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THE PARLIAMENT OF THE COMMONWEALTH
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HOUSE OF REPRESENTATIVES

NUCLEAR NON-PROLIFERATION (SAFEGUARDS)
(CONSEQUENTIAL AMENDMENTS) BILL 1987

EXPLANATORY MEMORANDUM

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

NUCLEAR NON-PROLIFERATION (SAFEGUARDS) (CONSEQUENTIAL
AMENDMENTS) BILL 1987

GENERAL OUTLINE

1. The Nuclear Non-Proliferation (Safeguards) (Consequential Amendments) Bill 1987 will amend the Patents Act 1952 to establish procedures for handling patent applications that contain information relating to nuclear material.
2. The new procedures will:
 - . require the Commissioner of Patents to refer to the Director of Safeguards patent applications that appear to the Commissioner to contain information of a kind referred to in the definition of "associated technology" in the Nuclear Non-Proliferation (Safeguards) Act 1987.
 - . allow the Director of Safeguards to certify that an application does contain such information and:
 - direct that the application shall lapse or not be treated as an international application, as the case requires; or
 - notify the Commissioner that the publication or communication of information about the application should be prohibited or restricted;
 - . provide for restoration of the application if a direction is no longer in force; and
 - . provide rights of review by the Administrative Appeals Tribunal of decisions of the Director and the Commissioner.
3. The Bill also makes minor technical amendments relating to:
 - . the recognition for the purposes of the Patents Act of certain documents lodged in connection with an international application made under the Patent Cooperation Treaty;
 - . the conferral of priority dates in relation to an international application; and
 - . exemptions from subjects of the patent attorneys examination.

FINANCIAL IMPACT STATEMENT

4. The proposals contained in this Bill will not have any financial impact.

ABBREVIATIONS

5. The following abbreviations are used in this Explanatory Memorandum:

Commissioner :	Commissioner of Patents
Director :	Director of Safeguards - an office created by section 42 of the Safeguards Act
PCT :	Patent Cooperation Treaty - defined in subsection 58A(1) of the Patents Act
Safeguards Act :	<u>Nuclear Non-Proliferation</u> <u>(Safeguards) Act 1987</u>
Safeguards Office :	Australian Safeguards Office.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 : Short title and Principal Act

Clause 2 : Officers not to furnish information etc.

6. This clause inserts a new subsection (1A) after subsection 19(1) of the Patents Act. The effect of the new subsection is to require staff of the Safeguards Office to observe the same confidentiality requirements as currently apply to the staff of the Patent Office under the Patents Act.

Clause 3 : Effect of publication of complete specification

7. A reference to subsection 58AA(13) is added to section 54C with the effect that infringement proceedings cannot be taken for anything done during the period that an application was lapsed under the provisions of section 58AA (see below).

Clause 4 : Special provisions relating to associated technology

8. This clause inserts a new section 58AA to follow section 58. The new section establishes the procedures for handling patent applications that contain information of a kind referred to in the definition of "associated technology" in the Safeguards Act. Details of the proposed new section are:

Subsection 58AA(1)

Definitions relevant to the new section 58AA are given.

Subsection 58AA(2)

This subsection provides for the Commissioner to refer a patent application and its accompanying specification to the Director.

Subsection 58AA(3)

This provision 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.

Subsection 58AA(4)

This provides 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 under the PCT, a direction that the application should not be treated as an international application.

Subsection 58AA(5)

This subsection requires that a copy of a certificate issued by the Director under subsection 58AA(3) be given to the Commissioner and that the Commissioner give a copy to the patent applicant.

Subsection 58AA(6)

This subsection provides 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 proposed subsections 58AA(9), (10), (14), (15) and (16).)

Subsection 58AA(7)

This provides that lapsing of an application under subsection 58AA(6) is to be advertised in the Official Journal (published under section 175 of the Patents Act).

Subsection 58AA(8)

This subsection enables revocation of a direction under subsection 58AA(4).

Subsections 58AA(9), (10) and (11)

These provisions allow the applicant in respect of an application that has lapsed by virtue of a direction under subsection 58AA(4) 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.

Subsection 58AA(12)

This subsection enables the making of regulations to protect or compensate persons who had availed themselves of the subject matter of a restored application while that application was lapsed.

Subsection 58AA(13)

This provision prevents proceedings being taken under section 54C in respect of any act or thing done while the application was lapsed. (See clause 3, above.)

Subsections 58AA(14), (15) and (16)

These provisions enable the applicant in respect of an international application that has ceased to be treated as such by virtue of a direction under subsection 58AA(4) to apply to the Commissioner to have the application reinstated. The Commissioner is required to reinstate the international application if the direction is no longer in force and if there is no other reason why the application should not be reinstated.

Subsections 58AA(17), (18), (19) and (20)

The operation of certain provisions of the PCT, which impose time limits for actions to be taken in relation to international applications, may prevent an application from being reinstated under subsection 58AA(15). An application that is so affected will, under the PCT, be considered withdrawn. These provisions permit an application that has been so affected, upon the request of the applicant, to be treated as an application for a standard or petty patent under the Patents Act and to be treated as having been lodged on the date of filing of the international application. Where a former international application is treated as an application under the Patents Act, certain formal requirements of the Act are to be taken as having been complied with. The requirements of section 40 relating to the description, claims and drawings must, however, be satisfied as for any other application.

Subsection 58AA(21)

This provides that all of the provisions of the Patents Act and the Patents Regulations, except as otherwise provided in section 58AA, are to apply to international applications that are treated, by virtue of subsection 58AA(17), as applications under the Act.

Subsection 58AA(22)

This subsection provides that the Director may, in relation to a specification that contains information of a kind referred to in the definition of "associated

technology", notify the Commissioner in writing whether the publication or communication of the information should be prohibited or restricted.

Subsection 58AA(23)

This provision requires the Commissioner to take such steps as the Commissioner considers necessary or expedient to give effect to a notice under subsection 58AA(22).

Subsection 58AA(24)

This provides that one of the steps the Commissioner may take pursuant to subsection 58AA(23) is the making of a written order for the prohibition or restriction of the publication or communication of information about the application.

Subsection 58AA(25)

This subsection makes it an offence for a person, without the written consent of the Commissioner, to publish or communicate information in contravention of an order under subsection 58AA(24).

Subsection 58AA(26)

This provides that an application for a standard patent that is the subject of an order under subsection 58AA(24) 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.

Subsection 58AA(27)

This provides that an application for a petty patent that is the subject of an order under subsection 58AA(24) is to be processed up to the acceptance of the application, but a patent is not to be granted on the application.

Subsection 58AA(28)

This provision requires that the acceptance of a standard patent be advertised within one month from the revocation of an order that was imposed under subsection 58AA(24).

Subsection 58AA(29)

This provision enables information about an invention to be disclosed to the Director to obtain advice whether an order under subsection 58AA(24) should be made, amended or revoked.

Clause 5: International applications

9. The amendment made by this clause overcomes a problem consequential on the provisions of the Patents Amendment Act 1984, read in the light of the PCT. The Patents Amendment Act 1984 inserted a new paragraph 40(5)(c) under which certain information in relation to the deposit of a microorganism is required to be contained in the specification. Under the PCT, however, that same information may, in an international application, be supplied on a separate sheet which, under the existing provisions of the Patents Act, would not be considered part of the specification. The amendment proposed in clause 5 inserts new subsections (3A) and (3B) in section 58B of the Patents Act, the effect of which is to deem such a separate sheet to be included in the description of the international application. By virtue of the existing provisions in section 58B, that sheet will therefore be treated as part of the specification for the purposes of the Act.

Clause 6: Preservation of priority dates.

10. Section 58F accords a priority date in certain circumstances to an international application. A new subsection (2) is added, broadening the meaning of "applicant" in the existing section to include a person who is entitled to make a request under subsection 34(4) of the Patents Act. The effect of the amendment is to accord the same priority date notwithstanding that there has been an assignment or transfer of rights in an invention or a patent application.

Clause 7: Extension of term of petty patent.

11. This clause deletes a reference to paragraph 100(1)(a) in subsection 68B(3). The reference was introduced, in error, by a formal amendment to the subsection included in Schedule 3 to the Statute Law (Miscellaneous Amendments) Act (No.1) 1982.

Clause 8: Registration of patent attorneys.

12. Existing paragraph 133(3)(c) of the Patents Act specifies, as a requirement for registration as a patent attorney, that the subjects of the prescribed examination be passed, but allows for exemptions to be made by regulation for legal practitioners and United Kingdom registered patent agents. This paragraph is to be replaced by a provision that enables the regulations to make broader provisions for exemptions.

Clause 9: Application for review.

13. Section 151 of the Patents Act provides that an application may be made to the Administrative Appeals Tribunal for a review of certain decisions. Clause 5 amends section 151 to additionally include decisions made under new section 58AA. The additional decisions to be subject to review are those made under:

- subsection 58AA(3) - the issuance of a certificate by the Director that an application contains information of the

kind referred to in the definition of "associated technology";

- . subsection 58AA(4) - a direction by the Director that an application should lapse or should not be treated as an international application;
- . subsection 58AA(8) - revocation of a direction by the Director;
- . subsection 58AA(10) - restoration of an application by the Commissioner;
- . subsection 58AA(15) - reinstatement by the Commissioner of an international application;
- . subsection 58AA(22) - Director's notice to the Commissioner of prohibitions or restrictions which should be placed on the publication or communication of information about an application;
- . subsection 58AA(23) - such steps as the Commissioner may take to give effect to a notice from the Director under subsection 58AA(22);
- . subsection 58AA(24) - a written order by the Commissioner prohibiting or restricting the publication or communication of information about an application.