

1995

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

PATENTS AMENDMENT BILL 1995

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Small Business, Customs and Construction,
Senator the Hon Chris Schacht)



PATENTS AMENDMENT BILL 1995

OUTLINE

The purpose of the Bill is to amend the *Patents Act 1990* (the 1990 Act) to correct minor and technical errors, and ambiguities which have been identified by users of the patents system and the Australian Industrial Property Organisation following its commencement in April 1991. The changes are outlined below.

The Bill amends the definition of the term "supply" for the purpose of contributory infringement, to include an "offer to supply". This amendment would make it consistent with the definition of "exploit" which includes make, hire, sell or otherwise dispose of a patented product, or offer to make, hire, sell, or otherwise dispose of it.

Amendment is also introduced by the Bill to address the concerns raised by the Administrative Appeals Tribunal in *Re Franke and Commissioner of Patents* (1993) AIPC 90-983 on the interpretation of transitional provisions. The Bill inserts a new provision to remove some ambiguities in the interpretation of subsection 234(3). The new provision will make it clear that for the purposes of opposition to the grant of a patent on patent applications which have been lodged under the *Patents Act 1952* (the 1952 Act), and which had not been finally dealt with, opposition provisions under Part V of the 1952 Act (but not its regulations) and the regulations under the 1990 Act would apply.

The Bill also introduces other minor and technical amendments to the Act as discussed in the accompanying notes.

FINANCIAL IMPACT STATEMENT

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.

NOTES ON CLAUSES

Clause 1- Short title

1. The clause provides that the Act may be cited as the *Patents Amendment Act 1995*.

Clause 2- Commencement

2. This clause provides that the commencement date of the Act will be on receiving the Royal Assent.

Clause 3- Amendment of the *Patents Act 1990*

3. This clause provides that the consequential amendments to the *Patents Act 1990* are detailed in the Schedule to the Act.

SCHEDULE

AMENDMENT OF THE PATENTS ACT 1990

1 - Section 59

4. This item inserts a new provision which would allow the Regulations to provide for the dismissal by the Commissioner of an opposition to the grant of a patent. This item will also allow for a review of, or an appeal against, the Commissioner's decision to dismiss the opposition, in the Regulations.

2 - Paragraph 88(2)(b)

5. This item corrects an error such that reference to section 48 in paragraph 88(2)(b) should be a reference to section 47. This paragraph now accurately refers to the sections relating to the requests for examination of a patent specification.

3 - Subsection 98(1)

6. This item deletes the term "immediately" from subsection 98(1). It has always been intended that the reference to the "prior art base" in this subsection refer to an information that is not lost from a pool of knowledge during the passage of time. Thus the word "immediately" before the phrase "prior art base" is redundant and should be omitted.

4 - Subsection 98(2)

7. Existing subsection 98(2) prohibits the Commissioner from considering information that is made publicly available by some means (eg through oral disclosure or written documentation) in addition to being made public through the doing of an act. This result was not intended. This item amends subsection 98(2) to the effect that information that is made publicly available in the patent area exclusively by doing an act will be the only type of information that is excluded from the consideration of prior art base during the re-examination of a complete specification.

5 - Subsection 99(2)

8. This item corrects an error in subsection 99(2) such that it now includes a reference to section 107, in addition to section 106. A statement of amendments may also be filed in response to a direction under section 107 by the Commissioner to amend the patent request or specification, and subsection 99(2) now takes this into account.

6 - Section 111

9. This item repeals section 111 so that the provisions relating to amendments of complete specifications set out in Part 3 of Chapter 10 apply to all types of amendments.

7 - Subsection 114(2)

10. This item makes it clear that the meaning of "the invention" at line 5 in subsection 114(2) is the invention that has been disclosed in the complete specification, and is not referring to the term "the invention" as claimed and which was the result of an amendment as mentioned in subsection 114(1).

8 - Paragraph 142(4)(a)

11. This item provides for the omission of paragraph 142(4)(a). Before granting an extension of term, applied for under paragraph 68(b), the Commissioner may direct the applicant to file a statement of proposed amendments under section 108 to overcome any issues of invalidity concerning the petty patent. If the applicant does not respond to the direction to amend, they will not be granted an extension of term and the petty patent will cease automatically on the first anniversary of the date of sealing. Thus, a provision referring to the lapsing of a petty patent application if the applicant does not comply with the direction of the Commissioner under section 108 is considered redundant.

9 - Section 204

12. This item provides for amendment of section 204 so that it reflects the renumbering of section 21 of the *Crimes Act 1914* to section 15B.

10. Paragraph 228(2)(d)

13. This item omits paragraph 228(2)(d) consequential to the repeal of section 111.

11 - Section 234

14. This item inserts a new provision under subsection 234 to make it clear that in the case of patent applications referred to in subsection 234(2), the opposition provisions under Part V of the *Patents Act 1952* continue to apply to these applications, together with the procedures set out in Chapter 5 of the Regulations under the *Patents Act 1990*. This amendment was a result of the concerns raised by the Administrative Appeals Tribunal decision of the case of *Re Franke and Commissioner of Patents* (1993) AIPC 90-983, wherein Deputy President McMahon suggested the amendment of subsection 234(3) to clarify its intent.

12 - Definition of "supply" in Schedule 1

15. Item 13 amends the definition of "supply" in Schedule 1 of the *Patents Act 1990* so that it includes an offer, by someone other than the patentee or licensee, to supply a patented product. This ensures that contributory infringement of a patent includes offering to supply a patented product.

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