applicants and their legal advisers. This represents a large skills and knowledge base conveniently available to the business and research sector in Australia.
10. Almost a quarter of IP Australia's total patent workload comes from its role as an International Authority, and this work is critical to maintain IP Australia's capacity to

search and examine patent applications. Continuation of IP Australia's status as an International Authority is therefore necessary to maintain IP Australia's viability as a patent office. As an International Authority, IP Australia can continue to influence the development of the international IP system from a position of operational credibility.

Obligations

11. Article 2 of the proposed Agreement sets out the basic functions of the Australian Patent Office as an International Authority. The Australian Patent Office shall carry out international search and international preliminary examination in accordance with the PCT, its Regulations, the Administrative Instructions and the proposed Agreement. All patent applications filed under the PCT are subjected to a mandatory international search covering an extensive range of technical literature, the result of which allows for the evaluation of the originality of the invention concerned. The preliminary examination provides an assessment as to the originality and industrial applicability of the invention.
12. Article 2(2) provides that in carrying out international search and international preliminary examination, the Australian Patent Office is to apply and observe all the common rules of international search and international preliminary examination and, in particular, shall be guided by the PCT Search and Preliminary Examination Guidelines.
13. Article 2(3) provides that the Australian Patent Office shall maintain a quality management system in compliance with the requirements set out in the PCT International Search and Preliminary Examination Guidelines. IP Australia is ISO9001:2008 certified for many of its processes, including patent related functions for international search and examination under the PCT.
14. Article 2(4) provides that the Australian Patent Office and the International Bureau of WIPO are expected to render mutual assistance in the performance of these procedures.

Implementation

15. The main changes between the proposed Agreement and the Existing Agreement are that minor details have been moved from treaty articles into annexes to provide greater consistency between the Agreements of all countries acting as International Authorities; and more flexibility for International Authorities to make administrative changes while the Agreement is in force. The annexes of the Agreement provide for:

- Annex A - increased transparency by requiring details of developed countries for which an IP Office agrees to act as an International Authority. The Australian Patent Office currently acts for Australia, Brunei Darussalam, New Zealand, Republic of Korea, Singapore, United Arab Emirates, United States of America;
- Annex B - the respective IP Office to determine, as part of operating as an International Authority, if it will also provide the service of supplementary international patent searches. The Australian Patent Office has currently chosen to not provide supplementary international searches;
- Annex C – specifying that patentable subject matter that can be searched and examined will be in accordance with the provisions of Australian patent law;
- Annex D – the schedule of fees the respective office charges for providing search and examination services;

- Annex E - the possible use of additional patent classification symbols and systems in addition to those used by the International Patent Classification;
- Annex F – specifying the language that search and examination activities will be conducted in, which for the Australian Patent Office will be English;
- Annex G - the IP Office to choose to provide international type searches under Article 15(5) of the PCT.

16. As the proposed Agreement continues the arrangements under the Existing Agreement, the means of implementing the proposed Agreement are already in place and no additional action on the part of the Commonwealth or on the part of the States and Territories is required. The terms of the proposed Agreement are implemented by the *Patents Act 1990* and the associated Regulations which empower the Australian Patent Office to perform the functions required of an International Authority.

Costs

17. There are no contributions payable by Australia under the proposed Agreement nor any anticipated increases in Australia's contribution to WIPO as a result of entry into the proposed Agreement.
18. The proposed Agreement does not increase costs to industry. The absence of this agreement however would increase the cost and difficulty for Australian inventors to access and make use of the international patent system, as noted by our stakeholders.

Regulation Impact Statement

19. The Office of Best Practice (OPBR) has confirmed that a Regulation Impact Statement (RIS) is not required for this treaty action.

Future treaty action

20. Under Article 10 of the proposed Agreement, the parties are required to commence negotiations for its renewal at a date not later than July 2026. Once finalised, any renewal of the proposed Agreement will be subject to Australia's domestic treaty making requirements.
21. Pursuant to Article 11, the proposed Agreement may be amended by agreement between the parties, subject to approval by the Assembly of the International Patent Cooperation Union. The Annexes may be amended by agreement between Australia and the Director-General of WIPO, without the need for Assembly approval. Certain technical aspects of the Annexes, including the fees and charges imposed by Australia and the languages that applications and correspondence are to be in, may be unilaterally amended by Australia and notified to the Director-General of WIPO. Any amendment to the Agreement will be subject to Australia's domestic treaty making requirements

Withdrawal or Denunciation

22. Article 12 of the Agreement provides for the unilateral termination, upon one year's notice, by either party. The terminating party may specify a longer period of notice, and both parties may agree upon a shorter period of notice. Any termination on the part of Australia will be subject to Australia's domestic treaty making requirements.

Contact Details

Policy and Governance Group

IP Australia

ATTACHMENT ON CONSULTATION

Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty

[2018] ATNIA 5
[2018] ATNIF 20

Consultation

23. IP Australia consults regularly with industry and professional organisations. Consultation includes meetings with groups such as the Licensing Executives Society of Australia and New Zealand (LESANZ), the Institute of Patent and Trade Mark Attorneys of Australia (IPTA), the International Association for the Protection of Intellectual Property (AIPPI) and the Australian Federation of Intellectual Property Attorneys (FICPI). Such meetings provide opportunities for feedback on the Patent Cooperation Treaty (PCT) and the Australian Patents Office's role as an International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) (jointly referred to as an International Authority) under the PCT. In this context, as well as more broadly, the Australian Patents Office has continued to receive positive support and encouragement for the role it has taken in administration of the PCT and for its function as an International Authority. The level of usage of the PCT provisions indicates their value to patent applicants and the wide reliance upon this means of obtaining international protection for Australian patents.

24. In addition to the regular consultation referred to in paragraph 23, IP Australia has undertaken formal consultation on two occasions as part of the treaty renewal process. In May 2017, IP Australia provided a submission to the Patents Consultation Group (PCG) informing of IP Australia's intention to commence the process to maintain its status as an International Authority under the PCT. The PCG comprises members of the aforementioned stakeholder groups as well as other Government agencies and Australian industry stakeholders. IP Australia did not receive any adverse responses to this proposal.

25. In December 2017 to January 2018, IP Australia undertook consultation on the text of the Agreement that will maintain the Australian Patent Office's status as an International Authority. The stakeholders included as part of this consultation were IPTA, FICPI, LESANZ, AIPPI, the Commonwealth Science and Industrial Research Organisation (CSIRO) and Knowledge and Commercialisation Australasia (KCA). These stakeholder groups were targeted for this consultation as 95% of patent applications filed using the PCT come via applicants represented by members of these stakeholder groups. These stakeholder groups and their clients would be directly impacted if IP Australia was to not renew its status as an International Authority.

26. Comments received indicate that stakeholders strongly support IP Australia continuing as an International Authority. Specific feedback received as part of this consultation is as follows:

27. KCA and its member universities and research organisations indicated they are very supportive of IP Australia continuing as an International Authority. KCA values that work that IP Australia carries out in this area and its continued improvement in the service that it provides and the leadership it shows in developing new and improved services for its customers.

28. IPTA supports maintaining and extending IP Australia's status as an International Authority and will continue to correspond with IP Australia with suggestions for improvements that can be made to the PCT system. CSIRO is keen for IP Australia to continue operating as an International Authority.

29. Likewise, FICPI's feedback strongly supports IP Australia's application to renew its role as an International Authority under the PCT. FICPI noted that they have seen the quality of both searching and examination services provided by IP Australia in their role as an International Authority improve considerably during IP Australia's time as an International Authority, especially with their involvement with the Global Patent Prosecution Highway, to the point that FICPI considers IP Australia's service to be world-class and on a par with other searching and examining authorities. FICPI further noted the need for continued growth and improvement of searching and examining resources, and that this be properly funded by government to keep up with the dynamic and exponentially increasing state of innovation occurring both nationally and internationally.

30. Finally, LESANZ commented that as a key stakeholder within Australia in the IP commercialisation, protection and management space, LESANZ fully supports IP Australia maintaining its status as an International Authority.

31. Once again, no negative feedback was received from stakeholders on the proposed treaty text to extend IP Australia's status as an International Authority

32. States and Territories were consulted through the Commonwealth-State-Territory Standing Committee on Treaties.