

Extension of the Agreement in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty

Introduction

- 7.1 The *Patent Cooperation Treaty*¹, which facilitates the filing and assessment of a patent application in multiple jurisdictions, provides for the appointment of International Searching Authorities (ISA) and International Preliminary Examining Authorities (IPEA). The Original Agreement appoints and provides for the functioning of the Australian Patent Office (APO) as an ISA and IPEA, and is therefore necessary to allow for the filing of 'international applications' for patents in Australia.² The APO has been an ISA and IPEA since 31 March 1980.³
- 7.2 The Original Agreement is due to expire on 31 December 2007. Although an agreement to replace the Original Agreement is currently being prepared, it will not be ready to enter into force when
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1 [1980] ATS 6.

2 This agreement was reviewed by JSCOT in its Eleventh Report in November 1997.

3 Mrs Fatima Beattie, *Transcript of Evidence*, 22 June 2007, p. 43.

the Original Agreement expires. Australia and the International Bureau of WIPO have agreed to extend the operation of the Original Agreement to either 31 December 2008 or when the new agreement enters into force. This will allow for the APO to continue to operate as an ISA and IPEA without interruption.⁴

A new agreement is being negotiated between WIPO and current international authorities; however, it will not be finalised in time for Australia's domestic treaty-making processes to be complete so that it can come into force on 1 January 2008. After negotiations with the International Bureau of WIPO, an extension agreement has been developed to allow Australia time to complete all necessary domestic processes in relation to the new 2008-2017 agreement.⁵

Reasons for the agreement

- 7.3 WIPO has proposed a new draft model agreement, on which future agreements for appointing ISAs and IPEAs will be based. The text of the new individual country agreements for the next ten years will not be settled and approved by the Assembly of the International Patent Cooperation Union until October 2007 – this includes the proposed new agreement with Australia (the 2008–2017 Agreement) – and the Australian treaties process for the 2008–2017 Agreement will not be able to be completed by 31 December 2007. It is therefore necessary for the International Bureau of WIPO and Australia to extend the operation of the Original Agreement until the 2008–2017 Agreement enters into force. The 2008–2017 Agreement will be subject to the Australian treaty process when it is finalised.⁶
- 7.4 The Patent Cooperation Treaty simplifies and streamlines the process of filing for patent protection in a number of countries by filing a single international patent application, saving time, work and money for any person seeking a patent in a number of countries. An essential element in this simplified process is the appointment of ISAs and IPEAs (such as the APO) to conduct the required international search and examination providing significant cost savings to patent

4 NIA, p. 1.

5 Mrs Fatima Beattie, *Transcript of Evidence*, 22 June 2007, p. 43.

6 NIA, p. 2.

applicants. There is considerable international prestige associated with appointment as an ISA and IPEA.⁷

It is crucial that the Australian Patent Office continues as an international authority in order to enable Australian patent applications filed under the Patent Cooperation Treaty to be searched and examined. IP Australia is currently the only international authority that Australian patent applicants can use for carrying out their international searches and international preliminary examination. All Australians filing Patent Cooperation Treaty applications stand to be adversely affected if this extension agreement does not go ahead.⁸

- 7.5 The APO issues reports on approximately 3000 international searches each year. This workload has doubled since 1997 and continues to increase.⁹

In addition to providing international authority services to its own nationals, the accreditation agreements with WIPO can include extension of those services to other nationals. For example, Australia's agreement includes an obligation to provide international authority services to developing countries and New Zealand. The Australian Patent Office has entered into bilateral arrangements with countries in the Asia-Pacific to conduct patent searches. Currently the Australian Patent Office also does patent searches for many countries including New Zealand, Thailand and Singapore, and has been approached to do work for other countries.¹⁰

- 7.6 Further benefits to Australia from the APO's standing as an International Authority include a strong and respected voice in international fora, particularly in Patent Cooperation Treaty-related matters in WIPO. This reflects in turn on Australia's standing in the international intellectual property community and its ability to influence that community to the benefit of Australian intellectual property rights holders.¹¹

7 NIA, p. 2.

8 Mrs Fatima Beattie, *Transcript of Evidence*, 22 June 2007, p. 44.

9 NIA, p. 3.

10 Mrs Fatima Beattie, *Transcript of Evidence*, 22 June 2007, p. 44.

11 NIA, p. 3.

Obligations

- 7.7 The Extension Agreement extends the application of obligations under the Original Agreement until 31 December or until the 2008–2017 Agreement comes into force, whichever is the sooner. It creates no new obligations.¹²

Costs

- 7.8 There are no additional costs to government or industry as a result of the Extension Agreement.¹³

IP Australia operates on a full cost recovery basis and our activities are revenue neutral to government.¹⁴

Future treaty action

- 7.9 The 2008-2017 Agreement is expected to be finalised in late 2007. Once finalised, it will be subject to the Australian treaty process.¹⁵

Withdrawal or Denunciation

- 7.10 Article 12 of the Original Agreement provides for the unilateral termination, upon one year's notice, by either party. The Extension Agreement will not alter this termination provision. Any termination on the part of Australia will be subject to the Australian treaty process.¹⁶

12 NIA, p. 3.

13 NIA, p. 4.

14 Mrs Fatima Beattie, *Transcript of Evidence*, 22 June 2007, p. 44.

15 NIA, p. 4.

16 NIA, p. 5.

Conclusion and Recommendation

- 7.11 The Committee agrees that continuation of the APO as an international authority is important for Australia and crucial for Australians filing patents under the Patent Cooperation Treaty. Accordingly, the Committee supports the extension agreement.

Recommendation 7

The committee supports the *Extension of the Agreement in relation to the functioning of the Australian Patent Office as an International Searching Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty* and recommends binding treaty action be taken.

