



Précis Paper

IP Australia and the IP Regulatory Landscape in Australia

An interesting discussion with the General Manager of the Patents Mechanical and Oppositions Group of IP Australia.

Discussion Includes

- The role of IP Australia and recent initiatives
- The IP regulatory regime in Australia
- International arrangements and cooperation
- The role of IP in innovation
- IP pitfalls for businesses when commercialising
- The future of IP regulation

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IP Australia and the IP Regulatory Landscape

1. In this edition of BenchTV, Dr George Vuckovic (General Manager, Patents Mechanical and Oppositions Group at IP Australia) and Ian Benson (Solicitor, AR Conolly and Company) discuss IP Australia and intellectual property regulation and developments.

The Role of IP Australia and Recent Initiatives

2. As the government agency responsible for administering IP rights in Australia, IP Australia receives and processes patent, trade mark, designs and plant breeder rights applications, and conducts hearings into the grant or refusal of IP rights.
3. IP Australia administers the intellectual property legislation within the industry, innovation and science portfolio, specifically the following Acts:
 - *Patents Act 1900* (Cth);
 - *Trade Marks Act 1995* (Cth);
 - *Designs Act 2003* (Cth); and
 - *Plant Breeder's Rights Act 1994* (Cth).
4. Recent innovations led by IP Australia include:
 - The development of an IP insurance policy: As there can be considerable expense and risk involved with enforcement of IP rights, an IP insurance policy can provide protection when enforcing claims against infringers or for the cost involved in defending infringement allegations. IP Australia is in the process of developing an IP insurance policy aimed at assisting small to medium enterprises throughout the IP lifecycle.
 - The Patents Analytic Hub ("the Hub"): The Hub provides tailored analytic services directly to Australian research organisations and government departments, and is piloting work to help small to medium businesses. The Hub can provide information such as patenting activities to determine which organisations are innovating; technology assessments to inform patent management and licensing strategies; information on who the innovation players are in a technology area to facilitate collaboration activities; and indicators of patent impact.

- IP Government Open Data: This is the first complete and open national intellectual property register that links IP rights to business numbers. Records held by IP Australia about IP rights are now publicly available.

International Arrangements and Co-operation

5. Patents are of national jurisdiction, but a growing number of businesses operate globally. The Australian patent system operates independently, but as part of a global patent system.
6. The global patent system has sought to harmonise laws between countries and simplify the process of obtaining patents through the development of international treaties. The principles embodied in treaties become embodied in national patent laws throughout the world, for example the system for priority claims reflects the Paris Convention; and the recognition of deposits of micro-organisms reflects the Budapest Treaty.
7. The most significant development in the international arena is the Patent Cooperation Treaty ("PCT"). The PCT allows an applicant to file an application centrally, and then nominate a country in which they wish to file the application. While this process does not lead to the grant of a global patent, it simplifies the process for the applicant and reduces costs.
8. To further assist Australian business in the global arena, Australia sent its first ever IP councillor to China in December 2016, with the aim of helping Australian companies navigate the Chinese IP system. IP Australia identified two main issues for Australians seeking to file in China:
 - Australian IP rights do not provide protection overseas: Businesses need to apply for registration in China as soon as possible. Once registered, various enforcement options are available.
 - Bad-faith trade mark filings: This is a common issue encountered by Australian business in China and occurs where a business finds that someone else has already applied to register its trade mark. The only way to avoid this is to file trade mark applications as soon as possible.
9. Other international developments include the implementation of a single patent attorney regime between Australia and New Zealand. Key features of this regime include a single register for patent attorneys; a single set of requirements for registration; a single code of

conduct; and a single disciplinary process. Candidates must have sufficient knowledge of both Australian and NZ IP law and practice.

The Role of IP in Innovation

10. The IP system provides a system to encourage, reward and protect innovation and creativity, and a well-functioning system is therefore crucial. The IP rights administered by IP Australia promote innovation by providing an effective legal framework for the protection of innovation products and brands; providing incentives for undertaking research and development; promoting the disclosure of innovations; and enabling firms to build brand value and business reputation. IP arrangements are an important policy lever for governments to assist innovation.
11. Australia's yearly Australian Innovation System Report presents information about the state and performance of Australia's innovation system. The 2016 report showed that there is a significant correlation between IP protection, research and development, and new to market innovation around the world. Businesses that innovate 10 or more times per year are twice as likely to use IP protection than businesses that innovate 3 or less times per year, and innovative exports are twice as likely to invest in IP as non-innovative exports. The report also indicated that applications for patents, designs, trade marks and plant breeder's rights all increased in 2015.
12. IP protection is crucial for business because if innovators fail to protect their IP, then other companies can use their ideas, designs and logos as they please. Knowing what to protect and when to protect it can be a daunting task, and businesses should be aware that simply registering a business name does not protect IP rights. IP is an asset which, if registered properly, can lead to financial gains. To get the most out of a business's ideas, an IP strategy must be put in place.
13. Common pitfalls for new business include:
 - Forgetting to identify IP;
 - Failing to understand the different types of IP and how to register each type;
 - Ensuring that no-one sees the business's ideas without having a confidentiality agreement in place or a provisional patent application pending; and
 - Seeking financing without having lodged an application for patent protection.

The Future of IP Regulation

14. Dr Vuckovic flagged a number of changes to the patent system that were proposed in a recent report by the Productivity Commission. The government is still formulating its response to the report, so the outcome of those proposals is as yet unknown. The proposals include the introduction of an objects clause for patents; changing the inventiveness threshold for patents; reconsidering extensions of term for pharmaceutical patents; and restructuring patent fees; abolition of the innovation patent system; a making it easier to challenge trade marks for non-use; and changes to plant breeder's rights.
15. The two consistent themes in IP are harmonisation, and increasing the standards of validity. There may be further changes to the regime in the future, particularly in relation to patent protection, where the system remains tipped in favour of rights holders and against the interests of the broader community.

BIOGRAPHY

Dr George Vuckovic

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Dr George Vuckovic is the General Manager of the Patents Mechanical and Oppositions Group of IP Australia and a Deputy Commissioner of Patents. Previous to his employment at IP Australia George held senior positions with the Commonwealth Department of Health and Ageing, the Therapeutic Goods Administration and the Department of Environment and Heritage. Notably, Dr Vuckovic assisted in the formulation of government policy on industrial chemicals safety and regulation under the auspices of the OECD Chemicals Program. George has a PhD in organic chemistry and is currently studying graduate law at ANU.

Ian Benson

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Ian Benson is a solicitor at AR Conolly and Company and holds a First Class Honours degree in Law.