

Australian Developments January 2005

Developments by Government Body

A-G Department

1. AG Department

2. Copyright Law Review Committee

Government copyright priorities under "Strengthening Australian Arts"

The Coalition Government election 2004 policy document "Strengthening Australian Arts" is available at: http://www.liberal.org.au/2004_policy/ACF3D10.pdf. Under this policy document the Coalition Government made several commitments to review and amend the Act.

The areas of copyright reform include the following:

- a review on whether an exception based on the principles of "fair use" be conducted in consultation with stakeholders,
- decide on whether the one percent cap payable for broadcasting sound recordings should be retained,
- introduce communal moral rights legislation,
- work with stakeholders in developing a resale royalty scheme,
- give film directors rights to copyright in films they direct,
- improve access to appropriately formatted material for people with disabilities, and
- review government management of intellectual property.

The feasibility of extending the current legal deposit scheme to include audiovisual and electronic material with the National Film and Sound Archive as a deposit institution will also be examined.

Free Trade Agreement

Exchange of letters fixing entry into force of the Australia-United States Free Trade Agreement (AUSFTA)

On 18 November 2004, the Minister for Trade, the Hon. Mark Vaile MP, announced that the Australian and United States governments had exchanged diplomatic notes certifying that each had made the necessary domestic arrangements to allow the AUSFTA to be implemented on 1 January 2005. The notes and associated letters that were exchanged between Mr Vaile and the United States Trade Representative, Mr Robert Zoellick, can be accessed at:

<http://www.dfat.gov.au/trade/negotiations/us.html>

These necessary domestic arrangements included passage of the *US Free Trade Agreement Implementation Act 2004* (USFTAI Act). This Act contains extensive copyright amendments including economic and moral rights for performers, extension of the term of protection by 20 years, implementation of a scheme for limitation of remedies available against carriage service providers, wider range of criminal offence provisions, protection against a wider range of unauthorised reproductions and wider civil remedy and criminal offence provisions relating to encoded program carrying signals.

The USFTAI Act passed Parliament on 13 August 2004 and received assent on 16 August 2004. It can be accessed at:

<http://scaleplus.law.gov.au/html/comact/12/6876/top.htm>

Commencement of US Free Trade Agreement Implementation Act 2004 (Cth)

Most of the copyright amendments in the USFTAI Act will commence on 1 January 2005. Amendments relating to performers' moral rights will commence on the day on which the World Intellectual Property Organisation's (WIPO) Performances and Phonograms Treaty comes into force for Australia. Under the USFTAI Act, the Attorney-General must announce by notice in the Gazette the day on which the Treaty comes into force for Australia.

Copyright Legislation Amendment Act 2004 (Cth)

The Copyright Legislation Amendment Bill 2004 was introduced in the Parliament on 30 November 2004. The Bill and Explanatory Memorandum can be accessed at:

http://parlinfoweb.aph.gov.au/piweb/view_document.aspx?ID=1825&TABLE=BILLS

http://parlinfoweb.aph.gov.au/piweb/view_document.aspx?ID=1882&TABLE=EMS

The legislation passed the Parliament on 9 December 2004 and received assent on 15 December 2004. The *Copyright Legislation Amendment Act 2004*, No. 154, 2004 contains various minor and clarifying amendments to the Act and the USFTAI Act.

In addition to amendments relating to the extension of the term of copyright protection in the USFTAI Act, the Amendment Act makes a number of amendments to provisions of the Act relating to criminal offences, presumptions, the exception to the reproduction right, and the scheme for limitation of remedies available against carriage service providers.

Copyright Amendment Regulations 2004

The amendments made to the Act by the USFTAI Act and the Copyright Legislation Amendment Act 2004 detail the nature of the limitations on remedies and set out the conditions that must be satisfied by a carriage service provider, in relation to certain online activities, before the limitations apply.

The Copyright Amendment Regulations 2004 amend the Copyright Regulations to provide procedures that form part of the conditions that must be satisfied by carriage service providers who intend to take advantage of the scheme. The amendments made by the Regulations include:

- inserting a new regulation that requires carriage service providers to designate a person to be the representative of the carriage service provider for the purpose of receiving notifications notices or counter-notices issued in compliance with the Regulations;
- inserting new regulations that provide procedures, including a notice and takedown procedure, in relation to conditions set out in the table in new subsection 116AH(1) of the Act; and
- inserting new regulations that provide civil remedies against carriage service providers in certain circumstances and against persons who knowingly make misrepresentations in notifications, notices or counter-notices under the Regulations.

The Copyright Amendment Regulations 2004 were Gazetted on 23 December 2004 and will come into effect on 1 January 2005. There were also minor amendments made to the Copyright Tribunal (Procedure) Regulations and the Copyright (International Protection) Regulations as a result of the passage of the USFTAI Act. These regulations can be accessed at:

<http://scaleplus.law.gov.au/cgi-bin/download.pl?/scale/data/numrul/20/10435>

Copyright Law Review Committee inquiry on Crown Copyright granted an extension until 4 March 2005

The Copyright Law Review Committee (CLRC) is currently inquiring into the appropriateness of the law relating to government ownership of copyright material. The CLRC was to report to the Attorney-General by 4 December 2004, but has been granted an extension until 4 March 2005.

In February 2004 the CLRC published an Issues Paper and invited public submissions.

The Committee has received an unexpected level of interest in the reference, with a total of 77 submissions received from peak copyright industry bodies, the library sector, publishers, Commonwealth and State departments and agencies, professional bodies and private individuals.

In July and August, the CLRC conducted a public forum in Sydney and consultations in Melbourne and Perth. The forum and consultations were an opportunity for the CLRC to meet with stakeholders and further explore issues raised in the submissions. The Committee's Issues Paper, discussion paper for the public consultations and most of the submissions are available on the CLRC website:

<http://www.clrc.gov.au/agd/www/Clrhome.nsf/HeadingPagesDisplay/Present+Inquiries?OpenDocument>

REPORT ON INNOVATION PATENTS EXCLUSION - 27 November 2004

Federal Industry Parliamentary Secretary Warren Entsch MP today announced the Government has accepted the recommendations of the Advisory Council on Intellectual Property (ACIP) in their report, *Should plant and animal subject matter be excluded from protection by the innovation patent?*

The report, released today by Mr Entsch, examines whether Australia should provide an intermediate level of patent protection – the innovation patent – for plants and animals and the biological processes for their generation.

The report recommends no change to the current arrangements at this time.

Innovation patents were introduced in 2001 in response to demand in Australia for an inexpensive second-tier or intermediate level of patent protection to safeguard small, incremental innovations.

However, plant and animal subject matter and the biological processes for their generation were excluded from the innovation patent system due to concerns expressed by some industry sectors at the time.

Mr Entsch thanked ACIP for their report, which concluded there was no immediate reason to extend the innovation patent to cover plant and animal material.

“There will be ongoing monitoring of the effectiveness of the innovation patent system and a major evaluation of the system by 2006,” Mr Entsch said.

“This will include looking at how much the system has been used and consulting with users, particularly small businesses”.

3. Intellectual Property Competition Review Committee

[No Updates]

4. Australian Law Reform Commission

[No Updates]

Department of Communication, IT and the Arts

[No Updates]

Department of Education, Science and Training

Department of Foreign Affairs and Trade

[No Updates]

Department of Industry, Tourism and Resources

[No updates]

1. IP Australia

The objective of the Trade Marks Legislation Review is to ensure that the trade marks legislation is accurate, clear, unambiguous and meets the needs of Australian business, users of the trade mark system and IP Australia. Submissions and comments were invited from interest groups such as AMPICTA, IPTA, the Law Council of Australia, LESANZ, the Australian Chamber of Commerce and Industry, INTA, FICPI, and IPSANZ, as well as Government Departments, the Australian Wine and Brandy Corporation and the National Office for the Information Economy. All submissions and comments were considered and three Recommendations Papers were developed and published for comments.

Copies of all three Papers can be found at:

http://www.ipaustralia.gov.au/resources/forms_trademarks.shtml#tm_legreview

2. ACIP

The Advisory Council on Intellectual (ACIP) continues to review a range of matters with a view to ensuring that the IP system meets Australia's needs. Current reviews include:

A review of Crown Use provisions for patents and designs

The council has released a discussion paper and received submissions on this matter. While all parties agree that there is a need to retain these provisions in some form, there is a range of views on the circumstances where the provisions should apply. Most parties have raised issues relating to the processes for compensation for patent

owners, including notification for use. ACIP recently met with a number of stakeholders to further discuss the issues. The Council expects to report next year.

Patents and experimental use

ACIP is examining whether some types of patents are inhibiting research and development in Australia. They will also determine whether both Australian researchers and business would benefit from introducing an experimental use exception provision. The Council circulated an issues paper in February this year and has since received public submissions and held consultation meetings with interested parties. An options paper will be released in December.

A review of the relationship between trade marks and business, company and domain names

The Council is primarily addressing the misconceptions that many organisations have about the rights that business, company and domain names provide. ACIP circulated an issues paper in January 2004 and received a large number of submissions. The Council has held discussions with state and territory fair trading authorities and ASIC, and is planning to hold public consultations.

Other Reviews

The Council has recently completed a number of other reviews which have been provided to the Government for consideration. These include reviews

- whether the jurisdiction of the Federal Magistrates Court should be extended to cover patent, trade mark and designs matters;
- trade marks enforcement; and
- the patenting of business systems.

ACIP recently provided the Government with a report on an examination of the exclusion of plant and animal subject matter from the innovation patent. The report recommended no change to the current arrangements at this time. The government has accepted this recommendation and will continue to monitor the effectiveness of the innovation patent system, with a major evaluation to occur by 2006.

Plant Breeders

From Monday 13 December, IP Australia will be responsible for another form of intellectual property — the Plant Breeder's Rights Scheme (PBR). The move, announced as part of the new Government's Administrative Arrangements Order published on the 27 October 2004, made the Department of Industry, Tourism and Resources (of which IP Australia is a division) responsible for the Plant Breeder's Rights Act 1994. As a consequence, the Plant Breeder's Rights Office (PBRO) will be transferred to IP Australia from the Department of Agriculture, Fisheries & Forestry. The Government's decision to transfer PBR reflects a desire to bring together registered intellectual property (IP) rights into a single organisation to provide a more strategic and coordinated approach to IP policy development in Australia. The move will also provide an opportunity for improved coordination of IP processing for users of the IP systems. A smooth transition is anticipated as the staff and current application procedures will be transferred as a complete unit to IP Australia.

Patents- FTA

Amendments relating to Patents in the US Free Trade Agreement Implementation Act 2004

Amendments to the Therapeutic Goods Act

Schedule 7 to the FTA Act includes amendments to the *Therapeutic Goods Act 1989* (the TG Act) to require persons applying for registration or listing of therapeutic goods (other than therapeutic devices) to certify either that:

- a) acting on good faith, they believe, on reasonable grounds, that they are not marketing, and do not propose to market, the therapeutic goods in a manner, or in circumstances, that would infringe a patent that has been granted in relation to the therapeutic goods; or that
- b) a patent has been granted in relation to the therapeutic goods, they propose to market the therapeutic goods before the patent term expires and they have given the patentee notice of their application for registration or listing of the therapeutic goods. These amendments do not apply to applications for the inclusion of medical devices in the Australian Register of Therapeutic Goods.

Schedule 7 to the FTA Act also contains amendments to the TG Act that will affect parties who undertake infringement proceedings in relation to a pharmaceutical patent against a person who has lodged a certificate under the new requirements of the TG Act in respect of that pharmaceutical. Under the new provisions, a patentee will be required to certify that the proceedings are to be commenced in good faith, have reasonable prospects of success and will be conducted without unreasonable delay. The patentee will be liable for a pecuniary penalty of up to \$10 million if the court finds that the certificate is false or misleading or an undertaking given in the certificate has been breached. This provision will only apply if the third party had made the certification outlined above, and the third party, with the leave of the court or the Attorney-General, applies to a prescribed Court for an order that the person pay the Commonwealth a pecuniary penalty.

A patentee may also be liable for damages if it seeks an interlocutory injunction against a third party who has applied for registration or listing of a pharmaceutical under the TG Act. Damages may be awarded if the patentee discontinues the principal proceedings without the consent of the other parties, or the principal proceedings are dismissed, and the court finds that the patentee did not have reasonable grounds for taking the action or was acting vexatiously. This provision will only apply if the third party had notified the patentee of their intention to market the pharmaceutical within the patent term as part of the certification process outlined in (b) above.

These amendments will commence on 1 January 2005.

Biotechnology Australia
[No Updates]

Professional Standards for Patent and TM Attorneys
[No Updates]

HREOC
[No Updates]

Parliamentary Committees

1. JSCOT
[No Updates]

2. SSC on AUSFTA

[No Updates]

Australian Government

Developments by Area

Copyright **Etc**

AUSTRALIA: CHANGES TO COPYRIGHT BILL RILE INTERNET INDUSTRY
Two new provisions in Australia's Copyright Bill, described by the government as "minor and technical," have been passed by the Senate with the support of the ALP. Opponents of the changes claim the government rushed the amendments through because it wanted to allay US concerns regarding online copyright infringement prior to the signing of the US- Australia FTA. Under the new provisions, ISPs could be sent take-down notices by people other than copyright owners. The Internet Industry Association (IIA) maintains that the changes erode "fundamental protections from the Australian internet industry and internet users." According to the IIA's chief executive, Peter Coroneos, the provisions "have the potential to completely undermine the safe harbour system contemplated by the FTA and destroy the careful balance of rights inherent in our existing copyright law." The Australian Democrats are also highly critical of the changes, with Senator Aden Ridgeway stating, "This bill not only goes far beyond what is required by the FTA, but also goes far beyond the USA's own copyright system and makes internet service providers in Australia liable for material hosted on their network."

Related article: ["Copyright amendment hits retailers and carriers: OSIA"](#)

Source: [The Australian, Dec 7, 2004](#)

[The Age, Dec 8, 2004](#)

[IAA News Release, Dec 6, 2004](#)

[Australian Democrats Press Release, Dec 8, 2004](#)

Designs

Domain Names

Patents

Consideration of excluding plant and animal subject material from the innovation patent

In May 2001, a new protection option, the innovation patent, became available. The innovation patent provides industry with a relatively inexpensive patent right, which is quick and easy to obtain. The new form of patent provides a similar scope of protection as a standard patent, however it involves a lower inventive threshold than that required for a standard patent.

Immediately prior to the innovation patent legislation going before parliament, concerns were raised over the potential implications of innovation patents to cover innovations relating to plant and animal subject matter. To enable Australians to have timely access to the new patent system, the Government chose to proceed with the legislation, but to exclude plant and animal subject matter.

As a consequence, innovation patents are now available for the same type of subject matter as inventions currently covered by standard patents, but with the exception that they are not available for plants and animals, or biological processes for the generation of plants and animals (this exclusion does not apply if the invention is a microbiological process or a product of such a process.)

The Parliamentary Secretary to the Minister for Industry, Tourism and Resources, the Hon Warren Entsch MP asked ACIP to examine the matter to assess the implications of the exclusion and to determine whether the exclusion is in the national interest.

To access the issues paper, click here.

<http://www.acip.gov.au/library/Innovation%20Patent%20Issues%20Paper.PDF>

To access the report, click here.

<http://www.acip.gov.au/library/ACIP%20Plant%20&%20Animal%20Exclusion%20FINAL%20REPORT.pdf>

FTA

AUSTRALIA: FTA WILL NOT DELIVER BIG BENEFITS TO MEMBERS OF AGENCY

The Australia-US Free Trade Agreement (FTA), which came into effect on January 1, 2005 extends the term of copyright in Australia from 50 to 70 years after the death of the author. In commenting on the introduction of the FTA, Australian copyright management company Copyright Agency Limited (CAL) noted that the FTA will not provide its members with any significant benefits. This is because the majority of works covered by the new age extension that are copied under the statutory licence is less than 0.1%. CAL also notes that the majority of works that are copied for the education sector are less than 10 years old.

Source: [CAL FTA Update, January 2005](#)

FTA

AUSTRALIA: IP LAW TOUGHENED PRIOR TO IMPLEMENTATION OF FTA

A recent media report states that following pressure from the US, the Australian government acceded to a request that Australia's copyright regulations be strengthened prior to the signing of the US-Australia Free Trade Agreement. Apparently the amendments agreed to by the Australian Attorney-General's department "included minor and technical provisions that did not fundamentally change the agreement with the US." [Australia's Trade Minister, Mark Vaile and US Trade Representative, Bob Zoellick recently announced that the US-Australia Free Trade Agreement would enter into force on January 1, 2005.]

Source: [Australian Financial Review \(via Global Trade Watch\), Nov 16, 2004](#)
[Australian Trade Minister Media Release, Nov 18, 2004](#)

AUSTRALIA: RECOMMENDATIONS ON THE INNOVATION PATENT FOR PLANTS AND ANIMALS ACCEPTED

The Australian government has agreed to the recommendations of the Advisory Council on Intellectual Property's (ACIP) report, entitled "Should plant and animal subject matter be excluded from protection by the innovation patent?" The report examined whether a transitional level of patent protection should be applied "for plants and animals and the biological processes for their generation." Although the report does not recommend change to the current arrangements, continuing scrutiny will be undertaken and an assessment of the system conducted by 2006. Access the report [here](#).

Source: [ACIP Press Release, Nov 27, 2004](#)

Funding and Research

AUSTRALIA: STUDY TO TACKLE ACCESS OF PRINT DISABLED TO COPYRIGHTED WORKS

The Copyright Agency Limited (CAL) is to provide funding for research into access to copyrighted literary and artistic works for people who suffer a print disability. The result of the research will be the compilation of relevant guidelines for both users and "publishers and authors who want to provide digital works for the print disabled about the formats in which they could offer materials that would be beneficial for this sector of the community." CAL reports that the Australian Copyright Council (ACC) will undertake research into the Australian law relating to this area, as well as examine the approach taken by other countries on the issue. The National Information Library Service (NILS) will also play a role in the crafting of the guidelines.

Source: [CAL Press Release, Dec 3, 2004](#)