

Documents tabled on 16 September 2008:

**National Interest Analysis [2008] ATNIA 30
with [attachment on consultation](#)**

Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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, to be done at Geneva during December 2008 ([2008] ATNIF 16)

NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY Summary Page

Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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, to be done at Geneva during December 2008 ([2008] ATNIF 16)

Nature and timing of proposed treaty action

1. The proposed treaty action is the definitive signature of an *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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 Agreement).
2. The Agreement will continue, until 31 December 2017, the existing arrangement provided for under the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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* of 19 June 1970 [1998] ATS 4 (Existing Agreement). The Existing Agreement was originally due to expire on 31 December 2007, but was extended until 31 December 2008 by the *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* [2008] ATS 4. As the Existing Agreement now expires on 31 December 2008, the Agreement must enter into force by 1 January 2009 to provide for continued operation.
3. As the proposed treaty action entails a definitive signature, signature will not occur until the Australian domestic review process has taken place. Accordingly, it is necessary to table the Agreement in Parliament for review by the Joint Standing Committee on Treaties (JSCOT) prior to signature. Accordingly, the International Bureau of the World Intellectual Property Organization (WIPO) has agreed to tabling prior to signature. It is intended for signature to take place as soon as possible, but not later than 31 December 2008, with the Agreement to enter into force upon signature (see Article 9, which will be completed prior to signature).

Overview and national interest summary

4. The Patent Cooperation Treaty [\[1980\] 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 Agreement appoints, and provides for the functioning of, the Australian Patent Office as an ISA and IPEA, and is necessary to allow IP Australia to be a competent search and examination authority for 'international applications' for patents filed in Australia.

Reasons for Australia to take the proposed treaty action

5. As noted, the Existing Agreement provides for the Australian Patent Office to act as an ISA and IPEA until 31 December 2008. The text of the Agreement, which will allow the Australian Patent Office to continue functioning as an ISA and IPEA until 31 December 2017, has been approved by the Assembly of the International Patent Cooperation Union.
6. The purpose of the Patent Cooperation Treaty is to simplify and streamline the process of filing for patent protection in a number of countries by filing a single international patent application. This serves to avoid having to meet the various requirements that can be found in different jurisdictions. Use of the Patent Cooperation Treaty 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 ISAs and IPEAs to conduct the required international search and examination, thus avoiding unnecessary repetition of this work in each country. This also gives significant cost savings to patent applicants.
7. The Patent Cooperation Treaty provides for the Assembly of the International Patent Cooperation Union to appoint a national patent office as an ISA and IPEA, 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. There is considerable international prestige associated with appointment as an ISA and IPEA. The Australian Patent Office has been an International Authority since 1980.
8. The Australian Patent Office is part of IP Australia which operates on a full cost recovery basis, and whose activities are revenue neutral to Government. At present the Australian Patent Office issues reports on approximately 3000 international searches each year. About two-thirds (approximately 160) of the examination staff work on Patent Cooperation Treaty-related applications. This workload has doubled since 1997 and it continues to increase. In addition, the Australian Patent Office has entered into bilateral arrangements with countries in the Asia-Pacific region to conduct patent searches. Currently the Australian Patent Office performs searches for many countries including New Zealand, Thailand and Singapore, and has been approached to do work for other countries.
9. Further benefits to Australia from the Australian Patent Office's standing as an International Authority include a strong and respected voice in international fora, particularly in Patent Cooperation Treaty-related matters in WIPO. This reflects in turn on Australia's standing in the international intellectual property community and its ability to influence that community to the benefit of Australian intellectual property rights holders
10. Locally, 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/or their legal advisers. This represents a large skills and knowledge base conveniently available to the business and research sector.

Obligations

11. Article 2 of the Agreement sets out Australia's obligations. The Australian Patent Office shall carry out international search and international preliminary examination in accordance with the Patent Cooperation Treaty, its Regulations, the Administrative Instructions and the

Agreement. All patent applications filed under the Patent Cooperation Treaty 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 opinion 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 Patent Cooperation Treaty Search Guidelines 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 Patent Cooperation Treaty International Search and Preliminary Examination Guidelines. IP Australia has also achieved ISO9001:2000 certification for many of our processes including for Patents, National Search and Examination (Innovation and Standard); International Search and Examination under the Patent Cooperation Treaty.

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. As the Agreement largely continues the existing arrangements under the Existing Agreement, the means of implementing the 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 obligation in Article 2(3) of the Agreement—to maintain a quality management system—was not required under the Existing Agreement. However, Australia already complies with this requirement.

16. The terms of the 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 ISA and IPEA.

Costs

17. There are no contributions payable by Australia under the Agreement nor any anticipated increases in Australia's contribution to WIPO as a result of entry into the Agreement. Australia currently contributes approximately \$A750,000 per annum as a member of WIPO. The Agreement does not increase costs to industry. However as IP Australia is currently the only ISA/IPEA that Australian patent applicants can use for carrying out their international searches and international preliminary examination, there are potentially considerable costs to industry if the Australian Patent Office cannot perform the functions required of an ISA and IPEA.

Regulation Impact Statement

18. IP Australia has assessed the implementation of the Agreement against criteria in The Best Practice Regulation Handbook. This regulatory option has no impact on business and

individuals or on the economy and a Regulation Impact Statement or Business Cost Calculator report is not required.

Future treaty action

19. Under Article 10 of the Agreement, the parties are required to commence negotiations for its renewal at a date not later than July 2016. Once finalised, any renewal of the Agreement will be subject to the Australian treaty process.

20. Pursuant to Article 11, the 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. An amendment of the Agreement will be subject to the Australian treaty process.

Withdrawal or Denunciation

21. 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 the Australian treaty process.

Contact Details

International Policy
Business Development and Strategy
IP Australia (DIISR).

ATTACHMENT ON CONSULTATION

Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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, to be done at Geneva during December 2008 ([2008] ATNIF 16)

Consultation

22. IP Australia consults regularly with industry and professional organisations. Consultation includes meetings with groups such as the Inventors Associations, the Australian Manufacturers' Patents, Industrial Designs, Copyright and Trade Mark Association (AMPICTA), the Institute of Patent and Trade Mark Attorneys of Australia (IPTA), the Advisory Council on Intellectual Property and the Law Council. Such meetings include opportunities for providing 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) under the Patent Cooperation Treaty. In this context, as well as more broadly, the Australian Patents Office has continued to receive very positive support and encouragement for the role it has taken in administration of the Patent Cooperation Treaty and for its function as an ISA and IPEA. The level of usage of the Patent Cooperation Treaty provisions indicates their value to patent applicants and the wide reliance upon this means of obtaining international protection for Australian patents.

23. Notification of treaty action for the Agreement was provided to the States and Territories through the Commonwealth-State/Territory Standing Committee on Treaties process. The Agreement has been included on the schedule of treaties provided twice yearly to the Commonwealth-State/Territory Standing Committee on Treaties.

24. In addition to the ongoing consultation referred to in paragraph 1, IP Australia has consulted more formally with our Patent Stakeholders including IPTA, AMPICTA, the Law Council of Australia, the Australian Chamber of Commerce & Industry, the Australian Industry Group, the Intellectual Property Society of Australia and New Zealand, the Australian Federation of Intellectual Property Attorneys (FICPI Australia) and the Patent Consultation Group.

25. Comments received indicate that stakeholders consider it essential that Australia continue as an IPA and IPEA. FICPI Australia is strongly of the view that it is essential for IP Australia to be maintained as an ISA and IPEA. Both AMPICTA and the Intellectual Property Committee of the Business Law Section of the Law Council of Australia advised they support IP Australia's continuance as an ISA and IPEA. IPTA is strongly in favour of IP Australia continuing as an ISA and IPEA under the PCT and views the continued appointment of IP Australia as an International Authority as essential to maintaining a skilled and effective Patent Office within Australia. They are concerned that the absence of that appointment may seriously challenge both the reputation and viability of the Patent Office.