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THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PATENTS BILL 1989

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and New Clauses to be Moved on Behalf of
the Government

(Circulated by authority of the
Minister for Industry, Technology and Commerce,
Senator the Hon John N Button)

PATENTS BILL 1989

AMENDMENTS AND NEW CLAUSES TO BE MOVED ON BEHALF OF THE GOVERNMENT

OUTLINE

1. The purpose of the amendments and new clauses is to make minor changes to the Bill, taking into account public submissions made on the Bill. The changes are mostly to correct omissions and drafting errors and to avoid unintended effects. It is not surprising that the changes are rather numerous, given that the Bill represents a complete redraft of the Patents Act 1952 and that it adopts a new and plainer drafting style. Transitional provisions are also included (amendments (86) to (88)).

2. Changes which involve minor questions of substance or principle include:

- . modification of the criteria by which novelty and inventive step are determined in relation to an invention (amendments (5) to (10) and (93));
- . redressing the balance of interests as between a patentee and a prior user of the patented invention (amendment (57));
- . ensuring that the limitation periods for taking infringement proceedings and certain prosecutions are adequate (amendments (58) and (72)).

FINANCIAL IMPACT STATEMENT

3. The changes made by the amendments and new clauses will not involve any change to the financial impact outlined in the Explanatory Memorandum to the Bill itself.

NOTES ON INDIVIDUAL AMENDMENTS

Amendment (1)

4. This amendment reflects the inclusion in the Dictionary in Schedule 1 to the Bill of the expression "1989 Amending Act".

Amendments (2) and (3)

5. These amendments to Tables 1 and 2 contained in clause 4 reflect the amendment made to clause 140 in relation to lapsing of provisional applications.

Amendment (4)

6. This amendment ensures that the mechanism set out in clause 5 is the only way in which a complete application may be associated with a provisional application.

Amendments (5) and (6)

7. These amendments modify the provisions of clause 7(1), under which novelty of an invention is assessed. The amended provisions make it clear that, in assessing novelty, information in 2 or more related documents (or acts) may be considered together provided that a person skilled in the relevant art would treat them as a single source of that information - for example, where a document clearly incorporates the information in another document by reference. This avoids the citation of abstruse combinations of documents against an application or patent.

Amendments (7) to (10)

8. These amendments modify the provisions of clause 7(2) and (3) under which an invention is assessed for "inventive step". The amended provisions make it clear that:

- . an invention is to be taken to involve an inventive step unless the invention would have been obvious to a person skilled in the relevant art; and
- . similarly to the amendment to clause 7(1) - information in 2 or more related documents (or acts) may be considered together provided that a person skilled in the art would treat them as a single source of that information.

Amendment (11)

9. This amendment to clause 9 reflects the amendment made to clause 18 by amendment (17) in relation to secret use of an invention.

Amendment (12)

10. This amendment ensures that clause 10 does not apply to an international application not filed in English unless a translation has been filed.

Amendment (13)

11. This amendment to clause 11 provides that nothing in the Bill makes the Crown liable to be prosecuted for an offence.

Amendment (14)

12. This amendment to clause 15 ensures that a patent may be granted to a person who derives title from another person who would, on the grant of a patent, have been entitled to have the patent assigned to that other person.

Amendment (15)

13. This amendment to clause 16 ensures that the clause applies to the product of a patented process as well as to a patented product.

Amendment (16)

14. This amendment to clause 18 avoids an unintended effect.

Amendment (17)

15. This amendment to clause 18, in conjunction with the change to clause 9 made by amendment (11), places in clause 18 the central notion of what constitutes "secret use" for the purpose of determining what is a patentable invention.

Amendments (18) and (19)

16. These amendments to clause 24 avoid an unintended effect. The result is that information, which would otherwise be able to be considered for the purpose of deciding whether an invention is novel or involves an inventive step, need not be disregarded merely because it is also given to the Commonwealth, a State or Territory, etc.

Amendment (20)

17. This amendment to clause 35 makes it clear that a patentee who surrenders a patent under clause 135 cannot subsequently seek a patent for the same invention under clause 35.

Amendment (21)

18. This amendment to clause 38 ensures that a person who would be entitled to make a request under clause 112 to have a provisional application that was made by someone else proceed in his or her name, etc, may make a complete application associated with that provisional application.

Amendment (22)

19. This amendment to clause 39 ensures that the stricter requirements under paragraph (1)(b) for making a divisional application under the clause do not come into play until 3 months after notification of acceptance of the relevant patent request and specification.

Amendment (23)

20. This amendment to clause 39 makes it clear that a divisional application must be a complete application (not a provisional application).

Amendment (24)

21. This amendment to clause 39 allows for the fact that an invention may be "disclosed" in either or both of the description and the claims of a specification.

Amendment (25)

22. This amendment to clause 39 omits subclause (3) which is superfluous, and makes a drafting change to subclause (4) (renumbered as (3)).

Amendment (26)

23. This amendment omits from clause 40 a requirement of patent specifications relating to the use of people's names in patent claims. A similar provision is, more appropriately, included in clause 51 by amendment (35).

Amendments (27) to (30)

24. These amendments to clauses 41 and 42 adopt terminology used elsewhere in the Bill in relation to "a person skilled in the relevant art", and refer to availability of a micro-organism in the patent area.

Amendment (31)

25. This amendment to clause 43 adds an express reference to the basic formula for computing the priority date of a claim - that is, the date of filing of the specification (or such other date as is determined under the regulations).

Amendment (32)

26. This amendment to clause 43 makes it clear that different claims in a specification may have different priority dates.

Amendment (33)

27. This amendment replaces clause 45 with the effect of adding an express requirement that the Commissioner, in examining a patent request and complete specification, is to report in relation to clauses 40 and 18(a) and (b). In addition, proposed new subclause (3) is more restricted in scope than present subclause (2) in relation to requiring applicants to inform the Commissioner of foreign search results.

Amendment (34)

28. This amendment of clause 48 has the effect of adding an express requirement that the Commissioner, in undertaking a modified

examination of a patent request and complete specification, report in relation to clauses 18(a) and (b).

Amendment (35)

29. This amendment to clause 51 enables the Commissioner to refuse to accept a specification with a claim containing the name of a person as the name of the invention.

Amendments (36) and (37)

30. These amendments omit subclause (2) of clause 55, which is redundant on subclause (3), and clarify the operation of subclause (3).

Amendment (38)

31. This amendment makes clause 56 more specific in relation to documents which are not to be published or be open to public inspection, etc.

Amendment (39)

32. This amendment to clause 57 ensures that infringement proceedings cannot be commenced until after a patent has been granted.

Amendment (40)

33. This amendment omits some unnecessary words from clause 61.

Amendment (41)

34. This amendment avoids an unintended effect in clause 64. Amended subclause (1) has the result that a patent is not to be granted on an application which claims an invention that is the same as an invention that is the subject of a patent and is made by the same inventor, and where the relevant claim or claims in each of the complete specifications have the same priority date or dates. (If the first patent has ceased or been revoked, however, the clause would pose no bar to granting a patent on the other application).

Amendment (42)

35. This amendment to clause 65 adds an express reference to the basic formula for computing the date of a patent - that is, the filing date of the complete specification (or such other date as is determined under the regulations).

Amendment (43)

36. This amendment to clause 69 has the effect of requiring the Commissioner not to refuse a patent unless the Commissioner has, where appropriate, given the applicant a reasonable opportunity to amend the patent request or complete specification.

Amendment (44)

37. This amendment to clause 69 adds a requirement that the Commissioner notify the applicant of the grant of a patent.

Amendment (45)

38. This amendment omits subclauses (3) and (4) of clause 89, leaving those and other related matters to be dealt with in regulations to be made under clause 224(2)(t).

Amendment (46)

39. This amendment to clause 89 provides for verification of translations in accordance with the regulations rather than to the satisfaction of the Commissioner.

Amendment (47)

40. This amendment corrects a typographical error in clause 89.

Amendment (48)

41. This amendment omits a superfluous subclause of clause 95.

Amendment (49)

42. This amendment corrects an unintended effect in clause 97. The result is that the Commissioner is not obliged to re-examine a specification during opposition proceedings, but is obliged to re-examine a specification after grant of a patent at the request of the patentee or another person.

Amendment (50)

43. This amendment adds a further subclause to clause 97 to provide that a re-examination under subclause (1) or (1A) is not to continue where relevant court proceedings in relation to the patent are started.

Amendment (51)

44. This amendment to clause 101 requires the Commissioner, where appropriate, to give a patentee a reasonable opportunity to amend a specification before revoking the patent after re-examination.

Amendment (52)

45. This amendment to clause 102 omits some superfluous words. The clause refers to a specification which has been accepted. Such a specification is automatically open to public inspection by virtue of clause 55, so the additional qualification to that effect in clause 102 is redundant.

Amendment (53)

46. This amendment to clause 102 reflects the omission from clause 40 of subclause (5) which is effected by amendment (26).

Amendment (54)

47. This amendment adds new clause 105A, which enables the Commissioner, on re-examination of a specification, to direct the patentee to file a statement of proposed amendments. The new clause is analogous to clauses 106, which applies during pre-grant examination.

Amendment (55)

48. This amendment adds to clause 108 a provision for appeal against a decision of the Commissioner under new clause 105A (added by amendment (54)).

Amendment (56)

49. This amendment corrects a drafting error in clause 113, which corresponds to section 159A(2) of the Patents Act 1952.

Amendment (57)

50. This amendment provides a more satisfactory balance of interests between the patentee and any prior user of any invention under clause 118. The clause provides for an exemption from infringement in certain circumstances where a person had been using an invention claimed in a patent before the relevant priority date. The change now made ensures that the exemption does not apply where the prior use had been stopped or abandoned (other than temporarily).

Amendment (58)

51. This amendment adds a new subclause 119(4) which avoids doubt as to the limitation period for commencing infringement proceedings, particularly in cases where alleged infringing acts occurred after a specification became open to public inspection but before grant of a patent.

Amendment (59)

52. This amendment adds a new clause 122A which has the effect of putting an exclusive licensee of a patent in a similar position to a patentee, for the purposes of the Part.

Amendment (60)

53. This amendment to clause 124 ensures that a non-infringement declaration is not made until after the patent concerned has been granted.

Amendment (61)

54. This amendment ensures that the protection afforded by clause 130 to patent attorneys is only available if they are registered.

Amendments (62) and (63)

55. These amendments to clause 136 avoid any doubt that the ground of revocation based on "false suggestion" is retained.

Amendment (64)

56. This amendment to clause 140 provides that a provisional application lapses at the end of the period prescribed for the purpose of clause 38 or, if that period is extended (see clause 219), at the end of the period as so extended.

Amendment (65)

57. This amendment to clause 140 ensures that non-compliance with clause 45(2) will only result in lapsing of an application if the Commissioner so directs.

Amendment (66)

58. This amendment substitutes a new clause 157 which provides a more appropriate role for the Commissioner in appeals to the Federal Court against a decision or direction of the Commissioner.

Amendment (67)

59. This amendment to clause 169 avoids an unintended effect, ensuring that notice of an acquisition of an invention by the Commonwealth is always to be given to the applicant and the nominated person, or the patentee.

Amendment (68)

60. This amendment rectifies an omission by inserting new clause 185A, corresponding to sections 26 and 27 in the Patents Act 1952. The main effect of the clause is to protect a person who deals with a patentee on the basis of rights appearing in the Register of Patents, so long as that person is a purchaser in good faith for value without notice of any fraud on the part of the patentee.

Amendment (69)

61. This amendment adds new subclause 187(2) which provides a suitable mechanism for public inspection of the Register where it is computerised.

Amendment (70)

62. This amendment makes it plain in clause 192 that a document reproducing particulars contained in a computerised Register must be signed by the Commissioner.

Amendment (71)

63. This amendment to clause 198 avoids an unintended effect. The revised clause ensures that only a registered patent attorney may hold himself or herself out as an agent for obtaining patents.

Amendment (72)

64. This amendment adds a new clause 200A which provides for a limitation period of 5 years for starting prosecutions for offences against clauses 198, 199 and 200 relating to unauthorised professional practice in patent matters. This provision has been added because it is generally impossible to determine for some years, from documents lodged with a patent application, that an offence may have been committed, by which time the general limitation period in section 21 of the Crimes Act 1914 will have expired. The drafting of patent application documents by unqualified persons can result in serious loss to applicants, including the potential loss of all rights in an invention.

Amendment (73)

65. This amendment to clause 204 ensures smooth exercise of powers by the Commissioner and Deputy Commissioner of Patents.

Amendment (74)

66. This amendment omits from clause 212 an undesirable restriction on the right of a person to a hearing by the Commissioner.

Amendment (75)

67. This amendment ensures that the restoration of a lapsed application or ceased patent by virtue of an extension of time under clause 219 will have effect from the time of lapsing.

Amendment (76)

68. This amendment to clause 219 has the effect of ensuring that a complete application may be associated with a provisional application under clause 38 after the period prescribed under clause 38, in a case where that period has been extended under clause 219.

Amendments (77) and (78)

69. These amendments to subclause 219(8) limit the protection which may be available for third parties under that subclause to cases where an extension is granted for more than 3 months and where the exploitation or steps occurred before the date on which the application for extension of time is advertised. This is consistent with subclause (4) which only requires advertisement of an application for an extension of time in the Official Journal if it is for an extension of more than 3 months.

Amendment (79)

70. This amendment adds a further provision for review by the Administrative Appeals Tribunal of a decision of the Commissioner under paragraph 140(2)(b) (as amended by amendment (65)).

Amendments (80) to (84)

71. These amendments to clause 220 make it clear that the operation of the provisions concerned is in relation to prosecutions for offences under the Bill and for offences under certain provisions of the Crimes Act 1914 that relate to the Bill or the regulations.

Amendment (85)

72. This amendment restricts clause 222 to avoidance of copyright infringement by the reproduction in 2 dimensions of the whole or part of a specification. The remaining aspects of the Government's response to recommendation 22(ii) of the Industrial Property Advisory Committee's report, "Patents, Innovation and Competition in Australia", will be implemented by amendments of the Copyright Act 1968.

Amendments (86) to (88)

73. These amendments relate to transitional and savings provisions. Amendments (86) and (87) add to clause 224 a regulation making power to make such transitional and savings provisions as are necessary or convenient as a result of the repeal of the Patents Act 1952 and the enactment of the Bill, which provisions may involve the continued operation of specified provisions of the 1952 Act. Amendment (88) includes a new Chapter 23 setting out the main body of transitional and savings provisions. The new clauses in that Chapter are outlined in the following paragraphs.

Clause 227: Application to Part III of 1989 Amending Act

74. This clause ensures that the effect of the application and transitional provisions in Part III of the Patents Amendment Act 1989 is preserved.

Clause 228: Application of this Act: extensions of term

75. This clause precludes extensions of a patent's term under both the repealed Act and the Bill.

Clause 229: Patents granted under 1952 Act

76. Subclause 229(1) establishes the general principle that, subject to this Chapter, the Bill applies to patents granted under the repealed Act as if they were granted under the Bill. Subclauses 229(2) to (4) contain exceptions to this principle.

77. Subclause 229(2) provides that such a patent does not have effect in any place in which it did not have effect immediately before commencement of the Bill. Subclause 229(3) has the effect that the re-examination provisions in Chapter 9 of the Bill do not supply to such a patent. Subclause 229(4) ensures that such a patent cannot be attacked under the Bill on any ground that would not have been available against the patent under the repealed Act.

Clause 230: Applications under 1952 Act

78. Subclauses 230(1) and (2) establish the general principle that, subject to this Chapter and the regulations, the Bill applies to applications made under the repealed Act which are pending when the Bill commences. Subclauses 230(3) to (6) contain exceptions to this principle.

79. Subclause 230(3) provides for the retention in relation to an application mentioned in subclause (2) of the repealed provisions in relation to opposition to grant of a patent. Subclause 230(4) has the effect that the re-examination provisions in Chapter 9 of the Bill do not apply to such an application or to a patent granted on such an application. Subclause 230(5) ensures that such an application or a patent granted on such an application cannot be attacked under the Bill on any ground that would not have been available against the application or patent under the repealed Act. Subclause 230(6) ensures that a petty patent specification to which subclause (2) applies cannot be amended under the Bill so as to include more than one claim.

Clause 231: Other applications and proceedings under 1952 Act

80. This clause establishes the general principle that, subject to this Chapter and the regulations, the Bill applies to an application (not being one covered by clause 230), request, action or proceedings under the repealed Act which is pending when the Bill commences.

Clause 232: Micro-organisms

81. This clause makes it clear that the deposit requirements, etc, of clauses 41 and 42 do not apply to specifications lodged before 7 July 1987 (the date on which the corresponding provisions of the repealed Act commenced).

Clause 233: Orders, directions etc made or given under 1952 Act

82. This clause preserves reports, orders and directions given under the repealed Act and brings them under the Bill.

Clause 234: The Commissioner and Deputy Commissioner

83. This clause preserves the appointments of the Commissioner and Deputy Commissioner.

Clause 235: The Register of Patents and Register of Patent Attorneys

84. This clause preserves the Registers.

Clause 236: Registered patent attorneys

85. This clause preserves registrations of patent attorneys.

Amendments (89) and (90)

86. These amendments correct drafting errors, ensuring that the definition of "Convention applicant" is not narrower than the class of persons who can apply for a patent.

Amendment (91)

87. This amendment ensures that "methods" as well as "processes" are included in the definition of "exploit".

Amendment (92)

88. This amendment is primarily designed to ensure that a person who claims to be entitled to grant of a patent can make a request as an "interested party" under clause 32.

Amendment (93)

89. This amendment to the definition of "prior art base" has the effect of varying the circumstances in which a specification that was not published at a claim's priority date may be cited against the claim in considering the questions of novelty (see clause 7(1)(c)). Under the revised provision, the prior art base includes information contained in a published specification filed in respect of a complete application where:

- (a) if the information is, or were to be, the subject of a claim of the specification, the claim has, or would have, a priority date earlier than that of the claim under consideration; and
- (b) the specification was published after the priority date of the claim under consideration; and
- (c) the information was contained in the specification on its filing date and when it was published.

Amendment (94)

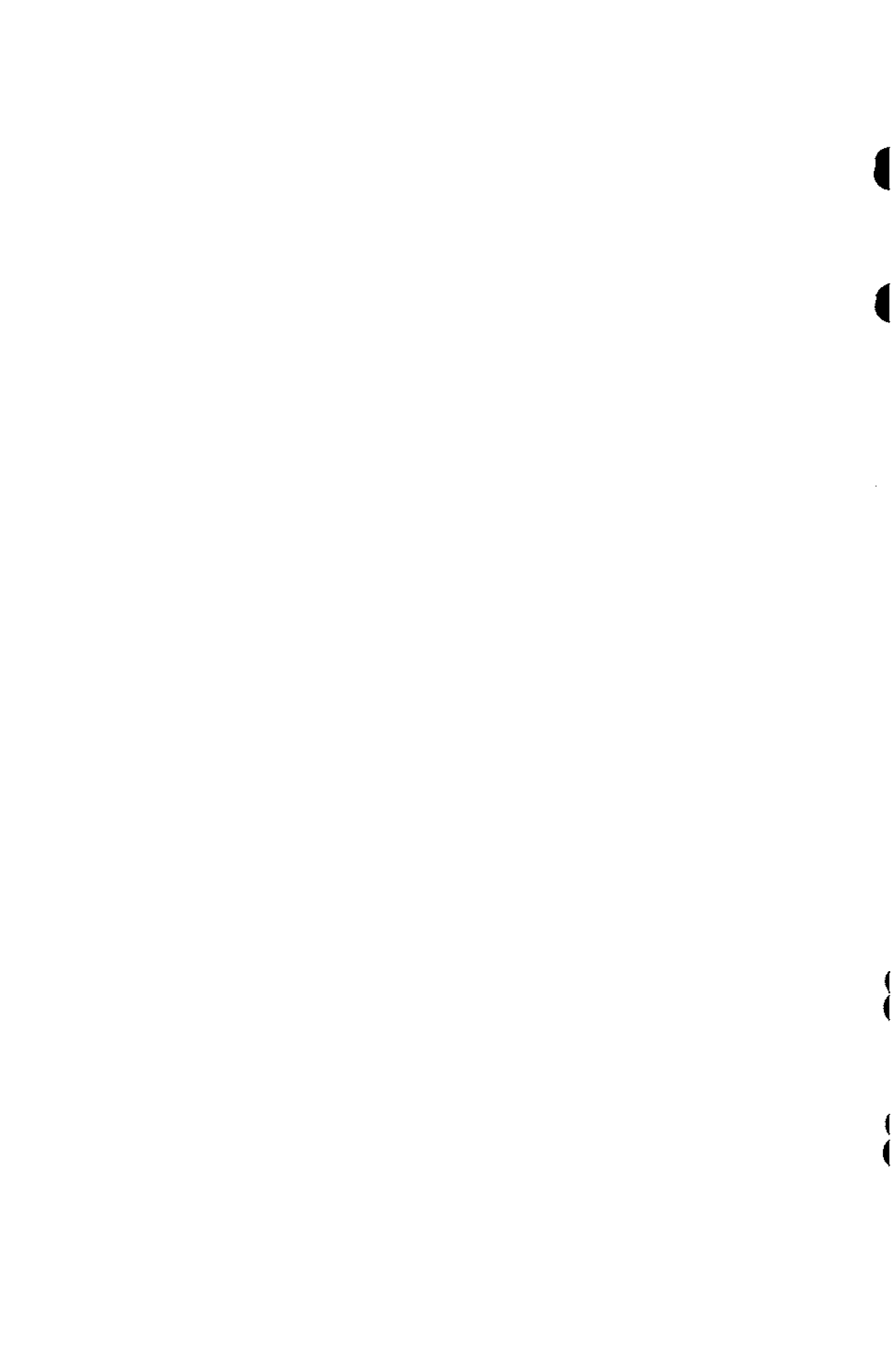
90. This amendment to the definition of "work" reflects the amendment to the definition of "exploit" (see amendment (91)) whereby "methods" are included as well as "processes".

Amendment (95)

91. This amendment adds a definition of "1989 Amending Act", meaning the Patents Amendment Act 1989.

Clarification: Clause 13 and definition of "exploit", and Chapter 11

92. The definition of "exploit" and clause 13, when read together, avoid some obscure language used in the repealed Act setting out a patentee's rights. The new provisions do not, however, constitute a "codification" of the scope of patent rights, notwithstanding the comment to that effect in the Explanatory Memorandum relating to the Bill.



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