

1989

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PATENTS BILL 1989

EXPLANATORY MEMORANDUM

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

PATENTS BILL 1989

GENERAL OUTLINE

1. This Bill replaces the present Patents Act 1952. There are several important aspects to the change.
2. The Bill implements the Government's response to the 1984 report of the Industrial Property Advisory Committee (IPAC), "Patents, Innovation and Competition in Australia". The Committee's recommendations and the Government's response were tabled in the House of Representatives on 28 November 1986 by the Hon Barry O Jones MP, then Minister for Science. Apart from improvements on a variety of administrative matters, ranging from examination of patent applications to enforcing patents in the courts, the Bill implements a number of policy measures. Notably, the Bill strengthens the standards of patentability for standard patents by testing inventions for novelty and inventive step against prior disclosures anywhere in the world rather than just in Australia. Other policy changes were also outlined in the Government's response to IPAC's report.
3. As recommended by IPAC and accepted by the Government, the text of the Patents Act has been thoroughly redrafted and re-arranged to modernise its language and avoid unnecessary complexity. So far as possible, the Bill is confined to matters of principle, leaving procedural matters to be dealt with in the regulations.
4. The Bill has had the benefit of input from a working party, set up under the Government's response to one of IPAC's recommendations, comprising representatives of the Patent Office, the Law Council of Australia and the Institute of Patent Attorneys of Australia. The working party reviewed the legislation and made a number of suggestions for streamlining procedures and the wording of the Patents Act.
5. It should be noted that the Bill incorporates amendments to the Patents Act, relating to extensions of patent term, which are contained in the Patents Amendment Bill 1989. That Bill has passed the House of Representatives and is, at the date of printing this Explanatory Memorandum, awaiting consideration by the Senate.
6. The Bill contains no transitional provisions. Those will be the subject either of amendments to the Bill or of a separate transitional provisions Bill to be introduced in conjunction with debate on the main Bill.

FINANCIAL IMPACT STATEMENT

7. The changes brought about by the Bill will require no net additional expenditure. The Patent Office, in accordance with Government policy, operates on a full cost recovery basis. Any additional costs will be recovered.

NOTES ON INDIVIDUAL CLAUSES

CHAPTER 1 - INTRODUCTORY

Clauses 1 and 2: Short title and commencement

8. These clauses of the Bill provide for its short title and commencement. Commencement is on a day to be fixed by Proclamation or immediately after 6 months from the date of Royal Assent, whichever comes first.

Clause 3: Definitions

9. This clause lists the expressions which are defined in the Dictionary contained in Schedule 1 of the Bill.

Clause 4: What are typical steps in getting and maintaining a patent?

10. This clause sets out charts illustrating the steps which may typically be involved in getting and maintaining a patent. If there is any inconsistency between any matter contained in the charts and a provision of the Bill or the regulations, the provision prevails.

Clause 5: Associated applications

11. This clause sets out the requirements for "association" of a complete application with a provisional application. This is important since the priority dates of claims in the specification of a complete application will depend on the disclosures in an associated provisional application.

Clause 6: Deposit requirements

12. This clause sets out deposit requirements which must be satisfied in certain circumstances where the invention involves the use of a microorganism. The requirements relate to deposit of samples in a depository institution, the inclusion of information in the patent specification concerned, and availability of samples in accordance with the regulations and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

Clause 7: Comparison with prior art base

13. This clause sets out the approach which must be taken in deciding whether an invention is novel and involves an inventive step when compared with the "prior art base" defined in the Dictionary in Schedule 1. In assessing novelty, it will be permissible to consider publicly available information from a prior document or prior use. In assessing whether an invention involves an inventive step, publicly available information from a prior document or prior use may be considered together with the common general knowledge in the relevant field, provided that the information would have been ascertainable, understandable and seen as relevant by a skilled person working in the field. Information from 2 or more documents or prior uses may be combined only where they are connected by references.

14. The prior art base for assessing petty patents will, in accordance with the Government's response to a recommendation of the Industrial Property Advisory Committee, include information from prior documents only if they were publicly available in the patent area (see below under clause 13). The prior art base for standard patents will include documents published anywhere in the world.

15. Under section 25 of the Acts Interpretation Act 1901, the word "document" is defined broadly enough to include, for example, computerised data bases.

Clause 8: Disclosure in basic applications

16. This clause has the main effect that priority dates deriving from a previous patent application abroad may not be recognised where copies of documents relating to that previous application are not filed as required.

Clause 9: Secret use

17. Prior secret use of an invention may invalidate a patent in some circumstances. This clause sets out certain events which are not to be taken as secret use for the purposes of the legislation.

Clause 10: Certain international applications to be taken to have been given an international filing date

18. This clause implements Article 25 of the Patent Cooperation Treaty (PCT), so far as Australia is concerned, by, in effect, enabling recognition of certain international applications which have been erroneously refused an international filing date by the relevant Receiving Office under the PCT, as applications under the Australian legislation.

Clause 11: Act binds the Crown

19. The legislation binds the Crown in right of the Commonwealth, of each of the States, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.

Clause 12: Application of Act

20. The Act extends to each external Territory, the Australian continental shelf and the waters above it, and to the airspace above Australia, each external territory and the Australian continental shelf.

CHAPTER 2 - PATENT RIGHTS, OWNERSHIP AND VALIDITY

PART 1 - PATENT RIGHTS

Clause 13: Exclusive rights given by patent

21. This clause sets out the rights possessed by a patentee - namely, the exclusive right, during the term of the patent, to exploit the invention and to authorise others to exploit the invention. Those rights are personal property and are capable of assignment and of devolution by law. A patent has effect throughout the "patent area" (defined in Schedule 1 to include Australia (which

includes each external Territory), the continental shelf and waters over it, and the airspace over Australia and the continental shelf.

22. The term "exploit" is defined in Schedule 1, in relation to an invention, to include

- where the invention is a product - make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or
- where the invention is a process - use the process or do any act just mentioned in respect of a product resulting from use of the process.

This definition, when read with clause 13, constitutes a codification of the scope of patent rights. It avoids some obscure language in the present Act which refers to the right to "make, use, exercise and vend" the invention.

23. While the definition makes it clear that certain acts are capable of being held to infringe a patentee's rights, it does not mean that a person who performs one of those acts will always be held to infringe. Clause 13 is not intended, in particular, to modify the operation of the law on infringement so far as it relates to subsequent dealings with a patented product after its first sale. This applies particularly where a patented product is resold or where it is imported after being purchased abroad. It is intended that the question whether such a resale or importation constitutes an infringement in a particular case will continue to be determined as it is now, having regard to any actual or implied licences in the first sale and their effect in Australia, and to what is often known as the doctrine of "exhaustion of rights" so far as it applies under Australian law.

Clause 14: Assignment of patent

24. This clause provides for assignments of patents.

PART 2 - OWNERSHIP

Clause 15: Who may be granted a patent

25. This clause lists the categories of persons to whom a patent may be granted, and provides that a patent may be granted to a person whether or not he or she is an Australian citizen. Broadly, a patent may be granted only to the inventor of the invention concerned or to a person deriving rights from the inventor.

Clause 16: Co-ownership of patents

26. Subclause (1), which is subject to any agreement to the contrary, sets out the relative rights of the patentees where there are 2 or more patentees of the same patent. Where a patented product is sold by any of 2 or more patentees, the buyer, and a person claiming through the buyer, may deal with the product as if it had been sold by all the patentees (subclause (2)). The provisions do not affect the rights or obligations of a trustee or of the legal representative of a deceased person, or rights or

obligations arising out of either of those relationships (subclause (3)).

Clause 17: Directions to co-owners

27. This clause provides a mechanism whereby, on the application of any of 2 or more co-patentees, the Commissioner may give directions about:

- a dealing with a patent or an interest in it; or
- the grant of licences under the patent; or
- the exercise of a right under clause 16 in relation to the patent.

If a patentee fails to do anything necessary to carry out such a direction, within 14 days of being asked in writing to do so by one of the other patentees, the Commissioner may, on the application of one of those other patentees, direct a person to do that thing in the name and on behalf of the defaulting patentee.

PART 3 - VALIDITY

Division 1 - Validity

Clause 18: Patentable inventions

28. This clause sets out what is a patentable invention - namely, an invention that, so far as claimed in any claim of a patent specification:

- is a manner of manufacture within the meaning of section 6 of the "Statute of Monopolies";
- when compared with the prior art base as it existed immediately before the priority date of the claim is novel and involves an inventive step;
- is useful; and
- was not secretly used in Australia before the priority date.

29. An "invention" is defined in Schedule 1 by reference to the expression "manner of new manufacture" in section 6 of the Imperial Act known as the Statute of Monopolies. The requirement in paragraph 18(a) that an invention, in order to be patentable, must be a "manner of manufacture" invokes a long line of UK and Australian court decisions. It means little more than that an invention must belong to the useful arts rather than the fine arts. The Government accepted the Industrial Property Advisory Committee's recommendation that this flexible threshold test of patentability be retained in preference to adopting a more inflexible codified definition.

Clause 19: Certificate of validity

30. This clause provides that, when the validity of a patent or of a claim of a patent is disputed in court proceedings, the court may certify that the validity of a specified claim was questioned. The effect of such a certificate is that, if the validity of that claim

is again questioned in later proceedings and again found to be valid, then the court has a discretion to award a higher level of costs against the person alleging invalidity than would otherwise be the case. This provision is designed to discourage unnecessary and repetitious disputes about the validity of patents.

Clause 20: Validity of patent not guaranteed

31. This clause has the effect that nothing done under the legislation guarantees the granting of a patent, or guarantees that a patent is valid, in Australia or elsewhere. The Commonwealth, the Commissioner, a Deputy Commissioner, or an employee of the Patent Office, is not liable because of, or in connection with, the doing of any act under the legislation or under the PCT, or in any proceedings consequent on the doing of any such act.

Clause 21: Validity not implied by making or refusal to make a non-infringement declaration

32. The effect of this clause is that a court's making, or refusal to make, a non-infringement declaration in respect of a claim of a standard patent (see Chapter 11, Part 2), does not imply that the claim is valid.

Division 2 - Matters not affecting validity

Clause 22: Invalidity in relation to one claim not to affect validity in relation to other claims

33. This clause provides that the invalidity of a patent in relation to a claim does not affect its validity in relation to any other claim.

Clause 23: Validity not affected by publication etc. after priority date

34. This clause recognises the principle that a claim of a patent should not be invalidated by information which is published after the claim's priority date.

Clause 24: Validity not affected by certain publication or use

35. This clause has the effect that, when a decision is made as to whether an invention is novel or involves an inventive step, certain information is to be disregarded.

36. Paragraph (1)(a) operates in respect of information made publicly available in certain prescribed circumstances, through any publication or use of the invention by or with the consent of the "nominated person" or the patentee. Paragraph (1)(b) operates in respect of information made publicly available without the consent of the "nominated person" or patentee or the predecessor in title of the nominated person or patentee. ("Nominated person" is defined in the Dictionary in Schedule 1 as meaning the person who is identified in the request for the grant of the patent as the person to whom the patent is to be granted.) These paragraphs will apply to an invention only if a patent application for the invention is made within the prescribed period. It is envisaged that regulations made under paragraph (1)(a) will initially reflect the present provisions

of the Patents Act 1952 in respect of inventions exhibited at an International Exhibition, inventions published to or by learned societies, and inventions which were necessarily worked in public for the purpose of testing. A wider range of circumstances may be prescribed at some stage, however, particularly if international moves to recognise a "grace period" before the application date proceed.

37. Subclause (2) operates in respect of information given by the patentee, by the nominated person, or by a successor in title of either of these, to the Commonwealth, a State, or a Territory, or to an authority of one of these, or to a person authorised by one of these to investigate the invention. The subclause also operates in respect of anything done for the purpose of such an investigation.

Clause 25: Validity: patents of addition

38. Chapter 7 of the Bill provides for the grant of patents of addition in respect of inventions which are "an improvement in, or modification of" a "main invention". Clause 25 has the effect that a patent of addition will be protected against attack based on lack of an inventive step having regard to the publication or use of the "main invention" during the prescribed period. It is envisaged that the period which will be prescribed for this purpose will be the period between the priority date of the claims of the patent for the main invention and the priority date of the claims to the improvement or modification.

Clause 26: Validity not affected in certain cases involving amendments

39. Subclause (1) is to the effect that objection cannot be taken to a patent request and specification that have been accepted, and a patent is not invalid, only because the specification claims an invention that was not the subject of the request, or that was not described or claimed in the specification as filed. Subclause (2) is to the effect that objection cannot be taken to a patent request and specification that have been accepted, and a patent is not invalid, only because an amendment of the specification has been made that was unallowable. This subclause is subject to an exception in the case of amendments wrongly made while certain court proceedings were on foot.

40. The general purpose of this clause is to avoid needless disputes about the correctness of amendments which have already been made, noting that the amendment procedures themselves make appropriate provision for objection at the time by third parties. Claims based on amendments which should not have been allowed may, however, suffer on that account in their entitlement to priority dates.

Division 3 - Notice of matters affecting validity

Clause 27: Notice of matters affecting validity of standard patents

41. This clause entitles a person to notify the Commissioner of material which is relevant to whether or not an invention the subject of an application for a standard patent is a patentable invention on a "prescribed ground". It is envisaged that the only

prescribed grounds will be lack of novelty and lack of inventive step. The notice lodged by the informer, and any document accompanying it, are to be open to public inspection. The Commissioner will consider and deal with a notice in accordance with the regulations.

Clause 28: Notice of matters affecting validity of petty patents

42. This clause makes similar provision to the previous clause, but operates in respect of petty patents. The clause expressly provides that the Commissioner must inform the patentee in writing of any matter of which the Commissioner is notified and send the patentee a copy of any document accompanying the notice. The Commissioner must also inform the patentee in writing of any other matter of which the Commission becomes aware and which may affect the validity of a petty patent on a prescribed ground.

CHAPTER 3

PART 1 - PATENT APPLICATIONS

Division 1 - Applications

Clause 29: Application for patent

43. This clause specifies how a patent application is made, and the documents that must be included with the application - notably a patent request and a provisional specification (in the case of a provisional application) or a complete specification (in the case of a complete application).

Clause 30: Filing date

44. This clause specifies that an application will be taken to have been made on the filing date determined under the regulations. It is envisaged that this will generally be the date on which the application was actually received by the Patent Office.

Clause 31: Joint applicants

45. This clause enables 2 or more people to make a joint application for a patent.

Clause 32: Disputes between applicants, etc.

46. Where there are two or more interested parties to a patent application, disputes may arise between those parties on how the application should proceed. This clause provides a mechanism for the Commissioner to resolve such disputes.

Clauses 33 to 36

47. These clauses have the effect of permitting patents to be granted to persons whose entitlement became apparent during the course of certain proceedings in relation to applications or patents made or held by other people. The clauses also specify how the priority dates of claims in such applications are to be determined. The clauses allow a patent to be granted to an entitled applicant

despite the existence of an earlier application by a different applicant who was not entitled to the grant of a patent.

Clause 33: Applications by opponents etc.

48. This clause has the effect of permitting the grant of a patent to a person who has opposed the grant of a standard patent, or has given a notice under clause 28 in relation to a petty patent, and has established eligibility for the grant of a patent for that invention.

Clause 34: Applications by eligible persons arising out of court proceedings

49. This clause has the effect of permitting the grant of a patent to a person who has established eligibility for the grant of a patent for that invention in court proceedings.

Clause 35: Applications by eligible persons following revocation by Commissioner

50. This clause has the effect of permitting the grant of a patent in respect of the subject matter of a patent, which has been surrendered by the patentee, to a person (other than the patentee) who is eligible for the grant of a patent.

Clause 36: Other applications by eligible persons

51. This clause has the effect of permitting the grant of a patent to a person in respect of the subject matter of an earlier application which has lapsed, where the nominated person of the earlier application was not eligible for the grant of a patent.

Clause 37: Complete application may be treated as a provisional

52. This clause has the effect of allowing an applicant who has filed a complete application to have it converted to a provisional application.

Clause 38: Time for making complete application

53. This clause provides that a complete application associated with a provisional application may be made within the prescribed period (envisaged to be 12 months after the provisional application was filed). The clause will be an important factor in determining the priority dates of claims in a complete specification.

Clause 39: Divisional applications

54. This clause has the main effect of allowing an applicant to make separate applications for each of multiple inventions disclosed in a specification, without loss of priority dates. The clause sets out different time constraints for when a divisional application can be made, depending upon the type of application that is being divided from.

Division 2 - Specifications

Clause 40: Specifications

55. This clause sets out requirements for specifications which accompany patent applications. Subclause (1) provides that a provisional specification must describe the invention. Subclause (2) provides that a complete specification must describe the invention fully, including the best method known to the applicant of performing the invention. Subclause (2) also provides that a complete specification must end with a claim or claims defining the invention, and limits the number and kind of claims permitted in the case of an application for a petty patent.

56. Subclauses (3), (4) and (5) provide that claims must be clear and succinct; that they must relate to one invention only; and that they must not include the name of a person as the name of an invention.

Clause 41: Specifications: micro-organisms

57. This clause sets out special requirements for inventions involving micro-organisms. Subclause (1), to the extent that the invention is a microorganism, enables the requirement of a full description of the microorganism to be met by satisfying the deposit requirements specified in clause 6. Subclauses (2) and (3) have the effect of requiring those deposit requirements to be met if the invention involves the use, modification or cultivation of a microorganism, a skilled person working in the relevant field could not reasonably be expected to perform the invention without first having a sample of the microorganism, and the microorganism is not reasonably available to such a person. Subclause (4) makes provision for rectifying the situation where certain of the deposit requirements cease to be satisfied.

Clause 42: Micro-organisms ceasing to be reasonably available

58. This clause generally has the effect of allowing the Commissioner or a prescribed court to declare that a specification does not comply with the requirements of clause 40 unless the deposit requirements are met, if a microorganism ceases to be reasonably available. The clause also provides for appeal rights where the Commissioner makes such a declaration.

Division 3 - Priority dates

Clause 43: Priority dates

59. This clause provides for each claim of a specification to have a priority date to be determined under the regulations, and for a claim to have more than one priority date if it defines more than one form of an invention. It is envisaged that the regulations will provide for the determination of priority dates in a variety of circumstances such as where a complete application is associated with a provisional application, and where an application is a Convention application or a divisional application.

60. The "default" priority date of a claim would normally be the date on which the subject matter defined in the claim was first

disclosed in the specification, but earlier priority dates would apply in some cases including those just outlined.

PART 2 - EXAMINATION OF PATENT REQUESTS AND SPECIFICATIONS

Division 1 - Examination

Clause 44: Request for examination

61. This clause provides for the applicant to request examination of his or her application. The subclauses cover a voluntary request made by the applicant; a direction by the Commissioner to the applicant to request examination; and a direction by the Commissioner where so required by a third party.

Clause 45: Examination

62. This clause requires the Commissioner to examine each patent request and complete specification where examination has been requested. It is envisaged that the regulations will prescribe that the examination will canvass compliance with the requirements of the Bill, but excluding the questions whether the invention is useful, or has been secretly used, or is not novel or lacks an inventive step in the light of a prior use as distinct from a source of information in a document.

Clause 46: Deferment of examination

63. This clause provides a mechanism for deferring the time for requesting examination if there is an equivalent application in a prescribed country which has not been granted. The purpose is to facilitate the use of the modified examination procedure of clause 48.

Clause 47: Request for modified examination

64. This clause enables an applicant to request modified examination if a patent has been granted in a prescribed country in respect of a prescribed application. It is envisaged that the regulations will provide for a considerably shorter and simpler procedure to be followed where a patent was granted on a similar application in certain other English-speaking countries.

65. Subclause (2) provides that an applicant may withdraw a request for modified examination and ask for examination in the normal way instead. This will, for example, permit an application to be examined normally if, during modified examination, it is found to be unsuitable for the modified examination procedure.

Clause 48: Modified examination

66. This clause provides for the Commissioner to conduct a modified examination in accordance with the regulations where requested. It is envisaged that the regulations will provide for a somewhat truncated examination procedure, compared with the normal procedure, provided that the specification and claims of the application are substantially identical with a specified patent granted in a prescribed foreign country.

PART 3 - ACCEPTANCE

Clause 49: Acceptance of patent request: standard patent

67. This clause provides for the Commissioner to accept a patent request and complete specification if satisfied that there is no lawful ground of objection. It also provides that the Commissioner may refuse to accept the patent request and specification if not so satisfied.

68. Subclauses (3) and (4) permit the applicant to postpone acceptance for a certain period.

69. Subclauses (5) and (6) provide for the Commissioner to publish a notice of acceptance of a patent request and complete specification in the Official Journal. Subclause (7) requires the Commissioner to notify the applicant, and publish a notice in the Official Journal, where the Commissioner refuses to accept a request and specification.

Clause 50: Consideration and acceptance of patent request: petty patent

70. This clause provides for the Commissioner to consider the patent request and specification of a petty patent application. If the Commissioner is satisfied that there is a lawful ground of objection, the Commissioner must notify the applicant that the application will lapse unless the applicant seeks leave to amend or contests the objection within the time specified by the Commissioner. The Commissioner must accept the application and grant a petty patent if satisfied that there are no lawful grounds of objection to the application. The Commissioner may, if not so satisfied, refuse acceptance. The clause also provides for notification of decisions in the Official Journal and of reasons for refusal to the applicant.

Clause 51: Application or grant may be refused in certain cases

71. This clause provides that the Commissioner may refuse to accept a patent request and specification, or to grant a patent, if the use of the invention would be contrary to law, or if the invention is a substance capable of use as a food or medicine and is a mere mixture of known ingredients.

Clause 52: Appeal

72. This clause gives applicants the right of appeal from any decision of the Commissioner under this Part. Appeals would notably be from decisions of the Commissioner to refuse to accept a patent request and specification.

CHAPTER 4 - PUBLICATION

Clause 53: Publication of certain information about applicants etc.

73. This clause provides that, where a patent application is made, the Commissioner must publish the prescribed information in the Official Journal. It is envisaged that the regulations will prescribe a limited range of information - such as the application

number, the applicant's name, the title of the specification, and a reference to earlier applications from which the application may derive a priority date.

Clause 54: Notice of publication

74. This clause makes provision in various circumstances for publication of a notice in the Official Journal that a specification is open to public inspection. Subclause (1) applies where an applicant asks the Commissioner to make the application open to public inspection at an earlier time than usual (subject to subclause (2) which restricts the operation of subclause (1) in some cases where the invention involves a microorganism and certain of the deposit requirements in clause 6 have not been met).

75. Subclause (3), in effect, establishes the general rule that every complete specification in relation to an application for a standard patent becomes open to public inspection after the prescribed period. It is envisaged that the "default" period will generally be 18 months after the earliest priority date of a claim in the specification.

76. Subclauses (4) and (5) make various provisions for specifications to become open to public inspection where a divisional application has been made (see clause 39).

Clause 55: Documents open to public inspection

77. This clause provides that the prescribed documents become open to public inspection, and that a specification is to be taken to have been published, on the day on which it becomes open to public inspection. Under subclause (3), documents filed with applications become open to public inspection on the day on which a standard patent application is accepted or a standard or petty patent is granted unless they are documents prescribed under clause 56.

Clause 56: Certain documents not to be published

78. This clause provides for the prescribed documents not to be published or made open to public inspection. It is envisaged that, under the regulations, all documents on a file in the period before a specification becomes open to public inspection will be so prescribed, but that only very limited kinds of documents would be prescribed after that date.

Clause 57: Effect of publication of complete specification

79. Subclauses (1) to (3) enable patent rights to be enforced, once a patent has been granted, with effect dating from the day on which the complete specification became open to public inspection. Subclause (4) provides defences to infringement proceedings in certain circumstances if a patent could not validly have been granted in respect of the claim allegedly infringed.

Clause 58: Result of search may be disclosed

80. This clause allows the Commissioner to disclose the results of any search made for the purpose of making a report under the Act.

CHAPTER 5 - OPPOSITION

Clause 59. Opposition to the grant of a standard patent

81. This clause, in effect, provides that the Minister or any other person may, in accordance with the regulations, oppose the grant of a standard patent because the nominated person is not entitled to the grant of a patent for the invention; because the invention is not patentable because it is not a manner of manufacture, is not novel, or does not involve an inventive step; or because the specification does not fully describe the invention, or the claims are not clear and succinct and fairly based on the specification. It is envisaged that the regulations will provide for procedural matters in opposition proceedings.

Clause 60: Hearing and decision by Commissioner

82. This clause provides for the Commissioner to decide an opposition, and to give the applicant and opponent a reasonable opportunity to be heard. The clause also provides a right of appeal against a decision of the Commissioner.

CHAPTER 6 - GRANT AND TERM OF PATENTS

PART 1 - GRANT

Clause 61: Grant of standard patent

83. This clause provides that the Commissioner must grant a standard patent when there is no opposition, or where the final decision after an opposition is that a patent should be granted. It is envisaged that the regulations will provide that grant will generally occur within 6 months after acceptance, unless an opposition is filed.

Clause 62: Grant and publication of a petty patent

84. This clause provides that the Commissioner must grant a petty patent when the patent request and complete specification concerned have been accepted. It also requires the Commissioner to publish a notice stating that a petty patent has been sealed, and that the patent request and complete specification are open to public inspection.

Clause 63: Joint patentees

85. This clause provides that a patent may be granted to 2 or more nominated persons jointly.

Clause 64: Grant multiple applications

86. Subclause (1) has the effect that the mere sealing of a patent on one application does not prevent the sealing of a patent on another application for an identical invention. This may arise, for example, when a patent is sealed and it later transpires that there is another application for an identical invention, filed later, but with a priority date which is earlier, than that of the first granted patent.

87. Subclause (2) has the effect of preventing the grant of two patents for the same invention (i.e. made by the same inventor) having the same priority date.

Clause 65: Date of patent

88. This clause provides for the date of a patent to be determined under the regulations. It is envisaged that the regulations will in most circumstances provide for this date to be the date on which the complete specification was filed.

Clause 66: Sealing of duplicate of patent

89. This clause provides for the Commissioner to issue a duplicate of a patent if satisfied that the original has been lost, stolen, damaged or destroyed.

PART 2 - TERM

Clause 67: Term of standard patent

90. This clause provides that the term of a standard patent is 15 years from the date of the patent.

Clause 68: Term of petty patent

91. This clause provides that the term of a petty patent is 12 months from the grant of the petty patent, or 6 years from the date of the patent if an extension of term is granted.

PART 3 - EXTENSION OF TERM

Division 1 - Petty patents

Clause 69: Extension of term of petty patent

92. This clause provides for extensions of term for petty patents. Under subclause (1), the patentee must apply for an extension of term in accordance with the regulations. It is envisaged that the regulations will require an application for an extension to be made within 11 months after the granting of the petty patent. Subclause (2) requires the Commissioner to decide an application for an extension of term in accordance with the regulations. The most important feature which is envisaged will be consideration of any matters asserted in a notice filed under clause 28. Subclause (3) provides a right to be heard for any person who has filed a notice under clause 28. Subclause (4) requires the Commissioner to consider whether it would be possible to amend the specification, to overcome any grounds of invalidity, before refusing an extension.

93. Subclauses (5) and (6) require the Commissioner to inform the patentee and publish notices relating to an extension or refusal to grant an extension. Subclauses (7) and (8) provide for appeal rights by the applicant, and a person who has filed a notice under clause 28.

Division 2 - Standard patents

Clause 70: Application for extension of term of patent relating to a pharmaceutical substance

94. This clause sets out the circumstances in which the patentee of a standard patent is entitled to apply for an extension of term. Paragraph (1)(a) sets out the first prerequisite, which is that a pharmaceutical substance must be in substance disclosed in the complete specification of a standard patent and in substance fall within the scope of the claim or claims of that complete specification. (This criterion corresponds closely to criteria in clause 102 in relation to the allowability of new or amended claims in a specification.)

95. The other prerequisite to seeking an extension of term is that the patentee must have requested the issue of a marketing approval certificate (paragraph (1)(b)).

96. An application for an extension of term will need to be made in accordance with the prescribed form and to be lodged not later than 12 months before the end of the term of the patent. A single application for an extension of term will be able to include all pharmaceutical substances covered by a patent, provided that one of those substances, or a product containing one of those substances, receives marketing approval.

97. Subclauses (2) and (3) provide for applications for extensions of term to be copied to the Secretary to the Department of Community Services and Health, to be notified in the Official Journal published by the Patent Office, and to be open to public inspection. Subclauses (4) and (5) provide for withdrawal of applications for extensions.

Clause 71: Application for extension to lapse in certain circumstances

98. This clause requires an applicant for an extension of term to lodge, within the prescribed time, a marketing approval certificate and a proposed claim or claims, or else the application will lapse. It is envisaged that the prescribed time will be 1 month after the issuing of a marketing approval certificate or after the application for an extension was made, whichever is the later.

Clause 72: Issue of marketing approval certificate

99. This clause provides for the Secretary to the Department of Community Services and Health to issue a marketing approval certificate in respect of a pharmaceutical substance, on a patentee's request. The certificate is to be issued when the Secretary has approved the marketing of the substance, or a product containing the substance, in Australia.

Clause 73: Advertisement of application for extension

100. This clause provides, where the documents referred to in clause 71 have been given to the Commissioner, for notification in the Official Journal that the Commissioner proposes to consider the application for an extension.

Clause 74: Opposition to extension

101. This clause entitles the Minister, the Secretary to the Department of Community Services and Health or a person interested to oppose the grant of an extension of the term of a patent. The grounds for opposition correspond to the criteria on which the Commissioner must be satisfied before granting an extension of term.

Clause 75: Determination of application for extension

102. This clause sets out the criteria and procedures by which the Commissioner will determine applications for extensions of term. Subclause (1) makes it clear that an application for an extension may be determined even though the term of the patent concerned has expired.

103. Subclause (2) requires the Commissioner to allow the necessary time for any oppositions to be lodged before determining an application for an extension, and sets out the criteria by which an application for extension is to be determined. Those criteria are that the application for the extension, the marketing approval certificate and the proposed claim or claims must be in accordance with the requirements of the Patents Act, and that the proposed claim or claims do not claim matter other than the pharmaceutical substance or substances to which the application relates. Where the Commissioner is satisfied that the criteria are met, the Commissioner will grant an extension of the term of the patent for a period of 4 years in relation to the proposed claim or claims. Where the Commissioner is not satisfied, subject to subclause (3), the Commissioner will refuse to grant an extension.

104. Subclause (3) entitles the patentee to amend the proposed claim or claims. That might be expected to happen most commonly where the Commissioner is not initially satisfied that the criteria set out in subclause (2) are met.

105. Subclause (4) provides for determination by the Commissioner of an application for an extension on the basis of claims amended under subclause (3). Subclause (5) provides for notification in the Official Journal of grant or refusal of an extension of term. Subclause (6) requires the Commissioner to give applicants for extensions and opponents of extensions a reasonable opportunity of being heard.

106. Subclause (7) requires the Commissioner to obtain the leave of the court before determining an application for an extension in a case where the patent concerned is the subject of certain kinds of court proceedings.

Clause 76: Limitation on infringement proceedings

107. This clause restricts the rights of a patentee whose patent term has been extended in such a way that an act done more than 2 years after the day on which the original term of the patent expired will not be subject to action for infringement of the patent unless it constitutes sale, offering for sale, or distribution for any purpose other than obtaining marketing approval, of any pharmaceutical substance concerned. This provision would, for example, allow manufacturers of "generic" pharmaceutical products a 2 year period for "springboarding", before a patent term extension

expires, to seek marketing approval and to prepare for entry into the market at the expiry of the 4 year extension period.

Clause 77: Rights of patentee

108. This clause has the effect that, where a patent's term is extended after the original term expired, the patentee's rights will backdate to the date of expiry. This provision recognises that interested third parties will have been warned, before the term expired, of the pending application for an extension, by way of the notice referred to in subclause 70(3).

Clause 78: Appeals

109. This clause provides a right of appeal to the Federal Court from a decision of the Secretary to the Department of Community Services and Health under clause 72 to give or not to give a marketing approval certificate or from a decision of the Commissioner under subclause 75(2) or (4) granting or refusing to grant an extension of the term of a patent.

Clause 79: Delegation

110. This clause enables delegations by the Secretary to the Department of Community Services and Health of the Secretary's powers and functions under this division.

CHAPTER 7 - PATENTS OF ADDITION

Clause 80: Chapter does not apply to petty patents

111. This clause has the effect of excluding the grant of a petty patent as a patent of addition, or of a patent of addition to a petty patent.

Clause 81: Grant of patent of addition

112. This clause sets out the requirements for applying for, and provides for the Commissioner to grant, a patent of addition. Generally, the criteria are that:

- (a) there must be an existing patent or patent application for a 'main invention';
- (b) the further application must be for an improvement or modification of that main invention; and
- (c) a patent of addition must not be sealed before the patent for the main invention has been sealed.

The examination of the further application must not commence before examination has been requested for the main invention.

113. Subclause (4) provides for appeal rights against a decision of the Commissioner under this clause.

Clause 82: Revocation of patent and grant of patent of addition instead

114. This clause enables a patentee, in appropriate circumstances, to apply to the Commissioner to revoke an existing patent and grant a patent of addition in its place. The patentee must be the same for both patents, and the revoked patent must be for an improvement or modification of the invention in the main patent to which the new patent of addition will be related.

Clause 83: Term of patent of addition

115. This clause provides, in effect, that the term of a patent of addition will expire at the same time as the term of the patent for the main invention. It also enables the term of a patent of addition to be extended even though the term of the patent for the main invention has not been extended.

Clause 84: Non-extension of term of patent for main invention

116. This clause provides that a patent of addition becomes an independent patent if the patent of addition is extended under Chapter 6 but the patent for the main invention is not extended.

Clause 85: Revocation of patent for main invention

117. This clause has the effect of permitting a patent of addition to become an independent patent if the patent for the main invention is revoked by a prescribed court or the Commissioner. In such a case, the term of that independent patent is to be no more than the unexpired part of the term of the revoked patent for the main invention.

Clause 86: Renewal fees not payable

118. This clause provides that renewal fees are not payable for a patent of addition.

Clause 87: Fees payable where patent of addition becomes an independent patent

119. This clause provides for the payment of renewal fees if a patent of addition becomes an independent patent, and that the fees payable are to be determined by the date of the independent patent.

CHAPTER 8 - PCT APPLICATIONS AND CONVENTION APPLICATIONS

PART 1 - PCT APPLICATIONS

120. This Part relates to applications filed under the provisions of the Patent Cooperation Treaty (PCT), and in particular resolves potential conflicts so as to ensure compliance with the requirements of both the Treaty and the Bill.

Clause 88: PCT applications

121. Subclause (1) has the effect that PCT applications (which are defined in the Dictionary in Schedule 1 as being international applications under the PCT which designate Australia as a country in

which patent protection is sought, and which have been given an international filing date) are to be treated as applications under the Bill for a patent in Australia.

122. Subclause (2) enables an applicant to indicate in a PCT application that the application is for the grant of a petty patent, or to request that the application be treated as an application for a petty patent by filing a written request at any time before making a request for examination.

123. The general effect of subclauses (3), (4), (5) and (6) is to establish equivalence of application documents filed under the Treaty, and their international filing date, with application documents and their filing date under the Act.

Clause 89: Modified application of Act

124. Subclause (1) provides that PCT applications are to be taken to comply with prescribed requirements of the Act and regulations, but not with all - notably those set out in subclause (2).

125. Subclause (3) gives effect to requirements specified in the PCT by stipulating that certain actions cannot be taken before the end of the prescribed period. It is envisaged that the regulations will prescribe periods corresponding to those mentioned in Articles 23 and 40 of the PCT.

126. Subclause (4) provides for withdrawal and lapsing of PCT applications in certain circumstances.

127. Subclause (5) sets out requirements for a PCT application to proceed under the Act. If the application was not filed in English, an English translation must be filed. In all cases, prescribed documents must be filed, and the prescribed fees paid. It is envisaged that the prescribed documents will include a notification of an address for service of documents in Australia, and that the prescribed fees will generally correspond to the usual fees for non-PCT applications.

128. Subclause (6) has the effect that a translation filed under subclause (5) is treated as an amendment (by substitution) of the specification.

129. Subclause (7) ensures that amendments to a PCT application made under Article 19, Article 34, or Rule 91 of the PCT, are treated as amendments made under the Act.

Clause 90: Publication of PCT applications

130. This clause provides for the publication of PCT applications in Australia where a notice is published under clause 92 that the application is open to public inspection.

Clause 91: Application of certain provisions to PCT applications

131. This clause invokes clause 57 for PCT applications, with the effect of giving the applicant rights in respect of infringements that occur between publication and grant of the patent.

Clause 92: Notice of publication

132. This clause requires the Commissioner to publish a notice that a PCT application is open to public inspection in various circumstances, including - where the application has already met the requirements of clause 89(5) - at acceptance; by the applicant's request; or 18 months after the application's priority date.

Clause 93: Evidence of matters arising under the PCT

133. This clause has the effect that a certificate signed by the Commissioner is prima facie evidence of the matters contained in the certificate in relation to international applications.

PART 2 - CONVENTION APPLICATIONS

134. This Part is intended particularly to give effect to certain provisions of the Paris Convention on the Protection of Industrial Property relating to patents.

Clause 94: Convention applicants may make Convention applications

135. This clause enables a Convention applicant or applicants to make a Convention application based on one or more basic applications made in a Convention Country. It is envisaged that the regulations will prescribe a time limit for making a Convention application of 12 months from the date of the basic application. This will be important in according priority dates based on the dates of the basic applications.

Clause 95: Manner of making Convention application

136. This clause sets out requirements as to the manner of making a Convention application, including that the specification must be a complete specification and that the request must include the prescribed particulars relating to the relevant basic application.

137. It is envisaged that regulations made under subclause (4) will enable the Commissioner to require the applicant to file a copy of the basic application and a translation of it.

Clause 96: Withdrawn, abandoned or refused applications

138. This clause entitles an applicant to ask the Commissioner to disregard an earlier application in a Convention country for the purposes of making a Convention application, particularly where that application was withdrawn, abandoned, or refused without having been published and without forming the basis of a Convention application in any country.

CHAPTER 9 - RE-EXAMINATION

Clause 97: Re-examination

139. This clause provides for a "re-examination" procedure for standard and petty patents. The procedure is to be available where the grant of a patent is opposed, or where a patent has been granted. It is envisaged that, under the regulations, the

Commissioner will be empowered to order re-examination within a limited period during opposition proceedings.

140. Under subclause (2), re-examination is also to be available, on the direction of a prescribed court, where the validity of a granted patent is disputed in any proceedings before the court.

Clause 98: Report on re-examination

141. This clause requires the Commissioner, during re-examination, to report whether the invention claimed is not novel and does not involve an inventive step. The report will be based only on published documents and recorded information.

Clause 99: Statement by applicant or patentee

142. This clause provides that an applicant or patentee may, within a period to be prescribed by the regulations, file a statement disputing the whole or any part of a re-examination report.

Clause 100: Copies of report to be given to court

143. This clause requires, where re-examination was directed by a court, a copy of the Commissioner's report on the re-examination, and a copy of any statement disputing that report which has been filed by the applicant or patentee, to be given to the court that gave the direction.

Clause 101: Revocation of patent following re-examination

144. This clause provides for the Commissioner to revoke a patent, either wholly or so far as the patent relates to a particular claim, where the Commissioner finds on re-examination that the claimed invention is not novel or does not involve an inventive step.

145. The Commissioner must not revoke a patent under this clause without first giving the patentee a reasonable opportunity to be heard, and there is a right of appeal from the Commissioner to the Federal Court.

CHAPTER 10 - AMENDMENTS

PART 1 - AMENDMENTS THAT ARE NOT ALLOWABLE

Clause 102: What amendments are not allowable?

146. Regulations made under paragraphs 224(2)(c) to (f) will make provisions for amendments of documents of various kinds. This clause places limitations on the amendments which may be allowed to a complete specification.

147. Under subclause (1), an amendment of a complete specification is not allowable if it would result in the specification claiming matter not in substance disclosed in the specification as lodged.

Under subclause (2), an amendment is not allowable after the specification has been accepted and has become open to public inspection if, as a result of the amendment:

- a claim of the specification would not in substance fall within the scope of the claims of the specification before amendment; or
- the specification would not comply with the requirements of clause 40(2), (3) or (5) (which set out various requirements to be met by the contents of a specification).

148. Under subclause (3), the limitations in this clause do not apply to an amendment for the purpose of correcting a clerical error or an obvious mistake made in, or in relation to, a complete specification.

Clause 103: Consent of mortgagee or exclusive licensee needed

149. Under this clause, where there is a registered mortgagee or registered exclusive licensee of a patent, an amendment of the complete specification of the patent is not to be allowed unless the mortgagee or licensee has consented, in writing, to the amendment. If a mortgagee or licensee refuses to consent to a proposed amendment, the Commissioner may, on the application of the applicant or patentee, if satisfied that the consent has been unreasonably refused, direct that the consent is not necessary.

PART 2 - AMENDMENTS OF PATENT REQUESTS, SPECIFICATIONS AND OTHER FILED DOCUMENTS

Clause 104: Amendments by applicants and patentees

150. This clause is to the effect that an applicant for a patent or a patentee, may, subject to the Act and the regulations, ask the Commissioner for leave to amend the relevant patent request or complete specification, or any other filed document, for any purpose including:

- removing a lawful ground of objection to the request or specification, whether during examination or re-examination or otherwise; and
- correcting a clerical error or an obvious mistake.

151. The clause provides for opposition to amendments, allowance of amendments, and appeals to the Federal Court.

Clause 105: Amendments directed by court

152. This clause empowers a court to order amendment of a patent request or specification in any relevant proceedings - defined in Schedule 1 to include proceedings:

- for infringement of the patent; or
- for revocation of the patent; or
- in which the validity of the patent, or of a claim, is in dispute.

153. The court may make the order for amendment subject to terms as to costs, advertisements or otherwise. The patentee must give notice of an application to the Commissioner, who is entitled to appear and be heard by the court, and who must appear if the court directs.

154. The court's power to order amendments under this clause is subject to the limitations set out in clause 102.

Clause 106: Amendments directed by Commissioner: patent applications

155. The intent of this clause is to provide a mechanism whereby the Commissioner may direct an applicant to amend a request for the grant of a patent or a complete specification. Where the Commissioner is satisfied that there are lawful grounds of objection to a pending patent application, the Commissioner may, in accordance with the regulations, direct the applicant to file a statement of proposed amendments of the request or specification for the purpose of removing those grounds of objection. The applicant is first entitled to a reasonable opportunity to be heard.

156. If the applicant does propose amendments which remove all lawful grounds of objection, the Commissioner must allow those amendments.

Clause 107: Amendments directed by Commissioner: extension of term of petty patents

157. This clause operates where the patentee of a petty patent has applied for an extension of the term of the petty patent and the Commissioner is satisfied that the petty patent is invalid on grounds that could be removed by appropriate amendments of the relevant request for the grant of a patent or by amendment of the relevant complete specification.

158. When the clause applies, the Commissioner may, in accordance with the regulations, direct the applicant to file a statement of proposed amendments of the request or specification for the purpose of removing those grounds of objection. The applicant is first entitled to a reasonable opportunity to be heard.

159. If the patentee does propose amendments which remove the grounds of invalidity, the Commissioner must allow those amendments.

Clause 108: Appeal

160. This clause provides for a right of appeal to the Federal Court from a direction of the Commissioner under clause 106 or 107.

PART 3 - MISCELLANEOUS

Clause 109: Advertisement of amendment of complete specification

161. This clause is to the effect that an amendment of a complete specification that is open to public inspection is to be notified in the Official Journal which the Commissioner is to issue under clause 218.

Clause 110: Amendments relating to micro-organisms

162. This clause is to the effect that none of the other provisions of Part 3 apply to an amendment of a complete specification relating to a micro-organism, being an amendment to which regulations made under paragraph 224(2)(d) apply.

Clause 111: Pending proceedings

163. The result of this clause is that where proceedings are pending in a court:

- for infringement of a patent;
- for revocation of the patent; or
- in which the validity of the patent, or of a claim, is in dispute;

then the complete specification may only be amended under clause 105, (which allows the court to direct amendment of the complete specification).

Clause 112: Persons claiming under assignment or agreement

164. This clause applies where a person becomes entitled to a pending patent application or to a part interest in such an application. In such a case, the Commissioner may, on request, direct that the application proceed in the name of that person, or in the names of that person and the original applicant or applicants.

Clause 113: Priority date of certain amended claims

165. This clause relates to the situation where amendments result in a complete specification claiming matter ("new matter") as a result of amending the specification.

166. It is envisaged that the priority date to be prescribed under the regulations will be the date on which the "new matter" was disclosed in a statement of amendments proposing the relevant amendment.

167. It is envisaged that the effect of regulations to be made under subclause (2) will be that amended claims referred to in subclause (1) cannot be held to lack an inventive step when considered in the light of the disclosure of the invention as claimed in the unamended claims on or after the priority date of the unamended claims.

Clause 114: Restriction on recovery of damages etc.

168. This clause places some restrictions on the remedies which a court may award for infringement of claims in complete specifications which have been amended. Where a complete specification is amended after becoming open to public inspection, and a court finds that a claim in that complete specification has been infringed, then the court cannot award damages, or order an account of profits in respect of any infringement that occurred before the date of the decision or order allowing or directing the amendment:

- unless the Court is satisfied that the specification without the amendment was framed in good faith and with reasonable skill and knowledge; or
- if the claim of the specification that was infringed is a claim referred to in sub-clause 113(1) (which refers to claims which claim new matter as a result of amendment).

Clause 115: Interpretation of amended specifications

169. The Commissioner or a court may, in interpreting a complete specification as amended, refer to the specification without the amendment.

CHAPTER 11 - INFRINGEMENT

PART 1 - INFRINGEMENT AND INFRINGEMENT PROCEEDINGS

Clause 116: Infringement by supply of products

170. The intent of this clause is to implement the Government's response to recommendation 33 of the Industrial Property Advisory Committee relating to indirect or contributory infringement:

"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."

171. The clause will result in the supplier of a product being liable for infringement, where use by the person to whom the product is supplied would be an infringement, if the use is:

- the only reasonable use of the product, having regard to its nature or design;
- any use of a non-staple commercial product to which the supplier had reason to believe that the receiver would put it; or
- use in accordance with any instructions, inducement or advertisement given or published by the supplier.

Clause 117: Infringement exemptions: use in or on foreign vessels, aircraft and vehicles

172. This clause gives effect generally to Article 5ter of the Paris Convention for the Protection of Industrial Property. That Article provides for certain limitations on the exclusive rights conferred by a patent in cases where the full exercise of such rights would cause prejudice to the public interest in maintaining freedom of transport. The effect of the Article is, in principle, that if ships, aircraft or land vehicles of a Convention country temporarily visit another Convention country, their owners are not required to obtain licenses on patents in force in these countries in order to avoid infringing such patents.

Clause 118: Infringement exemptions: prior use

173. This clause is to the effect that, where, immediately before the priority date of a claim, a person who:

- was making a product or using a process claimed in that claim; or
- had taken definite steps (whether by way of contract or otherwise) to make that product or use that process;

then the person may, despite the grant of a patent on the application, make the product or use the process (or continue to do so) in the patent area without infringing the patent.

174. The benefit of the clause is not available to a person who derived the subject-matter of the invention from the patentee or the patentee's predecessor in title to the invention.

Clause 119: Infringement proceedings

175. Infringement proceedings may be started in a "prescribed court" (defined in Schedule 1 to mean the Federal Court or a Supreme Court) or in another court having the necessary jurisdiction.

176. Under subclause (2), an exclusive licensee of a patent may start infringement proceedings, in which case the patentee must be joined as a defendant unless joined as a plaintiff. A patentee joined as a defendant is not liable for costs unless the patentee enters an appearance and takes part in the proceedings.

Clause 120: Counter-claim for revocation of a patent

177. This clause is to the effect that a defendant in infringement proceedings may apply by way of counter-claim to the prescribed court for revocation of the patent. If the defendant does make such a counter-claim, the provisions of the Bill relating to revocation of a patent apply, with the necessary changes, to the counter-claim.

Clause 121: Relief for infringement of a patent

178. Subclause (1) provides that, where a court finds that a patent has been infringed, the court has power to grant an injunction and, at the option of the plaintiff, award either damages or an account of profits.

179. Subclause (2) provides that, on the application of either party to infringement proceedings, the court may order the inspection of any thing in or on any vehicle, vessel, aircraft or premises, and may impose terms and give directions about the inspection.

Clause 122: Innocent infringement

180. Subclause (1) is to the effect that a court may refuse to award damages, or to make an order for an account of profits, in respect of an infringement of a patent by a defendant who satisfies the court that, at the date of the infringement, the defendant was not aware, and had no reason to believe that a patent for the invention existed. (This does not affect the power of the court to grant an injunction in these circumstances - see subclause (3).)

181. The effect of subclause (2) is to qualify subclause (1), in that if patented products, marked so as to indicate that they are patented in Australia, were sold or used in the patent area to a substantial extent before the date of the infringement, the defendant shall be taken to have been aware of the existence of the patent unless the contrary is established.

PART 2 - NON-INFRINGEMENT DECLARATIONS

Clause 123: Application for non-infringement declaration

182. This clause is to the effect that a person who wishes to exploit an invention may apply to a prescribed court for a declaration that the exploitation of the invention would not infringe a claim of a particular complete specification. An application for a non-infringement declaration may be made at any time after the relevant complete specification has become open to public inspection; and may be made whether or not the nominated person or the patentee has made any assertion to the effect that the exploitation of the invention would infringe the claim. The nominated person or patentee is to be joined as a respondent to the proceedings.

Clause 124: Proceedings for non-infringement declarations

183. Subclause (1) sets out pre-conditions to the grant of a non-infringement declaration by a prescribed court. It is to the effect that the applicant for the declaration must:

- have asked the nominated person or patentee in writing for a written admission that the proposed exploitation would not infringe a claim of the relevant complete specification;
- have given the nominated person or patentee full written particulars of the proposed exploitation; and
- have undertaken to pay a reasonable sum for the nominated person's or patentee's expenses in obtaining advice about whether the proposed exploitation would infringe the claim;

and, in addition,

- the nominated person has refused or failed to make the admission.

184. The clause also provides that the validity of a claim cannot be questioned in proceedings for a non-infringement declaration; and that the costs of all parties to the proceedings must be paid by the applicant for the declaration, unless the court otherwise orders.

Clause 125: Effect of non-infringement declarations

185. This clause sets out the effects of the grant of a non-infringement declaration. In general:

- if a nominated person or patentee admits in writing to a person that exploitation would not infringe a claim, or if a prescribed court has made a non-infringement declaration; and

- the patentee later gets an injunction restraining the person from exploiting the invention as specified in the admission, or the declaration is revoked;

then the person is not liable:

- to account to the patentee for any profits made by the person before the date on which the injunction was made or the declaration was revoked, from the exploitation of the invention as specified in the admission or declaration; or
- to pay any damages for loss suffered by the patentee before that date as a result of that exploitation.

PART 3 - UNJUSTIFIED THREATS OF INFRINGEMENT PROCEEDINGS

Clause 126: Application for relief from unjustified threats

186. This clause provides that where a person, by means of circulars, advertisements or otherwise, threatens a person with infringement proceedings, or other similar proceedings, a person aggrieved may apply to a prescribed court for:

- a declaration that the threats are unjustifiable; and
- an injunction against the continuance of the threats; and
- the recovery of any damages sustained by the applicant as a result of the threats.

187. The clause has effect whether or not the person who made the threats is entitled to, or interested in, the patent or a patent application.

Clause 127: Court's power to grant relief

188. The court may grant an applicant under clause 126 the relief applied for unless the respondent satisfies the court that the acts about which the threats were made infringed, or would infringe:

- a claim that is not shown by the applicant to be invalid; or
- rights under clause 57 in respect of a claim that is not shown by the applicant to be a claim that would be invalid if a patent had been granted. (Clause 57 in effect grants rights to a patentee which date back to publication of the relevant claims.)

Clause 128: Counter-claim for infringement

189. This clause is to the effect that the respondent in proceedings under clause 126 may apply, by way of counter-claim, for relief to which the respondent would be entitled in separate proceedings for an infringement by the applicant of the patent to which the threats relate.

190. Where the respondent applies by way of counter-claim for relief for such an infringement, the applicant may, without making a

separate application under Chapter 12 of the Bill (which relates to compulsory licences and revocation of patents), apply for revocation of the patent.

Clause 129: Notification of patent not a threat

191. This clause provides that the mere notification of the existence of a patent does not constitute a threat of proceedings for the purposes of clause 126.

Clause 130: Liability of legal practitioner or patent attorney

192. This clause is to the effect that a legal practitioner or a patent attorney is not liable to proceedings under clause 126 in respect of an act done in his or her professional capacity on behalf of a client.

CHAPTER 12 - COMPULSORY LICENCES AND REVOCATION OF PATENTS

Clause 131: Compulsory licences

193. The effect of this clause is that a person may apply to a prescribed court (defined in Schedule 1 as meaning the Federal Court or a Supreme Court), after the end of the prescribed period, for an order requiring the patentee to grant the applicant a licence to work the patented invention. (In accordance with recommendation 7 of the Industrial Property Advisory Committee, this application is made direct to the court, unlike the position under the Patents Act 1952 which requires such an application to be made in the first instance to the Commissioner, who decides whether or not to refer the application to a court.)

194. If the court is satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied, and if the patentee has given no satisfactory reason for failing to exploit the patent, the court may make an order requiring the patentee to grant the applicant a non-exclusive licence to work the patented invention. (Clause 133 sets out in detail circumstances in which "the reasonable requirements of the public" are to be taken not to have been satisfied.)

Clause 132: Revocation of standard patent after grant of compulsory licence

195. The effect of this clause is that, where a compulsory licence has been granted under clause 131, an interested person may apply to a prescribed court, after the end of a period to be prescribed by the regulations, for an order revoking the patent. If the court is satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied, and if the patentee has given no satisfactory reason for failing to exploit the patent, then the court may make an order revoking the patent.

Clause 133: Reasonable requirements of the public

196. This clause sets out in detail the circumstances in which "the reasonable requirements of the public with respect to a patented invention" are to be taken not to have been satisfied.

Clause 134: Orders to be consistent with international agreements

197. This clause is to the effect that an order must not be made under clauses 131 or 132 that is inconsistent with a treaty between the Commonwealth and a foreign country. (At the moment, the only relevant treaty is the Paris Convention for the Protection of Industrial Property; Article 5 of which places limitations on the legislative measures a country may take to prevent abuse of the exclusive rights conferred by a patent.)

Clause 135: Revocation on surrender of patent

198. This clause provides a mechanism whereby a patentee may offer to surrender a patent, and whereby the Commissioner may, subject to protection of the rights of affected third parties, revoke such a patent.

Clause 136: Revocation of patents in other circumstances

199. The effect of this clause is that the Minister or any other person may apply to a prescribed court for an order revoking a patent. The only grounds on which the court may revoke a patent under this clause are:

- that the patentee is not entitled to the patent;
- that the invention is not a patentable invention (see clause 18);
- that the patentee has contravened a condition in the patent;
- that the patent was obtained by fraud or misrepresentation;
- that an amendment of the patent request or the complete specification was obtained by fraud or misrepresentation; and
- that the specification does not comply with subclauses 40(2) and (3) of the legislation (which provisions set out requirements to be met by the description and the claims of a complete specification.)

200. It is intended that "fraud" will have the meaning it usually bears under the general law in Australia.

Clause 137: Parties to proceedings

201. This clause sets out the persons who are parties to any proceedings under clauses 131, 132 or 136.

202. In addition, in any proceedings under these provisions:

- the applicant must serve a copy of the application on the Commissioner; and
- the Commissioner may appear and be heard in the proceedings.

Clause 138: Commissioner to be given copies of orders

203. An office copy of a court order made under Chapter 12 must be

served on the Commissioner by the Registrar or other appropriate officer of the court that made the order.

CHAPTER 13 - WITHDRAWAL AND LAPSING OF APPLICATIONS AND CEASING OF PATENTS

Clause 139: Withdrawal of applications

204. A patent application is to be treated as withdrawn if, and only if, the applicant lodges a written notice of withdrawal signed by the applicant.

Clause 140: Lapsing of applications

205. Subclause (1) provides that a provisional application lapses if a complete application associated with it is not made within the period prescribed for the purpose of section 38, or if all complete applications associated with it lapse.

206. Subclauses (2) and (3) are to the effect that a complete application for a standard patent lapses if:

- the applicant does not ask for examination within the relevant prescribed period;
- the applicant does not provide information or file documents as required by subclause 45(2);
- the applicant does not pay a continuation fee to keep an application in force; or
- the patent request and complete specification are not accepted within the prescribed period.

207. Subclause (4) provides for lapsing of a petty patent application where the applicant fails to respond, as required, to a direction to amend or a notice of objection.

Clause 141: Ceasing of patents

208. This clause is to the effect that a standard patent ceases if the patentee:

- does not pay a renewal fee within the prescribed period to keep the patent in force;
- does not file the prescribed documents (if any) within the prescribed period (this would enable, for example, details of information about usage of patents to be collected periodically, if the Government so decides, in pursuance of recommendation 46 of the Industrial Property Advisory Committee's report, "Patents, Innovation and Competition in Australia").

CHAPTER 14 - CONTRACTS

Clause 142: Void conditions

209. Subclause (1) is to the effect that a condition in a contract relating to the sale or lease of, or a licence to exploit, a patented invention is void if the effect of the condition would be:

- to prohibit or restrict the buyer, lessee or licensee from using a product or process (whether patented or not) supplied or owned by a person other than the seller, lessor or licensor, or a nominee of the seller, lessor or licensor; or
- to require the buyer, lessee or licensee to acquire a product not protected by the patent from the seller, lessor or licensor, or a nominee of the seller, lessor or licensor.

Under subclause (2), subclause (1) does not apply if:

- the seller, lessor or licensor proves that, at the time the contract was made, the buyer, lessee or licensee had the option of buying the product, or obtaining a lease or licence, on reasonable terms without the condition; and
- the contract entitles the buyer, lessee or licensee to be relieved of the liability to comply with the condition on giving the other party 3 months' notice in writing and paying, in compensation for the relief:
 - in the case of a sale - such sum as is fixed by an arbitrator appointed by the Minister; or
 - in the case of a lease or licence - such rent or royalty as is so fixed for the rest of the term of the contract.

210. The effect of subclause (3) is that a person is not stopped from applying for or obtaining relief in proceedings under the legislation only because of an admission made by the person about the reasonableness or such terms offered to the person. Subclause (4) provides that it is a defence to proceedings for infringement of a patent that the patented invention is, or was when the proceedings were started, subject to a contract containing a provision, inserted by the patentee, that is void under this clause.

211. Subclause (5) is to the effect that if the patentee offers the other parties to a contract mentioned under subclause (4) a new contract that does not contain the void condition but that otherwise gives the parties the same rights as the existing contract, then, whether or not the other parties accept the new contract in place of the existing contract, subclause (4) ceases to apply, but the patentee is not entitled to damages or an account of profit for an infringement of the patent committed before the offer of the new contract.

Clause 143: Termination of contract after patent ceases to be in force

212. This clause provides that a contract relating to the lease of, or licence to exploit, a patented invention may be terminated by either party with 3 months' notice, at any time after the patent, or

all the patents, by which the invention was protected at the time the contract was made, have ceased to be in force.

Clause 144. Effect of Chapter

213. The effect of this clause is that nothing in Chapter 14:

- affects a condition in a contract which prohibits a person from selling products other than those of a particular person; or
- validates a contract that would otherwise be invalid; or
- affects a right to terminate a contract, or to terminate a condition of a contract exercisable independently of this clause; or
- affects a condition in a contract for the lease of, or a licence to exploit, a patented product, that reserves to the lessor or licensor the right to supply new parts of the patented product that are required to put or keep it in repair.

CHAPTER 15 - SPECIAL PROVISIONS RELATING TO ASSOCIATED TECHNOLOGY

214. This Chapter establishes procedures for handling patent applications that contain information of a kind referred to in the definition of "associated technology" in the Nuclear Non-Proliferation (Safeguards) Act 1987.

Clause 145: Certificate by Director as to associated technology

215. Subclause (1) provides for the Commissioner to refer a patent request and specification to the Director of Safeguards (an office created by section 42 of the Safeguards Act).

216. Subclause (2) empowers the Director to issue a certificate to the effect that a patent specification contains information of a kind referred to in the definition of "associated technology" in the Safeguards Act.

217. The effect of subclause (3) is that, where the Director is satisfied that the applicant's possession of the information or that the making of the application was without the necessary permit or authority under the Safeguards Act, the Director may include in the certificate a direction that the application should lapse, or if the application is an international application made under the PCT, a direction that the application should not be treated as an international application.

218. Subclause (4) requires that a copy of a certificate issued by the Director under subclause (2) be given to the Commissioner and that the Commissioner give a copy to the patent applicant.

Clause 146: Lapsing etc. of applications

219. Subclause (1) is to the effect that an application lapses, or that an international application shall cease to be treated as such, upon the receipt by the Commissioner of a certificate containing a direction to that effect. (Provisions for the restoration or

reinstatement of applications are contained in clauses 148 and 149.)

220. Subclause (2) is to the effect that lapsing of an application under subclause (1) is to be advertised in the Official Journal.

Clause 147: Revocation of direction

221. This clause enables revocation of a direction under clause 145.

Clause 148: Restoration of lapsed application

222. This clause allows the applicant in respect of an application that has lapsed by virtue of a direction under clause 146 to apply to the Commissioner to have the application restored. The Commissioner is required to restore such an application if the direction is no longer in force and if there is no other reason why the application should not be restored. The restoration is then to be advertised in the Official Journal. Subclause (4) enables the making of regulations to protect or compensate persons who availed themselves of the subject matter of a restored application while that application was lapsed. Subclause (5) prevents proceedings being taken under clause 57 in respect of any act or thing done while the application was lapsed.

Clause 149: Reinstatement of application as an international application

223. This clause allows the applicant in respect of an application that has ceased to be treated as an international application by virtue of a direction under clause 146 to apply to the Commissioner to have the application reinstated as an international application. The Commissioner is required to reinstate such an application if the direction is no longer in force and if there is no other reason why the application should not be reinstated. However, if the Commissioner is not able to reinstate the application solely because the application is, under the PCT, to be considered as withdrawn, the application is to be treated as an application under the Bill for an Australian patent.

Clause 150: Notice of prohibitions or restrictions on publication

224. Subclause (1) is to the effect that the Director may, in relation to a specification of an application the subject of a direction under clause 145, notify the Commissioner in writing of any prohibitions or restrictions on the publication of the information in the specification that the Director considers appropriate. Subclause (2) requires the Commissioner to take such steps as are considered necessary or expedient to give effect to a notification under subclause (1). Subclause (3) is to the effect that one of the steps the Commissioner may take pursuant to subclause (2) is the making of a written order for the prohibition or restriction of the publication or communication of information about the application. Subclause (4) makes it an offence for a person, without the written consent of the Commissioner, to publish or communicate information in contravention of such an order.

Clause 151: Effect of order

225. Subclause (1) provides that an application for a standard patent that is the subject of an order under subclause 150(3) is to

be processed up to the acceptance of the application, but the specification is not to be published, the acceptance is not to be advertised, and a patent is not to be granted on the application.

226. Subclause (2) provides that an application for a petty patent that is the subject of an order under subclause 150(3) is to be processed up to the acceptance of the application, but a patent is not to be granted on the application.

227. Subclause (3) requires that the acceptance of a standard patent be advertised within the prescribed period from the revocation of an order that was imposed under subclause 150(3). It is envisaged that the prescribed period will be one month.

228. Subclause (4) enables information about an invention to be disclosed to the Director to obtain advice whether an order under subclause 150(3) should be made, amended or revoked.

CHAPTER 16 - JURISDICTION AND POWERS OF COURTS

Clause 152: Jurisdiction of Federal Court

229. This clause confers original jurisdiction on the Federal Court with respect to matters arising under the legislation, but a prosecution for an offence against the Bill must not be started in the Federal Court.

Clause 153: Jurisdiction of other prescribed courts

230. This clause confers original jurisdiction on prescribed courts (other than the Federal Court).

Clause 154: Exercise of jurisdiction

231. The jurisdiction conferred on the Federal Court and on other prescribed courts by clauses 152 and 153 is to be exercised by a single judge.

Clause 155: Transfer of proceedings

232. This clause enables proceedings, by court order, to be transferred from one prescribed court to another.

Clause 156: Appeals

233. This clause provides for appeals to the Federal Court and to the High Court from decisions under the Bill, subject to certain restrictions.

Clause 157: Intervention by Commissioner

234. The Federal Court may grant the Commissioner leave to intervene in an appeal to the court from a decision or direction of the Commissioner.

Clause 158: Powers of Federal Court

235. This clause sets out powers the Federal Court may exercise on appeal from a decision or direction of the Commissioner.

CHAPTER 17 - THE CROWN

PART 1 - INTRODUCTORY

Clause 159: Nominated persons and patentees

236. This clause is to the effect that, in this Chapter, a reference to a nominated person or to a patentee includes a reference to the successor in title of the nominated person or patentee or an exclusive licensee of the nominated person or patentee.

Clause 160: Commonwealth and State authorities

237. This clause is to the effect that, in this Chapter, a reference to the Commonwealth includes a reference to an authority of the Commonwealth and a reference to a State includes a reference to an authority of a State.

PART 2 - EXPLOITATION BY THE CROWN

Clause 161: Exploitation of inventions by Crown

238. Subclause (1) is to the effect that where, at any time after a patent application has been made, the invention concerned is exploited by the Commonwealth or a State (or by a person authorised in writing by the Commonwealth or a State) for the services of the Commonwealth or State, that exploitation is not an infringement of an applicant's or patentee's rights in an invention or patent. A person may be authorised for the purposes of the subclause:

- before or after any act for which the authorisation is given has been done; and
- before or after a patent has been granted for the invention; and
- even if the person is directly or indirectly authorised by the nominated person or the patentee to exploit the invention.

Clause 162: Nominated person or patentee to be informed of exploitation

239. As soon as practicable after an invention has been exploited under clause 161, the relevant authority must inform the applicant and the nominated person, or the patentee, of the exploitation and give him or her any information about the exploitation that he or she from time to time reasonably requires, unless it appears to the relevant authority that it would be contrary to the public interest to do so.

Clause 163: Remuneration and terms for exploitation

240. This clause sets out the circumstances in which remuneration is payable for exploiting an invention under clause 161, and the manner of determining that remuneration.

Clause 164: Previous agreements inoperative

241. An agreement or licence fixing the terms on which a person other than the Commonwealth or a State may exploit an invention is inoperative with respect to the exploitation of the invention under clause 161, unless the agreement or licence has been approved by the Minister or the State Attorney-General, as required.

Clause 165: Sale of products

242. This clause is to the effect that the right to exploit an invention under clause 161 includes the right to sell products that have been made in exercise of that right.

243. Where under clause 161 the sale of products is not an infringement, the buyer, and any person claiming through the buyer, is entitled to deal with the products as if the relevant authority were the patentee or the nominated person.

Clause 166: Supply of products by Commonwealth to foreign countries

244. Subclause (1) is to the effect that, when the Commonwealth has made an agreement with a foreign country to supply to that country products required for the defence of that country, then certain types of exploitation for the purpose of the agreement are to be taken to be exploitation for the purposes of Commonwealth.

Clause 167: Declarations that inventions have been exploited

245. This clause allows a patentee who considers that the patented invention has been exploited under clause 161 to apply to a prescribed court for a declaration to that effect. In such proceedings, the alleged relevant authority can seek revocation by way of counter-claim.

Clause 168: Sale of forfeited articles

246. Nothing in this Chapter affects the right of the Commonwealth or a State, or of a person deriving title directly or indirectly from the Commonwealth or a State, to sell or use an article forfeited under a law of the Commonwealth or the State.

PART 3 - ACQUISITIONS BY AND ASSIGNMENTS TO THE CROWN

Clause 169: Acquisition of inventions or patents by Commonwealth

247. This clause empowers the Governor-General to direct that a patent, or an invention that is the subject of a patent application, be acquired by the Commonwealth. The Commonwealth must pay a compensable person such compensation as is agreed between the Commonwealth and the person, or, in the absence of agreement, as is determined by a prescribed court.

Clause 170: Assignment of invention to Commonwealth

248. An inventor, or an inventor's successor in title, may assign the invention, and any patent granted or to be granted for the invention, to the Commonwealth.

PART 4 - PROHIBITION ORDERS

Clause 171: Prohibition of publication of information about inventions

249. This clause is to the effect that the Commissioner may, if it appears to be necessary to do so in the interests of the defence of the Commonwealth:

- prohibit or restrict publication of information about the subject-matter of an application for a patent (including an international application); or
- prohibit or restrict access to a micro-organism deposited for the purposes of clause 41 with a prescribed depository institution situated in Australia.

Clause 172: Effect of prohibition orders

250. While a prohibition order is in force in relation to an application for a standard patent, the application may proceed up to the acceptance of the patent request and complete specification, but the complete specification is not to be made open to public inspection, the acceptance is not to be notified in the Official Journal and a patent is not to be granted on the application.

251. Where a prohibition order in relation to an application for a standard patent is revoked after the acceptance of the patent request and complete specification, the acceptance must be notified in the Official Journal within the prescribed period.

252. While a prohibition order is in force in relation to an application for a petty patent, the application may proceed up to the acceptance of the patent request and complete specification, but the complete specification is not to be made open to public inspection and a patent is not to be granted on the application.

Clause 173: Disclosure of information to Commonwealth authority

253. This clause is to the effect that nothing in the Bill prevents disclosing information about an invention, or giving access to, or a sample of a micro-organism, to a department or authority of the Commonwealth for the purpose of obtaining advice on whether a prohibition order should be made, amended or revoked.

Clause 174: International applications treated as applications under this Act

254. This clause provides a mechanism for converting an international application which is, under the PCT, considered as having been withdrawn because of a prohibition order or actions taken under clause 173, to be an application for the purposes of the Bill.

CHAPTER 18 - MISCELLANEOUS OFFENCES

255. This Chapter establishes a number of offences outlined in the following paragraphs.

Clause 175: False representations about the Patent Office

256. This clause prohibits a person, in connection with his or her business, from using words that would reasonably lead to the belief that his or her office is, or is officially connected with, the Patent Office.

Clause 176: False representations about patents or patented articles

257. This clause prohibits a person from falsely representing that he, she or another person is the patentee of an article, or that an article being sold by him or her is patented in Australia or the subject of an application for a patent in Australia. The clause also requires that a prosecution under this clause must not be started without the consent of the Minister, or a person authorised by the Minister.

Clause 177: Failure to comply with summons

258. This clause requires a person summoned by the Commissioner, after being offered payment of reasonable expenses, to comply with the summons.

Clause 178: Refusal to give evidence

259. This clause requires a person who appears before the Commissioner not to refuse to be sworn or make an affirmation, or to answer questions that the person is lawfully required to answer.

Clause 179: Failure to produce documents or articles

260. This clause requires a person to produce a document when required by the Commissioner, after offer of payment of reasonable expenses.

Clause 180: Officers not to traffic in inventions

261. Subclause (1) prohibits the Commissioner, a Deputy Commissioner, or an employee, to buy, sell, acquire or traffic in an invention or patent (whether granted in Australia or elsewhere) or in a right to or licence under such a patent. A purchase, sale, etc, made or entered into in contravention of the clause is void under subclause (2). Under subclause (3), the prohibition does not extend to inventors, or to an acquisition by bequest or devolution of law.

Clause 181: Unauthorised disclosure of information by employees etc.

262. This clause establishes a duty on the Commissioner, Deputy Commissioners and each employee not to disclose information about a matter dealt with under the Bill or the Patents Act 1952, unless required or authorised to do so by the Bill, a written direction of the Commissioner, or an order of a court.

Clause 182: Other unauthorised disclosures of information

263. This clause prohibits certain staff and others in the Safeguards Office from disclosing information about a matter dealt with under the Bill or the Patents Act 1952 unless required or

authorised by the Safeguards Act, this Bill, a written direction of the Director of Safeguards, or a court order.

Clause 183: Employees etc. not to prepare documents or search records

264. This clause prohibits the Commissioner, Deputy Commissioners and each employee, from preparing or helping to prepare any document to be filed under the Bill, and from searching the records of the Patent Office, unless required or authorised to do so by the Act, a written direction of the Commissioner, or an order of a court.

CHAPTER 19 - THE REGISTER AND OFFICIAL DOCUMENTS

Clause 184: Register of Patents

265. This clause establishes a Register of Patents. Subclauses (2) and (3) permit the Register to be kept wholly or partly by use of a computer.

Clause 185: Registration of particulars of patents etc.

266. This clause requires particulars of patents in force and other prescribed particulars to be registered. It is envisaged that particulars will include, for example, payment of renewal fees, and the recordal of assignments and licences.

Clause 186: Trusts not registrable

267. Notice of any kind of trust relating to a patent or licence is not receivable by the Commissioner and must not be registered.

Clause 187: Inspection of Register

268. This clause requires the Register to be available for inspection at the Patent Office by any person during the hours that it is open for business.

Clause 188: False entries in Register

269. This clause creates an offence of knowingly or recklessly making or causing a false entry to be made in the Register, or tendering in evidence a document that falsely purports to be a copy of or extract from an entry in the Register.

Clause 189: Orders for rectification of Register

270. This clause has the effect of allowing a person aggrieved by various kinds of error in the Register to apply to a prescribed court for the Register to be rectified, and for the Register to be rectified if ordered by the court.

Clause 190: Inspection of documents

271. This clause makes all documents filed in connection with the registration of prescribed particulars under clause 185 to be available for inspection.

Clause 191: Information obtainable from Commissioner

272. This clause makes it clear that the Commissioner may give any person information about a patent, an application for a patent that is open to public inspection, or any prescribed document or matter.

Clause 192: Evidence - the Register

273. This clause provides that the Register is prima facie evidence of any particulars registered in it.

Clause 193: Evidence - unregistered particulars

274. This clause provides that documents in respect of which particulars have not been entered in the Register are not admissible in any proceedings in proof of the title to a patent or to an interest in a patent unless the court otherwise directs, or the proceedings are for rectification of the Register or to enforce equities in relation to a patent or licence.

Clause 194: Evidence - certificate and copies of documents

275. This clause provides that a certificate signed by the Commissioner as to various matters relating to the Bill is prima facie evidence of the matters in the certificate, and that signed copies of certain documents are admissible in any proceedings as if they were the originals.

CHAPTER 20 - PATENT ATTORNEYS

PART 1 - REGISTRATION, PRIVILEGES AND PROFESSIONAL CONDUCT

Clause 195: Registration of patent attorneys

276. This clause establishes a Register of Patent attorneys, and provides for the registration of certain persons as patent attorneys.

Clause 196: Deregistration

277. This clause provides for the deregistration of a person registered as a patent attorney in the prescribed manner and on the prescribed grounds.

Clause 197: Privileges

278. This clause provides that a patent attorney is entitled to prepare all documents, transact all business and conduct all proceedings for the purposes of the Bill. It also provides that communications between patent attorney and client are privileged to the same extent as communications between solicitor and client. The clause also makes it clear that it does not authorise a patent attorney to prepare documents to be issued from or filed in a court or to transact business or conduct proceedings in a court.

PART 2 - OFFENCES

Clause 198: Offences: unregistered persons etc.

279. This clause prohibits a person practising as, or describing or holding himself or herself out to be, a patent attorney or agent for obtaining patents, unless he or she is a registered patent attorney. Subclauses (2) and (3) relate to offences by partnerships and companies, respectively. Subclause (4) makes certain exceptions in the case of legal representatives of deceased patent attorneys. Subclause (5) provides that certain activities are to be taken to be carrying on business as a patent attorney.

Clause 199: Documents prepared by legal practitioners

280. This clause prohibits a legal practitioner from preparing a specification or a document relating to an amendment of a specification, unless acting under the instructions of a patent attorney or an amendment has been directed by a court order under clause 105.

Clause 200: Attendance at patent attorney's office

281. This clause has the effect of requiring a registered patent attorney to be in regular attendance at, and in continuous charge of, a patent attorney's office.

CHAPTER 21 - ADMINISTRATION

Clause 201: Patent Office and sub-offices

282. This clause establishes the Patent Office, and provides for sub-offices in each State.

Clause 202: Patent Office seal

283. This clause provides for a seal of the Patent Office, and for impressions of that seal to be judicially noticed.

Clause 203: Commissioner of Patents

284. This clause establishes the office of Commissioner of Patents and provides that the Commissioner has, under the Minister, the administration of the Patent Office.

Clause 204: Deputy Commissioner of Patents

285. This clause establishes the office(s) of one or more Deputy Commissioners of Patents. A Deputy Commissioner has all the powers and functions of the Commissioner except the power of delegation under clause 205.

Clause 205: Delegation of Commissioner's powers and functions

286. This clause empowers the Commissioner to delegate all or any of the commissioner's powers or functions under the Act to an employee (defined in Schedule 1).

Clause 206: Commissioner's powers

287. This clause provides that the Commissioner has the power to summon witnesses; receive written or oral evidence on oath or affirmation; require the production of documents or articles; and award costs against a party to proceedings before the Commissioner.

Clause 207: Recovery of costs awarded by the Commissioner

288. This clause provides that costs awarded by the Commissioner against a party are recoverable as a debt.

CHAPTER 22 - MISCELLANEOUS

Clause 208: Copies of examination reports to be communicated

289. This clause provides that a copy of each examination report or a re-examination report is to be given to the applicant or patentee.

Clause 209: Making and signing applications etc.

290. This clause enables a person entitled under the Bill to practise as a patent attorney to sign documents under the Act on the behalf of a person.

Clause 210: Filing of documents

291. This clause provides for filing of documents with the Patent Office by delivery, post, or other prescribed means.

Clause 211: Death of applicant or nominated person

292. This clause make provisions covering the situation where an applicant or nominated person dies before a patent is granted.

Clause 212: Exercise of discretionary power by Commissioner

293. Subclause (1) requires the Commissioner not to exercise a discretionary power under the Bill adversely to a person applying for the exercise of the power without first giving the person a reasonable opportunity to be heard. Subclause (2) provides that subclause (1) does not apply unless the person asks to be given a reasonable opportunity to be heard. Subclause (3) provides that subclause (1) does not apply in relation to the Commissioner's power to direct an applicant to request an examination.

Clause 213: Assessors

294. This clause provides that a prescribed court may, if it thinks fit, call in the aid of an assessor to assist it in the hearing and trial or determination of any proceedings under the Act.

Clause 214: Costs where patent invalid in part

295. This clause provides, in proceedings in which the validity of a patent is disputed, for apportionment of costs between the parties if the court is satisfied that some of the claims alleged to be invalid are not invalid and that others are invalid.

Clause 215: Security for costs

296. This clause empowers the Commissioner or the Federal Court to require an opponent or an appellant, as the case may be, who neither resides nor carries on business in Australia, to give security for the costs of the proceeding or appeal.

Clause 216: Costs of attendance of patent attorney

297. This clause makes it clear that an award of costs in court proceedings may include an allowance for the attendance of a patent attorney.

Clause 217: Service of documents

298. This clause provides for documents to be served on a person by being posted to an address for service.

Clause 218: Publication of Official Journal etc.

299. Subclause (1) provides for the Commissioner to publish an Official Journal including prescribed matters and such other matters as the Commissioner thinks fit. It is envisaged that the regulations will provide for the publication of various matters relating to proceedings before the Patent Office, such as lodgement of applications, amendments, acceptance, renewals, oppositions, ceasings, and so forth.

300. Subclause (2) empowers the Commissioner to sell copies of the Official Journal, and of complete specifications that are open for public inspection. Subclause (3) empowers the Commissioner to prepare, publish and sell such documents relating to inventions and patents as the Commissioner thinks fit.

Clause 219: Extensions of time

301. This clause provides a general mechanism for extending the time for doing acts under the Bill. The provision enables remedying a default in meeting time limits where there has been an error or omission by, or circumstances beyond the control of, the person concerned.

302. Subclause (1) requires an extension of time where a relevant act is not, or cannot be, done because of an error or omission by the Commissioner, Deputy Commissioner, or an employee. Subclause (2) enables the granting of an extension of time where there has been an error or omission by the person concerned, or circumstances beyond the control of the person concerned. Subclause (3) makes it clear that the time may be extended whether before or after the time has expired. Subclause (4) provides for advertisement of an application for an extension of time for more than 3 months.

303. Subclause (5) provides that an application cannot be made for an extension of time for more than 3 months in respect of an act or step required to be done or taken for the purposes of Division 2 of Part 3 of Chapter 6 (which relates to extensions of patent term).

304. Subclause (6) provides that a person may, as prescribed, oppose the granting of an application for an extension of time. Subclause

(7) provides for restoration of lapsed applications or ceased patents where an extension of time is granted.

305. Subclause (8) provides that the prescribed provisions have effect for the protection or compensation of persons who exploited an invention in the period between the lapsing of a patent application or ceasing of a patent, and its restoration. It is envisaged that the regulations will provide for the granting of a licence under the patent in appropriate circumstances.

306. Subclause (9) provides that infringement proceedings cannot be brought in respect of an infringement committed between the day on which the patent ceases and the day on which it is restored.

307. Subclause (10) provides that a broad range of actions are open to extensions of time, and expressly ensures that the clause applies to the time limit for making a Convention application.

Clause 220: Review of decisions

308. This clause establishes a right to apply for review by the Administrative Appeals Tribunal of decisions made under the clauses listed.

309. Subclause (2) provides for notices of decisions to include a statement to the effect that an application may be made to the Administrative Appeal Tribunal for a review of the decision. Subclause (3) makes it clear that failure to include such a statement does not affect the validity of the decision. Subclause (4) provides that "decision" in this clause has the same meaning as in the Administrative Appeals Tribunal Act 1975.

Clause 221: Conduct of directors, servants and agents

310. This clause contains the standard provisions facilitating the prosecution of corporations. Subclause (1) provides that, in order to establish the state of mind of a body corporate in respect of conduct it engaged in, it is sufficient to establish the state of mind of a director, servant or agent of a body corporate who engaged in the conduct in the performance of his actual or apparent duties.

311. Subclause (2) provides that a body corporate shall be deemed to have engaged in conduct where a director, servant or agent of the body corporate engaged in the conduct. Subclauses (3) and (4) make similar provision in relation to establishing the state of mind of persons, other than bodies corporate, where the conduct was engaged in by their servants or agents.

312. Subclause (6) provides that a person convicted of an offence as a result of the prosecution's reliance on subsection (3) and (4) may not be sentenced to a term of imprisonment for that offence.

313. Subclause (7) inclusively defines the expression "state of mind of the person" and subclause (8) provides an inclusive definition of a "director of a body corporate". Subclause (9) declares that engaging in conduct includes a refusal or failure to engage in conduct.

Clause 222: Reproduction of published specifications does not infringe copyright

314. This clause provides that the reproduction of the whole or part of a provisional or complete specification that is open to public inspection does not constitute an infringement of any copyright subsisting under the Copyright Act 1968 in any literary or artistic work.

Clause 223: Fees

315. Subclauses (1) and (2) provides that the prescribed fees are payable, and that different fees may be prescribed in respect of the doing of an act according to the time when the act is done.

316. Subclause (3) to (5) set out the consequences which flow when fees are not paid as required.

Clause 224: Regulations

317. This clause contains a body of regulation making powers. Broadly, the clause enables the Governor-General to make regulations relating to the Bill, the Patent Office, the Budapest Treaty and the Patent Cooperation Treaty (subclause (1)). More particularly, regulations may be made relating to:

- examination and re-examination (paragraphs (2)(a) and (b));
- amendments of various kinds (paragraph (2)(c) to (f));
- abstracts (paragraph 2(g));
- opposition proceedings (paragraph (2)(h));
- formal requirements of filed documents (paragraph (2)(j));
- questions of standing (paragraph (2)(k));
- appeals (paragraph (2)(m));
- court practice and procedure (paragraph (2)(n));
- statutory declarations (paragraph (2)(p));
- declarations by disable persons (paragraph (2)(q));
- patent attorneys' professional conduct and practice (paragraph (2)(r));
- microorganism deposits and depositary institutions (paragraph (2)(s));
- modified operation of the Act for PCT applications (paragraph (2)(t));
- destruction of old documents (paragraph (2)(u));
- refunds and remissions of, and exemptions from, fees (paragraphs (2) (w) and (x));
- penalties for offences against the regulations (paragraph (2)(y));
- agreements with depositary institutions (subclauses (3) and (4));
- the texts of the Budapest Treaty, the Patent Cooperation Treaty, and other treaties relating to the protection of inventions (subclauses (5) and (6)).

Clause 225: Consequential amendments

318. This clause gives effect to consequential amendments to other Acts, as specified in Schedule 2. The clause has regard to the repeal of the Patents Act 1952 and the enactment of the Bill.

Clause 226: Repeal

319. This clause provides that the Patents Act 1952 is repealed.

SCHEDULE 1

DICTIONARY

320. The Dictionary in Schedule 1 defines certain words used in the Bill. The words defined in the Dictionary are also listed in clause 3.

SCHEDULE 2

CONSEQUENTIAL AMENDMENTS

321. Schedule 2 sets out amendments to a number of Acts consequential on the repeal of the Patents Act 1952 and the enactment of the Bill.













