

# PATENT REFORM IN AUSTRALIA

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*To foster discussion this paper reproduces, with the permission of the Minister's office, the statement by the Minister for Science when releasing the Government's response to the report of the Industrial Property Advisory Committee on patent reform in Australia, together with the official detailed comparison of IPAC recommendations and that response.*

Keywords: patents, innovation, competition, industrial property, compulsory licensing, patent term, patent information, employees' inventions, Australian economy

## INTRODUCTION

The Industrial Property Advisory Committee laboured long to produce its report<sup>1</sup> and after three more years the Government response was released. The recommendations in the report had not really addressed the basic economic issues involved — economist Jevons long ago remarked that property was only another name for monopoly — and, not unexpectedly in the existing pro-industry policy climate, a further watering down is apparent in the Government response.

In particular, IPAC recommendations to remove the exemptions relating to anti-competitive patent-related conduct in the *Trade Practices Act* are rejected. Extensions beyond a term of 16 years are abolished but a decision on special treatment of pharmaceuticals and agricultural and veterinary chemicals is to be announced later. The reason offered for special consideration of these categories is that patent life is eroded by regulatory delays. One wonders when commonsense will prevail and those concerned with this issue will begin comparing the so-called 'regulatory delay' with what might be called 'commercial delay' or the time period that would be dictated by commercial prudence in the absence of the reassurance now provided through the regulatory process.

Retention of the 16 year standard term will be seen by some observers as a decision going against a world trend to longer term. It is worth noting, however, that the World Industrial Property Organisation *Model Law* provides for the last five years of a 20 year term to be conditional upon local working. One might expect that increasing internationalization of the global system, with the share of

nationals in even US patenting falling to new low levels, will generate renewed interest in local working provisions.<sup>2</sup>

1. Industrial Property Advisory Committee (IPAC), Patents, Innovation and Competition in Australia, Canberra, Department of Science & Technology, August 1984.
2. I acknowledge helpful comment from David J. French, Ottawa, Canada (private correspondence).

**STATEMENT BY THE MINISTER FOR SCIENCE**  
**28 November, 1986**  
**GOVERNMENT RESPONSE TO THE IPAC REPORT**

IPAC's terms of reference were very wide-ranging and had significant importance, particularly for that small part of the Australian community which is knowledgeable about patents and patenting procedures, but also for the individual inventor, manufacturing industry, exporters and the community at large.

The questions posed in the terms of reference were not easy matters. In the event, it took IPAC — whose members included some of Australia's recognised experts in various facets of industrial property — some 5 years to present its Report. It is not an agreed Report. One member provides a general dissenting statement and others provide minority opinions on 6 of the 45 recommendations in the Report.

The fact that it took IPAC so long to report and that, when it did, the Report was not unanimous, reflects the complexity of patent law and its economic implications.

The complexity of the various issues canvassed and the existence of dissenting opinions on some questions warranted the seeking of public comment on the Report, particularly from those involved in the patent system, to ensure that all arguments were considered.

The Report does not suggest that there is an immediate need for change, nor that there is a need for radical change, in the Australian patent system. Its recommendations are largely for retention of something like the present system, though with some significant modifications. Precipitate change would invite disruption for Australian users of the system.

It is not surprising that the Report contains expressions of dissent. There are, and always will be, different viewpoints held by those involved and interested in the production and utilisation of new technology.

Inventors want to make money out of their inventions and seek public recognition. Producers want access to new inventions and new technology which might gain a market advantage. Naturally enough,

producers would like to recover their R & D costs, have sufficient profit margins and exclude competitors where possible. Consumers, on the other hand, want a continuing flow of new products on to the market so as to give them a wide choice of what to buy, and they want low prices.

The conflicts which arise for the patent system here are readily apparent. In trying to reconcile them, it can help to visualise the system working at two levels. Viewed generally, it is a device for stimulating development which also incurs economic costs. The costs derive from the fact that patents can be a source of monopoly power. The benefits are in the disclosure of information, stimulation of local innovation, and protection of exports.

Viewed more narrowly, from the standpoint of the patentee, a patent is a stick to beat competitors over the head with, if necessary. At the very least, it offers a means of getting and staying that little bit ahead of others in the field. For the patentee, a patent is not a tool of economic policy, but is potentially a commercial bludgeon.

We need also to remember that the inventor and producer are frequently foreigners, while the consumers we must consider are Australian. That can have important consequences, particularly where an innovation took place abroad and local demand is being met by importation under protection of a patent. On the other hand, Australian inventors and producers can use the international patent system as an aid in penetrating export markets.

IPAC's Report seeks to reconcile these sectional conflicts of interest in such a way as to further the national interest.

IPAC's first recommendation, which is accepted by the Government, is "that Australia continue to operate a patent system and continue to participate in the international patent system". The fact is that Australia cannot afford to seal itself off from the growing international patent system. To do so would incur considerable costs, particularly to those export-oriented producers who are prepared to develop new technology and who need the protection of patents in other countries.

It is equally a fact, however, that the Patents Act gives patentees a kind of monopoly right. The notion of "monopolies" in patent law has given some economists — and perhaps IPAC — a degree of intellectual dyspepsia. The important thing is that a patent only gives an *opportunity* to realise profit on an invention; a patent cannot *guarantee* profit. Because of this opportunity, however, the patent system acts as a carrot to inventors to disclose inventions rather than keep them secret, and as an incentive to innovation and export development.

IPAC developed a general approach to reform in the following terms:

The policy approach to review and change should seek to optimise the net benefits arising from the operation of the patent system in the national interest to the extent possible consistent with international conventions, having regard to the particular circumstances of the Australian economy. We should seek to modify the Australian patent laws, adjusting the length, strength and breadth of patent rights so as to maximise the social benefits and to minimise the social costs to Australians.

More specifically, this implies seeking —

- to gain increased benefits for Australians by fostering indigenous innovation, and utilising the international patent system in developing export markets to improve Australia's international competitive position;
- to reduce unnecessary social costs including those resulting from undesirable anti-competitive conduct involving patents; and
- to improve the efficiency of the administration of the patent system with consequent reduction of direct costs.

It needs to be recognised that the patent system is a blunt instrument of industrial policy and cannot easily be fine-tuned to take account of particular cases.

There are three important messages there. First, the benefits sought by IPAC are biased towards Australia and Australians. Second, the patent system involves economic costs as well as benefits. Third, the patent system is not perfect — either as a policy instrument or as an administrative implement. Anyone who ignores the national bias, who fails to acknowledge the existence of social costs, or who thinks the system either cannot be improved or does not need improving, whether in a broad economic sense or administratively, is missing the boat. I hope it does not offend the logic and thrust of the Report to put it so shortly.

Most of IPAC's recommendations are accepted or agreed in principle. Only a few are controversial. Some are rejected, including recommendations 2 to 4 which deal with the interface between the Patents Act and the Trade Practices Act. While there may well be some oddities in the way the two Acts interrelate, the Government is not satisfied that the Committee has established a case for the particular changes proposed.

Patent term is probably the most sensitive issue in the Report. Recommendation 11 proposes that the present 16 year term be retained but that extensions of term be abolished. The Government approves this proposal in principle, but is aware of the special circumstances of the pharmaceutical, agricultural and veterinary chemicals industries which are required to obtain approval from Commonwealth and State authorities before they can commence marketing of their products. The delays necessarily incurred in obtaining such approvals erode the effective patent term to

compensate for these delays. This is a matter which will be further considered by the Government.

I intend to introduce legislation at the earliest opportunity to implement those parts of the Government's response to IPAC's Report which require legislative implementation.

Most of the recommendations do not involve major change, although many are significant. Some propose no change. A more detailed discussion of each of the 46 recommendations can be found in the Government's response.

The emphasis in the Report is on the possible; it is constructive rather than revolutionary. I believe that most users and practitioners of the patent system will welcome the changes proposed to be given effect, and that the community generally will benefit from them.

I thank the Committee, particularly its Chariman, John Stonier, for the effort and vision which went into the preparation of the Report.

**GOVERNMENT RESPONSE TO THE REPORT OF THE INDUSTRIAL PROPERTY ADVISORY COMMITTEE "PATENTS, INNOVATION AND COMPETITION IN AUSTRALIA"**

<i>IPAC RECOMMENDATIONS</i>	<i>RESPONSE</i>
<p>Recommendation 1</p> <p>That Australia continue to operate a patent system and to participate in the international patent system.</p>	<p>Accepted.</p>
<p>Recommendation 2 to 4</p> <p>2 With a view to proscribing patent-related conduct which has the purpose, effect or likely effect of substantially lessening competition, that the Trade Practices Act be amended to —</p> <ul style="list-style-type: none"> <li>i remove the exemptions of such conduct which are contained in section 51(3); and</li> <li>ii alter the operation of sections 4D and 45(1)(a) (exclusionary provisions), 45A (horizontal price fixing) and 47(6) and (7) (third party tying) so that they apply in relation to such conduct subject to the lessening of competition test and not as per se rules.</li> </ul>	<p>Not accepted.</p> <p>It is recognised that the law should desirably enable an appropriate balance to be struck, in general and in any particular case, in seeking both to avoid anti-competitive conduct and, by granting exclusive patent rights, to promote innovation. This must involve reconciling the principles of the Trade Practices Act 1974 (TPA) and the Patents Act 1952. IPAC's Report has not, however, provided evidence of any substantial problems in practice with the present provisions of the two Acts and has not established a case for the policy change suggested. The recommendations give rise to a</p>

- 3 That the Trade Practices Act be amended to make the appropriate authorisation procedure, namely that which requires the Trade Practices Commission to be satisfied that the likely public benefit would outweigh the anti-competitive effect, available in relation to patent-related conduct falling within any of sections 45 (exclusionary and anti-competitive provisions), 45A (horizontal price fixing), 46 (monopolisation), 47 (exclusive dealing) and 50 (acquisitions).
4. Subject to implementation of our recommendations in relation to the Trade Practices Act, that section 112 of the Patents Act, which proscribes certain anti-competitive conditions if attached to the sale, lease or licensing of patented articles and processes, be repealed, leaving those matters to be regulated by the Trade Practices Act.

Recommendation 5  
 subject to our other  
 recommendations on this  
 question, that the compulsory  
 licensing and forfeiture provisions

- number of difficulties, including:
- the distinction made between other and patent-related conduct in proposing to apply, respectively, the present per se rules and a broader lessening of competition test, as a result of which the TPA would contain two separate policies relating to the same kind of conduct depending on whether it was patent-related or not;
  - proposed differences in the availability of the authorisation procedure for patent-related and other conduct; and
  - the need to consider similar issues in relation to conduct involving intellectual property rights other than patents.

In relation to recommendation 2(ii), the Trade Practices Review Committee (Swanson Committee), when it examined the operation of the TPA in 1976, was of the opinion that the forcing of another person's product (third party tying) would, in virtually all cases, have an anti-competitive effect and that it should accordingly continue to be capable of justification only upon the ground of public benefit.

In relation to recommendation 3, the abandonment of all per se rules (apart from section 48) and the introduction of authorisations for all conduct except that contravening sections 48 and 49 would introduce features which would conflict with the general thrust of the TPA.

Rejection of recommendation 4 is consequential upon rejection of recommendation 2.

Accepted.

This recommendation supports the general notion of having compulsory licensing provisions available to overcome the same

in sections 108 to 110 of the Patents Act be retained.

Recommendation 6

That an additional discretionary power in the court to order compulsory licensing, but not forfeiture or “patent misuse” remedies, be introduced as a competition law remedy for dealing with patent-related conduct under part IV of the Trade Practices Act.

Recommendation 7

That in ordering the grant of a compulsory licence the court be given a discretionary power to order transfer of related know-how as part of the reasonable terms on which the licence is granted.

Recommendations 8 and 35

8 That jurisdiction in relation to compulsory licensing and subsequent forfeiture matters be vested directly and exclusively in the Federal Court, without provision for preliminary consideration of petitions by the Commissioner of Patents.

35 i That the jurisdiction in matters of patent law currently vested in the Supreme Courts be transferred exclusively to the Federal Court of Australia; and

types of abuse of the patent monopoly as they presently cover. Other countries’ patent legislation commonly has provisions permitting various forms of compulsory licensing.

Accepted.

Where a branch of the TPA has been established, section 87(2)(a) of that Act may already confer on the court a power to grant a compulsory licence. There is merit in clarifying the scope of this power.

Not accepted.

The difficulties associated with this recommendation include:

- the imprecise scope of the term ‘know-how’;
- the uncertainty with which the proposal would operate in the absence of parallel legislation overseas; and
- the uncertainty whether Australian courts can set enforceable terms of such a compulsory licence, particularly where the licensee has operations outside Australia.

A similar recommendation was made in the UK in 1983 and has been rejected there.

Accepted.

- ii that consideration be given to vesting in the Federal Court exclusive jurisdiction in all substantive matters arising under intellectual property law (including trade marks, designs and copyright)

Recommendation 9

That compulsory licences, whether ordered in proceedings under the Patents Act or the Trade Practices Act, be available notwithstanding that the prospective licensee wishes to exercise the licence by importation.

Recommendation 10

That no change be made to the existing Australian law concerning infringement by importation and exhaustion of rights.

Recommendation 11

- i That the present standard patent term of 16 years from the date of filing of the complete specification not be altered, either generally or in the case of particular industries; and
- ii that the procedures for granting of extensions of the terms of standard patents be eliminated in toto.

Recommendation 12

That the present threshold test of patentability by reference to section 6 of the Statute of Monopolies and to the expression "manner of new manufacture" be retained, without specific legislative inclusions or exclusions.

Recommendation 13

- i That novelty and obviousness for standard patents be determined against a prior art base consisting of —

Accepted.

This recommendation is consistent with Government policy in seeking to foster competitive industries. It is expected that the court will take account of economic issues when considering a petition for a compulsory license.

Accepted for the time being.

No consideration should be given to changes to the law until all proposals for possible changes to the various pieces of intellectual property legislation relating to importation have been considered.

Approved in principle.

However, the Government will announce a decision at an appropriate time on pharmaceuticals and agricultural and veterinary chemicals for which effective patent life is eroded by regulatory delays.

Accepted.

13(i) — Accepted.

This recognises the rapid modern international transfer of knowledge and the higher requirements which already apply in many of

- disclosures in recorded form publicly available anywhere in the world;
- disclosures openly made, by oral communication, in Australia; and
- what has been openly done and used in Australia;

- ii that, for these purposes (except where there is cross-referencing) it not be permissible to combine any two disclosures, or a disclosure and a use, or any two uses, save that in determining obviousness any single disclosure or use should be capable of being viewed in the light of the common general knowledge in the relevant field of art, at the relevant time; and
- iii that the common general knowledge in the art be treated as including disclosures in recorded form publicly available anywhere in the world which a skilled person working in the art at the time should reasonably have been expected to find, understand, and regard as relevant.

**Recommendation 14**

The prior claiming by earlier unpublished patent specifications be abolished as a ground of objection or invalidity for both standard and petty patents and replaced by a “whole of contents” approach in determining novelty but not obviousness.

**Recommendation 15**

- i That novelty and obviousness for petty patents be determined

Australia’s major trading partners.

The present provisions for objection on the narrower ground of “prior publication” will be removed and subsumed within the broader “want of novelty” objection.

Current statutory limitations on the extent of the data base to be searched in practice by patent examiners will be removed, leaving its scope to be expanded from time to time as administratively convenient.

**13(ii) — Accepted.**

It is to be understood, however, for the purpose of determining whether an invention is obvious, that it be permissible only to consider, in the light of the common general knowledge, a single disclosure or use which a skilled person working in the art in Australia at the time should reasonably have been expected to find or uncover, understand, and regard as relevant.

**13(iii) — Not accepted.**

The presently accepted meaning of “common general knowledge” as developed in a large body of case law will be retained in preference to the rather artificial meaning proposed by IPAC. Note, however, the restrictions on disclosures and uses which may be considered in determining the question of obviousness — see recommendation 13(ii).

**Accepted.**

The change from “prior claiming” to “whole of contents”, by avoiding the confusing body of case law on prior claiming, will provide a simpler mechanism for the resolution of conflicts between co-pending applications.

**15(i) — Accepted.**

The present less stringent requirements of novelty and non-

against a prior art base which is the same as that which we recommend for standards patents, except that only those disclosures in recorded form which are publicly available in Australia may be considered;

ii that combinations of disclosures and/or uses only be permissible as for standard patents: except

iii that the common general knowledge be treated as including only those disclosures in recorded form which are publicly available in Australia, "available in Australia" here meaning capable of being accessed or otherwise directly available in Australia.

Recommendation 16

That a petty patent be permitted to include up to 3 claims in dependent form.

Recommendation 17

That the term of a petty patent continue to be 1 year from the date of sealing, with provision as now for extension for an additional period expiring 6 years from the filing date of the petty patent specification.

Recommendation 18

i That divisional applications for petty patents not be permitted from standard patent applications, and vice versa; and

ii that the provisional specification procedure be available for petty as

obviousness should be retained for petty patents, which are oriented particularly towards smaller Australian enterprises. The ground of objection based on "prior publication" will be removed and subsumed within the "want of novelty" objection.

15(ii) — Accepted.

In relation to the determination of obviousness for petty patents, a similar qualification applies to that outlined above in relation to standard patents — see recommendation 13(ii) — except, in relation to disclosures, that only those in recorded form which were publicly available in Australia may be considered.

15(iii) — Not accepted.

The presently accepted meaning of "common general knowledge" will be retained.

Accepted.

Accepted.

18(i) — Not accepted.

Since pre-grant opposition is not being abolished (see recommendation 29) divisional applications for petty patents should be permitted for the benefit of applicants needing to take urgent action for infringement.

18(ii) — Accepted.

well as standard patent applications; and

- iii that grant of a standard patent not be permitted where there has previously been granted to the same applicant a petty patent for the same invention and having the same priority date, and vice versa.

Recommendation 19

That the provisional specification procedure be retained.

Recommendation 20

That the desirability of introducing a scheme giving rights or opportunities to employee inventors, including the right in some circumstances to take out a patent, be further studied.

Recommendation 21

That the Patent Office —

- i classify patent documents according to the Australian Standard Industrial Classification in addition to the International Patent Classification;
- ii upgrade storage, access and dissemination of patent information by computerisation of Patent Office data;
- iii continue to improve the quality of its searches under the Patent Cooperaton Treaty and to make search results available to the public;
- iv continue promotional and educational programmes with a view to increasing public awareness of the source and value of technology information;
- v decentralise the patent information services as far as possible, including the provision of facilities for on-line access by users to the

18(iii) — Not accepted.

Petty and standard patents for the same invention should not, however, be permitted to be simultaneously in force.

Accepted.

Agreed in principle.

A related proposal has been made by ASTEC in its report entitled “Public Investment in Research and Development in Australia”. Should ASTEC’s recommendation be subjected to a detailed study, it would be appropriately considered conjointly with present recommendation 20.

21(i) — Agreed in principle.

Further study with a view to implementation of this recommendation will be undertaken by the Patent Office in consultation with the Australian Bureau of Statistics.

21(ii) and (iii) — Accepted.

These have been on-going tasks for the Patent Office.

21(iv), (v) and (vi) — Not accepted.

The Patent Office has demonstrated a number of ways in which patent informaton can be used more effectively and that a demand exists in industry. A range of services is available from other organisations in both public and private sectors. The Patent Office will continue to make its collection of patent documents available to

Patent Office data base and the international data base, in the Patent Sub-offices and elsewhere, and of more technical information officers in the State capitals; and

- vi continue to prepare and make available, in general and on request, on a fee basis where appropriate, technology evaluation studies to assist Australian industry with industrial and technological development.

**Recommendation 22**

- i That the unproclaimed amendment of section 34 of the Patents Act which relates to lodgment of abstracts be proclaimed and implemented, so as to require applicants for letters patent to provide a fair summary in plain English of the contents of the patent specification, not to affect interpretation of the specification; and
- ii that the Patents Act be amended to ensure that any published patent specification held by the Patent Office, including any drawing it contains, may be freely copied or reproduced without infringing any copyright in that specification or drawing or in any work of which it is a substantial reproduction.

**Recommendation 23**

That the patents legislation be reviewed and completely redrafted to streamline procedures, particularly with a view to eliminating unnecessary steps and procedures, avoiding special categories, and establishing appropriate sanctions for non-compliance.

**Recommendation 24**

That the present system of examination on request and of

the public.

22(i) — Agreed in principle.

This has a low priority and implementation will be deferred.

22(ii) — Accepted.

Consideration will also be given to consequential amendments of the Copyright Act 1968.

Accepted.

The Commissioner of Patents will invite the Law Council of Australia and the Institute of Patent Attorneys of Australia to participate in a working party to review the legislation, particularly with a view to relegating procedural matters to the regulations. Other interested parties will be consulted as appropriate.

Accepted.

combined search and examination be retained.

Recommendation 25

That the present system of modified examination be abandoned.

Not accepted.

Modified examination offers substantial saving in resources and rationalisation of operations with those of equivalent Offices overseas. The procedures of modified examination will be extended, as practicable, to applications based on patents granted in other countries having patent systems substantially similar to Australia's. Consideration will also be given to reducing the scope of the search undertaken by examiners during modified examination.

Recommendation 26

That applicants be obliged at the time of filing a request for examination to notify the Patent Office of the results of all searches carried out previously by patent offices, official authorities, or other prescribed organisations, in respect of the invention or corresponding applications in other countries, and subsequently to update that notification to the date of acceptance.

Accepted.

This is consistent with acceptance of recommendation 13(i) relating to determination of novelty against a world-wide prior art data base and the non-acceptance of recommendation 25 that modified examination be abandoned.

Recommendation 27

That both novelty and obviousness of an invention be matters for report by the examiner.

Accepted.

It should be noted that, in deciding whether an invention is obvious, it will be permissible only to consider any single prior disclosure or use in the light of the common general knowledge in the art — see recommendation 13(ii).

Recommendation 28

That standard and petty patent application files be confidential until the date on which they become open to public inspection, but that after that date, public access be granted to all documents contained on patent files consistently with the principles and subject to the exemptions contained in the Freedom of

Accepted.

Patent application files will be confidential until the date on which they become open to public inspection (OPI), although bibliographic information concerning applications will be available immediately after their lodgment.

Information Act.

Recommendation 29

That the pre-grant opposition procedure be abolished.

Not accepted.

Pre-grant opposition provides a relatively inexpensive mechanism for resolving third party disputes as to validity. Opposition procedures will be made more stringent in order to expedite the determination of oppositions.

Recommendation 30

That jurisdiction to hear post-grant revocation proceedings not be transferred to the Commissioner but remain in the courts.

Accepted.

Recommendation 31

That a procedure be introduced for ex parte re-examination by the Patent Office, with the following features:

Accepted.

However, in a view of the retention of the pre-grant opposition procedure (see recommendation 29), the re-examination procedure will be available only after grant of a patent, except that it may be ordered before grant by the Commissioner during opposition proceedings or by a court in an appeal from opposition proceedings. Re-examination will be available for both standard and petty patents. The effectiveness of the re-examination procedure will be monitored.

- i to be available for 3 months after acceptance of an application and at any time after grant of a patent;
- ii the grounds to be limited to matters of novelty and obviousness based on published documents or recorded information;
- iii to be available at the instance of the applicant or patentee, a third party, or the Commissioner, except if infringement or revocation proceedings are or have been commenced in a court, in which case the court may order re-examination;
- iv the Commissioner to have power to grant, refuse, uphold, or cancel a patent, direct amendments, or present his findings to a court hearing a revocation action, as the case may be; and
- v the applicant or patentee, but not third parties, to have an express right of appeal from the Commissioner's decision, third parties having recourse to

the courts only by way of revocation proceedings or as otherwise provided by law.

Recommendation 32

That patents should have territorial operation consistent with other Australian legislation concerning sovereignty and with relevant international agreements.

Accepted.

Recommendation 33

That in general the supply of goods whose only use would infringe a patent, or which are accompanied by a positive inducement for the ultimate consumer to perform actions which would innocently or knowingly infringe a patent, should itself be an infringement of the patent.

Accepted.

The introduction of provisions to deal with contributory infringement will remove an area of uncertainty under Australian patent law and harmonise it with the laws of Australia's major trading partners.

Recommendation 34

That the Government encourage insurance companies to offer appropriate schemes enabling Australian enterprises to obtain insurance coverage against patent litigation expenses in Australia and in other countries.

Agreed in principle.

The Government would welcome greater participation by the insurance industry in this area by both Australian and foreign companies. It is not Government policy, however, to provide special assistance to insurance companies in particular fields of insurance.

Recommendation 35

(See above under recommendation 8.)

Recommendation 36

That the Patent Office not be required to recover its operating costs for those of its services which are in the nature of a service to the public rather than a service to direct users of the system.

Not accepted.

The Government is committed to a user pays principle and considers that the vast majority of the services provided by the Patent Office are directed towards users of the system. The Patent Office will, in this respect, continue to operate in its present manner.

Recommendation 37

That the Commissioner of Patents be granted, under the Patents Act, the powers of a Permanent Head.

Not accepted.

The arguments presented by IPAC in support of this proposal do not take fully into account the realities of public administration and the solution proposed would not solve the problems perceived. The Government is, in any event, reviewing criteria relating to the

establishment of statutory authorities, corporations, offices and Government business undertakings and, depending on the criteria established by this review, the recommendation may be considered further.

Accepted.

It is also appropriate, as suggested by the Committee, that a review be conducted of the qualifications required for practice under the Trade Marks Act.

Recommendation 38

That the minimum technical qualification for a patent attorney be a Bachelor's degree, post-graduate Diploma, or other qualification granting admission at the corporate level to an appropriate professional institution.

Recommendation 39

That the Institute of Patent Attorneys of Australia and the Patent Office, in conjunction with the Board of Examiners of Patent Attorneys, investigate —

- i the feasibility of the instruction and examination of the 3 subjects which form the intermediate part of the patent attorneys' examination being conducted at a recognised tertiary institution;
- ii the inclusion of an additional subject designed to provide candidates with general legal skills;
- iii the removal of the present exemptions —
  - from the intermediate level allowed to legal practitioners, except where equivalent subjects have been taken;
  - from 6 months of the 12 months in-service training allowed to examiners from the Patent Office; and
  - from 2 subjects of the final examinations allowed to UK chartered patent agents; and
- iv the implementation of an exchange programme between

Accepted.

trainee patent attorneys and examiners, and a continuing education programme for those who have qualified.

Recommendation 40

That the Institute of Patent Attorneys be required to make its Recommended Scale of Charges available on request to any interested person.

Not accepted.

The Government is not prepared to legislate to this end. It is noted that the Institute of Patent Attorneys presently makes its Recommended Scale of Charges available and the Government would expect that practice to continue.

Accepted.

Recommendation 41

That current proposals to extend the disciplinary powers of the Commissioner in relation to patent attorneys and to establish an independent disciplinary tribunal be pursued.

Accepted.

Recommendation 42

That no change be made to the present scope of patent attorney practice.

Accepted.

Recommendation 43

That Australia continue to participate in the various treaties administered by WIPO, having regard to the special needs of the Australian economy.

Recommendation 44

i That the Australian Patent Office continue to develop regional cooperation programmes, particularly in the Asia/West Pacific region, in the following three main categories:

44(i) — Accepted.

Development of regional cooperation programmes will, however, depend on sufficient support and priority being given by recipient governments.

- advising and training of technical staff and administrators in industrial property offices;
- providing advice and training to industrial property offices to better access and use the technology information contained in patent documents; and
- development and use of common services with the long range objective of the

establishment of regional arrangements which would serve all the participating countries concerned; and

- ii that the Ministers for Science and Technology and Foreign Affairs consult with a view to ensuring suitable Government funding for these activities on the part of the Patent Office.

Recommendation 45

- i That full particulars of all interests affecting the proprietorship of a patent, including any licence, be required to be lodged with the Patent Office, for use for statistical and general policy assessment purposes;
- ii that only certain appropriate minimum particulars be entered on the Register and be open to public inspection;
- iii that all of the information provided and not entered on the Register be treated as received and held in confidence and subject to privilege, and to the extent necessary for this purpose, that the application of the Freedom of Information Act be excluded; and
- iv that if particulars are not lodged as required within 3 months after the date of the instrument, then damages for infringement will not be recoverable for infringing acts occurring between the date of the instrument and the date on which the requisite particulars are lodged.

Recommendation 46

That the Patent Office introduce procedures to collect more data from applicants and patentees, particularly concerning the use of

44(ii) — Accepted in part.

Whilst it is desirable that the Ministers for Science and Foreign Affairs consult on these matters, such consultation should focus on the priority these activities are to be given in the overall aid programme. This would allow due regard to be given to the priorities of recipient governments and any overall budgetary constraints.

Agreed in principle.

Whilst the recommendation may provide information about use of the patent system, the Government is not, however, prepared to introduce at this time what would be an additional regulatory burden on industry. If, at a future date, the recommendation is implemented, consideration will be given to implications under the Freedom of Information Act.

Agreed in principle.

The Patent Office will, subject to the need to avoid an excessive paper burden on industry, develop appropriate procedures in

patents after grant, in a form which facilitates analysis for statistical and general policy assessment purposes, the information so collected being treated as received and held in confidence and subject to privilege.

consultation with interest groups and Government agencies. This is not, however, a matter of high priority.