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No. 1 2001–02

Patents Amendment Bill 2001

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Patents Amendment Bill 2001

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11 July 2001

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Patents Amendment Bill 2001

Date Introduced: 24 May 2001

House: House of Representatives

Portfolio: Industry, Science and Resources

Commencement: Schedule 1 commences 6 months after Royal Assent or earlier by Proclamation. Schedule 2 is taken to have commenced on 24 May 2001.

Purpose

The main purpose of the Bill is to raise the threshold for obtaining a patent, so as to increase the likelihood that granted patents are valid. The Bill also makes other technical amendments to the patents regime. It represents a partial implementation of recommendations by two review bodies which reported to the Government in 1999 and 2000 respectively.

Background

Steps in the Patent Process

A basic overview of the process by which patents are obtained, contested and used will assist in understanding the proposals made in the Bill now before Parliament.¹

An applicant for a standard patent lodges with the Patent Office a form together with a 'specification' which describes the invention. The date of filing this description is known as the priority date, and it assumes importance for a number of reasons, particularly if someone subsequently decides to dispute entitlement to the patent.

A specification includes at least one *claim* about the invention, which serves to define the boundaries of legal protection claimed. Defining the scope of a claim is therefore a critical issue, and as it may be difficult to draft accurately in the early stages, an applicant can submit either a complete specification or a provisional one. In the latter case, a complete specification must be filed within 12 months or the applicant loses their priority date.

A technical description of the invention is published by the Patent Office, usually 18 months after the priority date, bringing the claim to public notice.

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For the application to proceed further, an applicant must request that the Patent Commissioner conduct an examination. The invention is at that point tested against the statutory requirements for grant of a patent. Its novelty and inventiveness are assessed against what is known as the 'prior art base', which is essentially the state of international knowledge in the relevant field at the priority date.

If the patent application is 'accepted' this is publicly advertised, at which point someone may formally oppose the grant of the patent, on grounds defined in the *Patents Act 1990* (the Principal Act).² If no objections are received within 3 months then the patent is 'sealed', which finalises the grant process.

If an objection is filed, both parties put their case in writing to the Patent Office. After a hearing the Patent Office decides whether to uphold the objection or proceed to grant the patent.

Once granted, the patentee has (subject to the payment of annual fees) 20 years in which to make exclusive use of the patent. The patentee may choose to sell that right or licence others to use the invention.

The grant of a patent entitles its holder to sue someone who uses the invention without permission. Such infringement may have occurred at any time after the claim was brought to public notice by publication. An alleged infringer may counter with a claim to the court for revocation of the patent. Again, the grounds for revocation are spelt out in the Act.³

As a result of legislation passed by Parliament last year,⁴ innovation patents are obtainable as a form of second tier intellectual property protection for minor or incremental innovations. Innovation patents, which superseded petty patents,⁵ have the following features:

- a maximum term of 8 years
- an inventive threshold lower than for standard patents, requiring an 'innovative step' rather than an inventive step
- a formalities check but no substantive examination before grant, and
- post-grant processes for examination, re-examination and opposition similar to those which apply to standard patents.

Competing Interests in the Grant of Patents

In Australia patents are granted for inventions in all forms of technology including 'two-dimensional creations, substances, and process creations with no tangible form'.⁶ For a standard patent, an applicant must show that their invention is new, useful and not obvious to someone well versed in the relevant area. In return a patentee receives the right to make, use and sell the invention free from competition for a period of 20 years. To retain a

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patent, a patentee must pay annual fees which escalate over time, to encourage either its exploitation or abandonment to the public domain. As part of the trade-off between creator, free riders and the wider community, details of a patented invention are published, putting potential infringers on notice, as well as increasing the general stock of technical knowledge and providing a spur to further innovation.

Two policy issues have played a prominent role in recent government reviews of the patent system: the interaction with competition principles, and the enforcement of rights under the Principal Act. They were the subject respectively of two recent reports to the Commonwealth Government and the Bill contains measures which address both issues.

IPCRC Report on Competition and Intellectual Property Law

The *Review of Intellectual Property Legislation under the Competition Principles Agreement* (the Ergas Report) was delivered to the Government on 30 September 2000. It was produced by the Intellectual Property and Competition Review Committee (IPCRC) chaired by Mr Henry Ergas.

The IPCRC saw intellectual property laws and competition policy as 'largely complementary', on the basis that the former promote innovation, 'which is a key form of competition'. It acknowledged however that the two are also in tension because intellectual property laws usually confer exclusive rights:

While conferring intellectual property rights encourages investment in creative effort, it can allow the owners of the results of this effort to unduly restrict the diffusion and use of these results.⁷

The Ergas Report went on:

It must also be recognised that the rights granted by the intellectual property laws can be used for anti-competitive ends. This occurs when the rights are used to claim for the creator not merely a share of the efficiency gains society obtains from the creation, but also super-normal profits that arise from market power unrelated to the creation.⁸

Two questions guided the IPCRC in trying to better harmonise the interests of competition and innovation:

- whether exclusive rights available under intellectual property laws need to be reined in because they go beyond what is needed 'to encourage an efficient level of investment in creative effort'⁹ and
- whether adequate enforcement remedies are available under those laws, as 'the community's interest in competitive markets needs to be protected by ensuring that abuse of those rights is prevented'.¹⁰

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In the area of patents, the IPCRC concluded that it should be harder to obtain a patent in the first place. Its rationale was that inventions which are not genuinely innovative should not obtain the monopolistic rights available under the Principal Act, because it excessively restricts competition. The IPCRC recommended making the threshold test for obtaining a patent more demanding and the examination process by the Patents Office more rigorous. The Bill contains proposals to do both. Some recommendations for legislative change made in the report have not, however, been adopted in the Bill, as noted below.

ACIP Report on Enforcement

In June 1996 the then Minister for Science and Technology asked the Advisory Council on Industrial Property (ACIP) to examine the issues bearing on the enforcement of industrial property rights. ACIP formed a working party and produced its final report in March 1999.¹¹

The ACIP report dealt with the interests of both those holding intellectual property (IP) rights and those contesting them:

Generally, the enforcement of IP rights involves either the owner of the rights taking action to compel others to respect them; or third parties taking action to challenge the validity or scope of any rights that others are seeking to claim or use. From the point of view of an owner or prospective owner of IP rights, these situations are very different.¹²

During its review ACIP surveyed opinion amongst selected patent attorneys as well as canvassing views amongst workshop participants. They observed that many owners and potential owners of IP rights perceived the enforcement of those rights as 'difficult, time consuming and expensive'.¹³ Although statistics suggested that IP litigation involved only a tiny fraction of the number of patents granted each year, ACIP noted that this did not necessarily indicate satisfaction with the enforcement or enforceability of rights:

A party may avoid litigation because of complexity, excessive cost or uncertainty of result even though the patent or the other right concerned may have important implications for the success or survival of the owner.

The question of enforcement is hemmed in by complications on several sides. Almost everyone wants an enforcement system that is prompt, efficient and not too costly. But patent issues are frequently technical, leading to a battle of expert opinion between litigating parties and requiring an 'umpire' with specialist knowledge and experience. Also the Commonwealth Constitution restricts Parliament's options when legislating for enforcement of intellectual property rights. The separation of powers doctrine prevents administrative agencies (such as the Patents Office) from exercising judicial power. It is therefore constitutionally difficult to avoid channelling disputes towards courts, with the inevitable risk of formality and expense that court-based litigation brings.

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For this, amongst other reasons, ACIP sought to take a broad view of the enforcement issue, beyond the question of how and where to sue an opponent. Indeed they nominated as the 'core objective' of their report the provision of a patent system 'having a higher presumption of validity than is presently the case'. ACIP's reasoning was that if an applicant undergoes rigorous scrutiny prior to grant, then everyone can have greater confidence in the patent being a valid one. Litigation frequently involves an alleged infringer counter-challenging the validity of the patent they are said to have infringed. Raising standards at the point of grant, it is argued, will reduce the cost, complexity and incidence of this later litigation (though it may also create a larger pool of disgruntled applicants who decide to contest a refusal by the Patent Office in court).

In looking at enforcement issues ACIP's focus was thus drawn to the same stage in the patent process to which IPCRC was impelled by competition considerations. There is, not surprisingly, some overlap between the two reports' recommendations, as noted in the Main Provisions below.

The Government's Innovation Action Plan

In January 2001 the Prime Minister announced the Government's Innovation Action Plan under the title *Backing Australia's Ability*.¹⁴ The package of measures was grouped into three areas, one of which concerned policies to accelerate the commercial application of ideas. Under this heading, the Government made the following commitment:

The Government will act on recommendations of both the Intellectual Property & Competition Review, and the Advisory Council on Intellectual Property review of patent enforcement, to strengthen the patent system through amendments to the Patents Act 1990, including:

- implementing a 12 month 'grace period' to protect a patent application against invalidation by self publication and prior public use;
- strengthening the examination of patent novelty and inventive step so that these criteria for patentability are more closely aligned with international standards.

The Government will also respond in a timely manner to the remaining recommendations of these reviews.¹⁵

The Patent Law Treaty 2000

On 1 June 2000 a diplomatic conference under the auspices of the World Intellectual Property Organisation (WIPO) adopted the Patent Law Treaty. For the moment it avoids substantive issues and instead seeks to standardise the application process across different countries. Australia is not a party to the treaty. In the Second Reading Speech to the Bill, however, the Parliamentary Secretary Mr Entsch said:

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Although accession to this treaty is not planned at this stage, it is envisaged that Australia will likely accede because of the advantages it offers to patent applicants.¹⁶

Main Provisions

Raising the Threshold (1)—Sources for Determining the Prior Art Base

A patent application must satisfy a number of substantive and formal requirements. Two key concepts in determining a standard patent application are 'novelty' and 'obviousness', both of which are assessed against what is known as the 'prior art base'. The prior art base is essentially the state of international knowledge in the relevant field at the priority date.

The concept of 'obviousness' emerges from section 7 of the Principal Act in elaborating the definition of an 'inventive step'. The inventive step test asks whether someone skilled in the relevant art would find the invention obvious, when assessed against the state of the art.

According to the IPCRC:

The inventiveness/obviousness test has largely supplanted the new/novelty test as the main threshold height for the grant of a patent. The new/novelty test asks whether the alleged invention is different from the prior art in essential ways; the inventiveness/obviousness test asks whether it is sufficiently different to warrant a temporary exclusive right.¹⁷

As already noted, the IPCRC concluded that the interests of competition were best served by raising the threshold for access to monopoly patent rights. Not surprisingly, given the importance it attached to the obviousness test, the IPCRC's plan to achieve this objective included two amendments to the law on the inventive step:

1. the prior art base take into account *all* information 'anywhere in the world which a person skilled in the art could have been reasonably expected to find, understand and regard as relevant'. At present, the test takes into account documents from all over the world but only conduct and general knowledge in Australia.¹⁸
2. the prior art base can be constructed from more than one separate source of information. At present, different documents or other forms of knowledge can only be combined if the hypothetical skilled person would treat them as a single source of information.¹⁹

Item 12 achieves the change recommended in point 1.

Item 4 puts the second recommendation into the Act, on condition that all the elements of prior art existed before the priority date and it would have been obvious to the hypothetical skilled person to combine the elements of prior art information. Item 4 also removes a

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requirement that the hypothetical skilled person would have ascertained and understood the information and regarded it as relevant, which goes even further than the IPCRC recommendation. The Explanatory Memorandum states that this is consistent both with international standards and the approach to innovation patents in subsection 7(5).

Items 5-6 and 10-11 implement the same changes for innovation patents, the second-tier form of protection for incremental developments and minor inventions, which require demonstration of an 'innovative step'.

Items 1, 2, 7-9 are consequential on item 12, ensuring that:

- judgments of novelty and inventiveness are made against an entirely international standard or
- when information is disregarded for certain purposes, current restrictions confining it to Australian sources are removed.

Item 3 is consequential on item 4.

Item 13 ensures that the changes do not apply to existing patents or applications completed before the amendments commence.

Raising the Threshold (2)—A More Stringent Standard

Section 49 requires the Patent Office to grant a patent request if it considers there is no lawful ground of objection. As interpreted by the courts, this test gives the applicant the benefit of the doubt because 'the Commissioner can only refuse to grant a patent when it is clear that a valid patent cannot be granted'.²⁰ ACIP stated that this benefit of the doubt approach is out of step with overseas practice and a tougher threshold would make it more likely that granted patents are valid. The IPCRC report agreed with the recommended shift to a 'balance of probabilities' approach to objections during examination.

Item 15 maintains the benefit of the doubt on other grounds but requires an applicant to positively demonstrate that the application meets the threshold tests in relation to novelty and inventive step.

Item 20 makes the corresponding change for innovation patents, preserving the benefit of the doubt approach to all grounds except novelty and innovative step. With innovation patents, examinations occur, if at all, post-grant. **Items 21 and 25** are consequential on item 20.

ACIP argued that if the threshold for validity was lifted, the trade-off should be a presumption in favour of validity for successful applications—a legal hurdle which objectors would need to overcome in any subsequent challenge. The IPCRC disagreed, noting its belief that such a presumption already operated, making legislative amendment unnecessary.²¹ The Bill makes no change in this respect.

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Raising the Threshold (3)—Searches and Disclosure

Because patent applications are assessed against the existing state of knowledge, searches to ascertain the state of that knowledge are integral to the patent system. As the Patents Office has stated:

The objective of any search is to discover the prior art which is relevant to the determination of whether the claimed invention is lacking in novelty or an inventive step.... That prior art may be in the form of patent documents or articles from periodicals and other non-patent literature...²²

The Commissioner of Patents can direct an applicant to provide the result of searches carried out in other countries for applications filed outside Australia about the same invention.²³ If the applicant fails to provide details of a foreign search within the prescribed time limit, the application may lapse.²⁴

The ACIP report noted that with its confined operation, subsection 45(3) denies the Patent Office valuable information which is readily available—particularly information which emerges during the processing of applications in overseas jurisdictions. This is information of which the applicant is aware but which the Patent Office may not discover through its one-off search process.

ACIP recommended an amendment requiring applicants to disclose to the Patent Office any prior art material which has come to their attention during the preparation of applications, here or overseas.²⁵

The IPCRC agreed that the Principal Act should be amended to require applicants to 'continuously disclose to IP Australia²⁶ any prior art material that comes to their attention up until the date of advertisement of notice of acceptance'.²⁷ It considered the appropriate sanction for failure to disclose prior art information was not loss of the patent but an inability to amend the patent after acceptance, in accordance with that prior art information not disclosed.

The review bodies disagreed about how to allow for the possibility that different arms in a large corporation may have different knowledge of the prior art.

Item 14 imposes a duty of disclosure on applicants to disclose the results of their searches carried out here and overseas during the prescribed period. **Item 19** does the same in relation to innovation patents, except that it includes 'searches in respect of the patent', because examination takes place post-grant.

Item 22 implements the sanction recommended by IPCRC for non-disclosure. If:

- an applicant fails to comply with the duty of disclosure in items 14 or 19, and
- the applicant seeks an amendment which would obviate a challenge on novelty or obviousness grounds where the challenge is based on the information not provided

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then the amendment will not be permitted.

Item 24 removes the current sanction for non-compliance with a direction to disclose foreign application information, and is consequential on item 22.

Pre-grant Re-examination

A patent, once granted, may be re-examined by the Commissioner.²⁸ Re-examination can also occur *before* grant where someone has instigated the opposition process. But the Commissioner has no independent power to conduct a pre-grant re-examination, for instance where information comes to the attention of the Patent Office which calls the validity of a patent into question. One example, given in the Explanatory Memorandum, is where someone starts an opposition action, furnishes some evidence, but later withdraws from the action.

Without the power to independently conduct a re-examination between acceptance and grant, a Commissioner must adopt the unwieldy approach of granting the patent and then re-examining it.

Item 17 widens the power to conduct pre-grant re-examinations so that it does not hinge on the lodgement of a formal claim of opposition. **Item 18** empowers the Commissioner to refuse a patent where a pre-grant examination results in an adverse finding. But it also inserts a natural justice protection for the would-be patentee.

Item 16 is consequential on items 17 and 18.

Prior Use Defence

Not everyone who duplicates a patented invention will infringe the patent. One exemption, known as 'prior use', permits someone to continue using a process or making a product, where they were doing so (or about to do so) at the time a patent application was lodged by someone else.²⁹

The prior use exemption is currently unavailable if the person derived information about the invention from the patentee³⁰ or they had abandoned use or intention to use before the date of lodgment by the patentee.

The IPCRC considered the exemption and heard from a number of parties, some of whom alleged that prior users who have sunk a lot of investment into a product over a long period of time were not adequately protected. It recommended against allowing a prior user to licence or sell their right under section 119. A majority thought that 'extending the exemption might tilt the benefits too far toward a de facto right for the prior secret user'.³¹

But IPCRC did make 2 recommendations for amendment of section 119:

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- prior use be confined to use within the patent area (ie Australia), and
- prior use include experimental use.

The Bill, however, adopts neither recommendation.

Item 23 makes a different amendment to section 119. It widens the prior use exemption to cover the situation where:

- the person found out about the invention from information made available by the patentee,³² or with their consent, and
- that occurred through the kinds of publication or use covered by paragraph 24(1)(a) of the Principal Act (which are actually detailed in the Patent Regulations 1991).

The Regulations refer to circumstances such as demonstrating the invention at an international exhibition or publishing a paper in a particular context.³³

Extensions of Time

The Principal Act contains, in section 223, a general provision empowering the Patent Commissioner to grant extensions of time to do specified things under the Act. **Item 27** widens this authority so that extensions up to a prescribed maximum can be granted if the Commissioner is satisfied the person took due care to do the act within time. In contrast to the general situation under section 223, the 'due care' extension may only be granted after the relevant time period has expired: **item 28**. The Explanatory Memorandum states that item 27 will bring the Principal Act into line with Article 12 of the Patent Law Treaty.

A person can oppose applications for extension of time under section 223. Therefore the Commissioner must advertise certain applications including those exceeding 3 months. As an efficiency measure, the Bill provides that if, however, the Commissioner considers an application for extension of time under subsection 233(2) or **proposed subsection 233(2A)** will fail, then he or she need not advertise the application and there can be no opposition to it—it will simply be refused: **item 31**.

Items 29 and 30 are consequential on items 27 and 31.

Miscellaneous

References in Chapter 13 of the Principal Act to the payment of fees by the applicant or patentee will be interpreted to allow anyone to pay the fee: **item 26**. This change is another one driven by the Patent Law Treaty.

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Items 1-2 in Schedule 2 correct technical errors in the amendments to the Principal Act made by Parliament last year with the passage of the *Patents Amendment (Innovation Patents) Act 2000*.

Concluding Comments

Recommendations Not Adopted

A number of recommendations made by the IPCRC and/or ACIP have not been adopted in the Bill, particularly in the area of enforcement. Some of the recommendations involved purely administrative change, but those calling for legislative amendments included:

- repeal sections 144-146 on the basis that 'tie-in' contracts which tied purchasers to the patentee's products are not necessarily anti-competitive, and their adverse effects are better addressed by amending subsection 51(3) of the *Trade Practices Act 1974*³⁴
- amend Chapter 12 on the basis that the right of third parties to obtain a compulsory licence in defined circumstances, where a patentee has failed to exploit their patent, is currently too crudely drafted to achieve its desired economic effects³⁵
- use the Federal Magistracy to overcome rigidities in the enforcement of rights under the patent system, and³⁶
- give courts the power to award exemplary damages as a disincentive to wilful infringement of patents.³⁷

In the wind-up to the Second Reading debate in the House of Representatives, the Parliamentary Secretary Mr Entsch stated that the changes to the threshold test foreshadowed in *Backing Australia's Ability* were 'fast-tracked ahead of any formal government response to the recommendations' of the ACIP and IPCRC reports.³⁸

Grace Periods and Provisional Applications

When an applicant seeks a patent they must lodge a specification. A specification includes at least one *claim* about the invention, which serves to define the boundaries of legal protection claimed. Defining the scope of a claim is therefore a critical issue, and as it may be difficult to draft accurately in the early stages, an applicant can submit a provisional rather than final specification. If they take this option, a complete specification must be filed within 12 months or the applicant loses their priority date.

The IPCRC noted the objectives behind allowing 'provisionals' but also how they were allegedly thwarted by the Full Federal Court's decision in *Anaesthetic Supplies Pty Ltd v Rescare*³⁹:

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Provisionals are mainly used by Australian companies, particularly SMEs. Their original objective was to allow a 'quick and cheap' application to be lodged before the expense and rigour of a full application in the patent system, and to establish a priority date while giving time (up to one year) for inventors to reduce uncertainties including:

- developing the invention to make sure that it could be made to work industrially;
- undertaking market research on its commercial viability; and
- conducting a prior art search to ensure its novelty.

However, these advantages were perceived to have been lost when the *Rescare* decision implied that provisionals needed to disclose as much as the complete applications if the claims were to be fairly based on the provisional application and the earlier priority date asserted.⁴⁰

The ACIP review recommended changes which it said would undo the effect of the *Rescare* decision and bring Australia into line with overseas practice. But the IPCRC was not convinced that those changes would have their desired effect and feared that they may harm competition. The IPCRC was instead drawn to the idea of grace periods, noting that the Department of Industry, Science and Resources⁴¹ regards grace periods as targeting the same problems as provisionals address.

Unfortunately the IPCRC report did not go into detail about what sort of grace period it had in mind, simply noting that such a measure would allow a patent application to be made within a specified period (in most countries, one year) after initial publication of the invention.⁴²

The IPCRC also noted the uneven adoption of grace periods across the world. In particular, countries within the European Union (EU) are divided on whether to embrace them, and it appears it may be more than 5 years before they do, if at all. The risk with Australia adopting a grace period is that while prior publication may not injure patentability in jurisdictions with grace periods, it may destroy it in those without.

The IPCRC devoted minimal attention to this problem and advocates Australia proceed to introduce a grace period for public disclosure affecting the prior art base for novelty and inventive step. It concedes that:

IP Australia should actively inform inventors in Australia of its implications and also of the risks that disclosure may incur to patentability in jurisdictions that lack a grace period.⁴³

In its submission to the IPCRC review,⁴⁴ ACIP noted that the research community faced a conflict between the need to publish and the need to keep results secret in order to preserve patentability. While acknowledging the problem that in many jurisdictions prior publication destroys patentability, it recognised the value of a grace period:

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This would allow a period of time in which a person or firm could file an application, after initial publication, without losing their rights because of that publication. The effect would be similar to the current arrangements relating to exhibiting inventions and designs at officially recognised exhibitions.⁴⁵

This last sentence is a rare acknowledgement in the debate over grace periods that Australia's patent regime already provides a limited exception for prior disclosure by exhibition or publication.⁴⁶

The Government, in its Innovation Action Plan *Backing Australia's Ability* committed itself to:

implementing a 12 month 'grace period' to protect a patent application against invalidation by self publication and prior public use.⁴⁷

The Bill contains no such proposal. The Government has indicated that it believes the most appropriate vehicle for implementing the change is an amendment to the Patent Regulations timed to commence at the same time as the amendments in the Bill.

If the Regulations are amended to implement a general grace period, it appears the Government is giving effect to a trade-off between competing interests. Patentees will gain the ability to publish and still obtain a patent inside a prescribed period of grace. And in return, others will be allowed to use that published information without infringing the patent which may subsequently be granted (the amended section 119 defence of prior use).

Several issues thus remain to be clarified including:

- the relationship between the proposed grace period and the current provisions of the Regulations permitting limited prior publication and use
- whether, as the IPCRC maintains, the problems with the provisionals system are best addressed by leaving the relevant parts of the Act untouched and instead tackling the issue by way of a grace period, and
- whether the downside in moving ahead of developments in jurisdictions where Australian inventors may wish to lodge patents, such as the EU, have been adequately evaluated.

Endnotes

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- 1 In preparing this overview, some reliance has been placed on Lecture Notes by Robert Melvin of IP Australia which can be found at <http://www.lib.monash.edu.au/vl/patents/AIPO99.htm> [5 July 2000].

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- 2 Section 59.
- 3 Section 138.
- 4 *Patents Amendment (Innovation Patents) Act 2000*.
- 5 Petty patents were an earlier form of second tier patent protection available under the *Patents Act 1990*.
- 6 Advisory Council on Industrial Property (ACIP), *Review of the Petty Patent System*, October 1995 at 45.
- 7 Intellectual Property and Competition Review Committee (IPCRC), *Review of Intellectual Property Legislation under the Competition Principles Agreement*, 30 September 2000, p 6. It can be found at <http://www.ipcr.gov.au/ipcr/IPAustralia.pdf> (27 June 2001).
- 8 *ibid*.
- 9 *ibid* at p 7.
- 10 *ibid* at p 7.
- 11 Advisory Council on Industrial Property (ACIP), *Review of Enforcement of Industrial Property Rights*, March 1999. It can be found at http://www.ipaustralia.gov.au/library/PDFS/strategies/acip_report.pdf (27 June 2001).
- 12 *ibid* at p 7.
- 13 *ibid* at p 7.
- 14 Information on the Plan can be obtained from <http://www.innovation.gov.au/iap/index.html>. A brief prepared by the Parliamentary Library, *Cultivating Innovation* is available at <http://www.aph.gov.au/library/intguide/sci/innovation.htm>. This contains background information on R&D and innovation policy, with links to all major government reports, policy documents and statistical sources.
- 15 Fact Sheets 2, *Accelerating the Commercial Application of Ideas*, which can be found at http://www.innovation.gov.au/iap/policy_launch/templates/factb18.doc?ois=y;template=inntem.html (28 June 2001)
- 16 House of Representatives, *Debates*, 24 May 2001, p 26 975, which can be found at <http://www.aph.gov.au/hansard/reps/dailys/dr240501.pdf> (4 July 2001).
- 17 IPCRC, *op cit*, at p 154.
- 18 Schedule 1 definition of 'prior art base'.
- 19 Subsection 7(3).
- 20 IPCRC, *op cit*, at 167.
- 21 'The Committee's own research into case law suggests that the onus of proof is already on the applicant in a case...The Committee thus believes that a granted patent right will be presumed valid until proven otherwise. However, this validity can never be completely guaranteed and the patent must always be open to challenge if an error has been made during examination or if new evidence becomes available.' IPCRC, *op cit*, p 176.

Warning:

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- 22 Australian Patent Office, *Manual of Practice and Procedure*, Volume 2, para 12.9.1.1, which can be found at <http://www.ipaustralia.gov.au/library/PDFS/patents/Part212.PDF> (3 July 2001).
- 23 Subsection 45(3).
- 24 Paragraph 142(2)(b).
- 25 ACIP, op cit, at section 5.3.5.
- 26 IP Australia is the federal government agency that grants rights in patents, trade marks and designs.
- 27 IPCRC, op cit, at p 170.
- 28 Subsection 97(2).
- 29 Subsection 119(1).
- 30 Or their predecessor-in-title.
- 31 IPCRC, op cit, at p 158.
- 32 Or their predecessor-in-title.
- 33 Patent Regulations 1991, regulation 2.2, which can be found at http://www.austlii.edu.au/au/legis/cth/consol_reg/pr1991218/s2.2.html (5 July 2001)
- 34 IPCRC, op cit, p 162.
- 35 IPCRC, op cit, p 163.
- 36 IPCRC, op cit, p 178. See also ACIP, op cit, p 20.
- 37 ACIP, op cit, p 26.
- 38 House of Representatives, *Debates*, 28 June 2001, p 27 289, which can be found at <http://www.aph.gov.au/hansard/reps/dailys/dr280601.pdf> (4 July 2001).
- 39 (1994) 122 ALR 141.
- 40 IPCRC, op cit, p 159.
- 41 In their submission to the IPCRC review.
- 42 IPCRC, op cit, p 160.
- 43 ibid at p 161.
- 44 http://www.ipcr.gov.au/ipcr/SUBMIS/docs/27_2.pdf (4 July 2001).
- 45 ibid at p 26.
- 46 *Patents Act 1990* and Patents Regulations 1991, regulation 2.2.
- 47 Fact Sheets 2, *Accelerating the Commercial Application of Ideas*, which can be found at http://www.innovation.gov.au/iap/policy_launch/templates/factb18.doc?ois=y;template=inntem.html (4 July 2001).

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