



21 June 2010

Mr Leo O'Keeffe
Director, Domestic Policy
IP Australia
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WODEN ACT 2606

By email: MDB-Patents-Consultation-Group@ipaaustralia.gov.au

Dear Mr O'Keeffe

Proposal to extend copyright immunity under Patents Act 1990

The Intellectual Property Committee of the Business Law Section of the Law Council of Australia (**'the Committee'**) welcomes the opportunity to provide this response to the matters raised in your email dated 7 June 2010.

Please note that the response has been endorsed by the Business Law Section. Owing to time constraints, the response has not been reviewed by the Directors of the Law Council of Australia Limited.

The Committee notes that s 226 of the *Patents Act* 1990 (Cth) (the **Act**) provides an immunity from copyright infringement for the reproduction in 2 dimensions of the whole or a part of the provisional or complete specification that is open to public inspection.

Subject to the comments below, the Committee supports the proposal to extend the immunity to include communication to the public. It seems quite anomalous to the Committee that, in the 21st century, there would be no infringement of copyright if the Commissioner posted a copy of a specification, but there could arguably be an infringement of copyright if the Commissioner were instead to email an electronic copy.

The Committee is not confident that the Commissioner could rely on an implied licence in such circumstances, having regard to the High Court's decision in *CAL v NSW* (2008) 233 CLR 279; 78 IPR 1 at [82] – [94]. Moreover, even if a licence were typically implied, the situation could become very complicated if material were submitted to the Commissioner on terms which sought to exclude any implied licence.

The Committee also notes that fair dealing defences, such as s 43(2) of the *Copyright Act* 1968, may provide protection in some circumstances. The fair dealing defences may not, however, cover all appropriate circumstances. Further, the defences are limited by the requirement that the dealing be "fair", a standard which involves questions of degree and uncertainty.

Accordingly, the Committee considers that, in principle, the proposed amendment is necessary. How the principle operates in conjunction with the copyright/design overlap issues discussed below will need to be considered carefully. It is also important that any amendment of the section does not preclude an action for copyright infringement by a

third party copyright owner against an applicant who includes the third party's copyright material in a specification without authorisation.

Issue 1

The Committee is not as concerned as the Commissioner appears to be by the notice requirements that might arise under s 183 of the *Copyright Act* 1968 as, for example, it may well be feasible for a collecting society such as Copyright Agency Limited to put in place an appropriate licence scheme. However, the Committee considers that the public interest in being able to access provisional and complete specifications as freely as possible warrants an extension of the existing immunity. A patent, after all, is a restriction on the public's freedom to trade with potentially heavy and costly sanctions for its violation. It is important therefore that members of the public should be able to access the patent documentation to ascertain the scope of that restriction and assess its validity. Also, it is important to bear in mind that the *quid pro quo* for the limited monopoly conferred by a patent is the disclosure to the public of the new development protected by the patent so that, when the patent expires, the public is seized of the information and can use it freely.

Issue 2

The proposal to extend the immunity from specifications to all OPI materials raises the question of what civil liability, if any, should arise from the Commissioner making available pursuant to legislative obligations material that is subject to copyright.

The public interest considerations in favour of immunity seem to the Committee to be particularly compelling in the case of provisional and complete specifications. In the time available, however, the Committee has not been able to form a concluded view about "other" OPI material. This may very well depend on what the particular material is. For example, different considerations may apply to an assignment document when compared to, say, evidentiary material submitted in support of an application.

In this connection, the Committee notes that the *Australian Patent Manual of Practice and Procedure* states that:

all documents associated with the application and in the possession of the Patent Office become OPI at the same time, with the exception of the following (secs 55(1), 92(2); regs 4.3(1), 8.4(2)):

** documents that would be privileged from production in legal proceedings on the ground of legal professional privilege*

** sec 45(3) search results*

** documents subject to court or tribunal orders prohibiting disclosure of the document or information that it contains*

** a document required to be produced under sec 210(c), if the Commissioner has reasonable grounds for believing that the document or information that it contains should not be made OPI, or documents containing information from such a document.*

Examiners should note that, apart from the exceptions identified above, all documents associated with the application, whether or not they are physically present on the case file become OPI when the complete specification becomes OPI, including examiners' reports, the information sheet, attorney correspondence, any file notes, quality assurance check sheets, any citations associated with the case file (including any annotations on the citations), as well as associated provisional specifications and basic documents (which may therefore be cited in an examiner's report under sec 45(1)(c)).

Thus, the proposed extension will operate very much more broadly than the current scope of s 226. The Committee recognises that the Commissioner has an interest in being protected from liability when fulfilling obligations under the Act. However, it is not at all clear to the Committee that the compelling considerations applicable to provisional and complete specifications necessarily apply to all other documents which become OPI materials. For example, it could include articles and other material submitted in support of an application. An extension of s 226 to cover all OPI materials, therefore, could mean that third parties would be deprived of their copyright in circumstances where they had no control over the submission of their material to the Commissioner.

Furthermore, the question of the application of copyright law in the context of a statutory obligation to make the material available is no different in principle to an obligation to provide material in answer to an FOI request. The issue therefore appears to the Committee to be one of general operation, not specific to the Commissioner's duties under the Act. Thus, the proposed extension may have ramifications far beyond the rather more narrow confines of documents forming part of the Register of Patents. Accordingly, the question appears to the Committee to require more consideration than the present time frame permits and the Committee is unable to support the proposed extension at this time.

Issue 3

The Committee notes that s 226 of the Act is not limited in the way proposed. The Committee considers that the proposed restriction would be undesirable. It will complicate operation of the immunity by requiring an investigation of the "communicator's" motives. That type of complication will introduce uncertainty into the operation of the immunity without, so far as the Committee can see, any real, countervailing benefit.

Issue 4

Bearing in mind that s 226 is not limited just to the Commissioner and IP Australia's employees but provides an immunity for anyone, the Committee is not sure what concern the proposed limitation is intended to address. In any event and in line with the views expressed above, the Committee considers that the proposed immunity should also extend to third parties who communicate the whole or part of a published provisional or complete specification. For the reasons explained above, however, the Committee is not able to express a concluded view on whether the immunity should extend to all OPI materials.

Issue 5

As with issue 3, the Committee considers this proposed restriction is undesirable and unnecessary. How for example would the proposed condition apply if a patent attorney were to email a copy of a specification to a researcher in a commercial pharmaceutical laboratory? Would the application of the provision be affected by whether or not the patent attorney charged a fee for the service or the researcher was undertaking research for a new commercial product the employer was planning to release or forwarded the email to another employee working more directly in the field covered by the patent? In the Committee's view, neither the patent attorney, the researcher nor the employer should be at risk of copyright infringement for these uses of the patent specification.

Copyright/design overlap

The Committee notes that the effect of the proposed amendment needs to be considered carefully in light of sections 77(1A) and 77A of the *Copyright Act 1968* (Cth).

As you know, these latter sections provide carefully calibrated defences against copyright infringement in the context of the copyright/design overlap. In broad terms, the effect of s 77(1A) read with s 77(2) is that it is not an infringement to embody in a (3D) product a

“corresponding design” disclosed in (amongst other things) a patent specification. Section 77A extends the defence, but only to 2D reproductions (or communications) derived from a 3D product. It does not provide protection in respect of 2D reproductions derived from a patent specification. The Committee understands that the reason for this closely defined scheme is to prevent so-called “plan-to-plan” copying by limiting the defences to 3D embodiments of industrially applied objects and 2D reproductions made in connection with the exercise of a right to make 3D embodiments.

To the extent that the s77(1A)/77A regime provides a narrower, more limited defence than that provided by s 226 of the Act, therefore, it is arguable that the otherwise broad scope of s 226 in its current form would be read down to the extent of any inconsistency with ss 77(1A) and 77A as ss 77(1A) and 77A of the *Copyright Act* were introduced by the *Designs (Consequential Amendments) Act 2003*.

The Committee is not aware, however, of any consideration of the interaction of s 226 of the Act and ss 77(1A) and 77A of the *Copyright Act* by the Courts. Accordingly, their precise relationship has not been finally determined.

The concern to prevent “plan-to-plan” copying of artistic works included in patent specifications does not appear to the Committee to be as significant as the concern to prevent “plan-to-plan” copying of commercial materials such as manufacturing or production drawings. Accordingly, the Committee supports clarifying the relationship of s 226 and the copyright/design overlap provisions in the *Copyright Act* so that the defence does extend clearly to 2D reproductions of the whole or part of a patent specification. It is far from clear to the Committee, however, that the defence should extend to other “OPI materials”. Without further consideration, therefore, the Committee does not support such an extension.

Finally, the Committee notes that the defence provided by s 226 is a defence against infringement of copyright in *any* literary or artistic work, not just the copyright in the specification (or its contents) itself. It will be important to maintain this aspect of s 226 as the notion of reproduction in copyright law includes “indirect” reproduction. Thus, for example, copyright in drawings for a set of drawers was infringed by copying furniture made according to the drawings, not just by directly copying the drawings themselves.

Acknowledging that s 226 already forms part of the Act, the Committee notes that the larger issues raised by the “e-dossier” proposal arise also in the context of other legislation, including materials that would be made available under the Trade Marks Act and the Designs Act. As the issues with the relationship of the proposed amendments to the copyright/designs overlap provisions of the *Copyright Act* demonstrate, it is important that any proposed immunities be considered in light of the legislative scheme embodied in the *Copyright Act*. Moreover, the Committee would recommend that any exceptions, including s 226 of the Act, would more properly be located in the *Copyright Act* rather than separately in other legislation. The *Copyright Act* is where advisers and the public generally would naturally look for any such exceptions.

Members of the Committee would be happy to discuss this submission with you further if that would be of assistance. If you have any questions regarding this response, in the first instance please contact the Committee Chair, Maurice Gonsalves, on 02-9296 2166.

Yours sincerely



Bill Grant
Secretary-General