

24 December 2025

Michael Schwager
Director General
IP Australia
PO Box 200
Woden ACT 2606

Dear Mr Schwager

Intellectual property productivity reforms

1. Throughout the course of this year, the Intellectual Property Committee of the Business Law Section of the Law Council of Australia (the “**Committee**”) has been considering priority reforms to the intellectual property system to bolster productivity growth. The Committee noted with interest your letter dated 31 July 2025 to the Treasurer and the Minister for Finance on the same topic.
2. In Schedules 1 and 2 respectively, we have **attached** documents setting out some proposed reforms to trade mark law and design law which the Committee considers would be desirable to enhance productivity and ensure greater consistency between the various intellectual property regimes. Specifically, we have sought to identify reforms which we expect are unlikely to be particularly contentious or complex to implement, on the basis that it may be possible to implement these changes through legislation in the coming year (subject to the Government’s legislative priorities). You may find these documents useful to either support or supplement the reform ideas that were outlined in your letter dated 31 July 2025.
3. We are continuing to work on similar documents about other areas of intellectual property law, and will provide these to you once finalised.

Conclusion and further contact

The Committee would be pleased to discuss any aspect of the proposals. Please contact the chair of the Committee, Richard Hoad [REDACTED], if you would like to do so.

Yours sincerely



Adrian Varrasso
Chair, Business Law Section

Schedule 1—Trade Marks Reform Priorities

No.	Issue	Case for Reform	Reference
1	Correcting an obvious error in regs 4.8 and 4.10 of the <i>Trade Marks Regulations 1995</i>	<p>Before 2006, s 31(b) of the <i>Trade Marks Act 1995</i> (Cth) (<i>TMA</i>) provided that the Registrar needed to examine and report on ‘whether there are grounds under Division 2 for rejecting’ an application for registration. Division 2 (of Part 4 of the <i>TMA</i>) consists of ss 39–44. The associated regs 4.8(1)(b) and 4.10(1)(b) of the <i>Trade Marks Regulations 1995</i> (Cth) (<i>TMR</i>) referred to the Registrar needing to form a reasonable belief in the course of examination that ‘there are grounds under Division 2 of Part 4 of the Act for rejecting’ an application for registration.</p> <p>It was recognised that s 31(b) as originally drafted did not refer to all the grounds that needed to be taken into account in examination (for example, ss 177 and 187). Accordingly, s 31(b) was amended by the <i>Trade Marks Amendment Act 2006</i> (Cth) and now requires the Registrar to examine and report on ‘whether there are grounds under this Act for rejecting’ the application.</p> <p>However, the associated regs 4.8(1)(b) and 4.10(1)(b) of the <i>TMR</i> still refer to ‘grounds under Division 2 of Part 4 of the Act for rejecting’ an application for registration. The words ‘Division 2 of Part 4 of’ should therefore be deleted from regs 4.8(1)(b) and 4.10(1)(b).</p>	<i>TMR</i> , regs 4.8 and 4.10
2	Adding a ‘bad faith’ ground of rejection	<p>While an application for registration of a mark can be opposed on the ground that ‘the application was made in bad faith’ (s 62A), this cannot be raised as a ground of refusal in examination. The IPC and other stakeholders are concerned about what appears to be an increasing number of filings being made in Australia by overseas parties that are arguably in bad faith (eg, for the purposes of pressuring sellers on platforms such as Amazon who have failed to register their brands locally). The opposition process is an imperfect method for ensuring that such bad faith marks are kept off the Register.</p> <p>The IPC’s view is that the registration system would be improved if the Registrar had the power to refuse registration if, or to the extent that, the application is made in bad faith (cf <i>Trade Marks Act 1994</i> (UK), s 3(6)).</p>	TMA, Part 4 Div 2 and TMR, reg 17A.28

3	Reforming opposition proceedings to deal with deregistered applicants	<p>Amendments to the <i>TMA</i> and <i>TMR</i> are needed to permit:</p> <ul style="list-style-type: none"> (a) the default refusal of an application for registration of a mark / removal of a mark from the Register, where the applicant for registration / registered owner is a company that becomes deregistered, and (b) the Registrar to be given the power to stay or dismiss opposition proceedings and removal actions brought by a company which is deregistered or goes into liquidation during the course of the proceeding. <p><i>Situation (a)</i></p> <p>In the case of opposed applications for registration, the IPC is concerned about the situation where the applicant for registration becomes deregistered after the notice of intention to defend is filed under <i>TMR</i>, reg 5.13. At present, an opponent must incur the time and cost associated with pursuing the opposition to conclusion in order to secure the refusal of registration. The s 59 opposition ground (where the applicant has no intention to use or authorise the use of the mark) is tested as at the date of the application for registration, and the subsequent deregistration of the applicant is not generally regarded as relevant to that ground, or to any other ground of opposition. If the opposition is unsuccessful on the merits, or is abandoned by the opponent, the mark will proceed to registration in the name of an entity that is no longer in existence. The IPC considers that it is not in the public interest for the Register to include trade marks registered in the names of entities that no longer exist.</p> <p>In the case of registered marks sought to be removed on the grounds of non-use, s 97 of the <i>TMA</i> currently provides that where an application for removal is made under s 92 and which is not opposed, the mark can be removed from the Register. However, this does not cover the situation where the registered owner filed its notice of opposition but subsequently became deregistered. Section 97(1)(b) allows for a mark to be removed from the Register where an opposition was filed but has been dismissed by the Registrar in 'prescribed circumstances' (s 99A). However, the only currently prescribed circumstances (in <i>TMR</i>, reg 9.10) do not deal with this situation. The IPC's view is that an opponent to removal subsequently becoming deregistered should be a prescribed circumstance for the purposes of s 99A, so</p>	
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		<p>as to permit the Registrar to remove the mark from the Register under s 97(1)(b).</p> <p>Any such reforms should also apply to deregistered corporate IRDA/PITM holders.</p> <p><i>Situation (b)</i></p> <p>The IPC is also concerned about situations where oppositions to registration, or actions for the removal of a mark from the Register on the grounds of non-use, are brought by companies that subsequently become deregistered. The IPC therefore recommends that the <i>TMR</i> be amended so that the Registrar be given the power to stay or dismiss both opposition proceedings and removal actions brought by a company that is deregistered or goes into liquidation during the course of the proceeding.</p>	
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4	Honest concurrent use, other circumstances and prior continuous use	<p>Where an application for registration conflicts with an earlier registered mark or application for registration under s 44(1)–(2), the application may nevertheless be accepted under s 44(3)(a) on the grounds of ‘honest concurrent use’ of the two marks, or under s 44(3)(b) where because of other circumstances it is reasonable to do so. The application must be accepted under s 44(4) if the applicant can show ‘prior continuous use’ of its mark (in such cases, an opponent can potentially raise the s 58A ground of opposition if, in essence, it can point to even earlier use).</p> <p>However, it is clear that s 44(3) and (4) do not insulate the applicant’s mark from grounds of opposition other than s 44(1)–(2). For example, if an opponent can show that its mark had acquired a reputation before the applicant’s priority date, and that because of that reputation the applicant’s use of its mark would cause confusion, then the s 60 ground of opposition will be made out, notwithstanding the honest concurrent use of the marks, the applicant’s prior continuous use of its mark, or other circumstances. Similarly, if the opponent can show that the applicant was not the owner of the mark (because the opponent or a third party had made prior use of the same mark in relation to goods/services of the same kind as the applicant’s), then the s 58 ground of opposition will be made out, notwithstanding any honest concurrent use or other circumstances. This relationship between s 44, 58 and 60 was most recently confirmed in <i>Fanatics, LLC v FanFirm Pty Ltd</i> [2025] FCAFC 87; 303 FCR 308 at [209]. This is contrary to the position under the <i>TMA</i>, where honest concurrent use played a ‘floating’ role and could be taken into account where an opponent sought to argue under s 28(a) that the applicant’s use of its mark would be likely to cause confusion (see, eg, <i>New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd</i> (1990) 171 CLR 363 at 383).</p> <p>The current position in the <i>TMA</i> appears to have been adopted without a clear rationale. There is nothing in the legislative history of the <i>TMA</i> to suggest that Parliament intended to depart from the position under the <i>TMA</i> as enacted in 1955.</p> <p>Further, the current approach significantly complicates the operation of the defences to infringement contained in s 122(1)(f) and (fa), where the defendant is being sued under s 120(1) or (2). These defences apply where the defendant would be able to obtain registration in its own name of the mark it is using. Given the existence of the</p>	<p><i>TMA</i>, ss 43(3)–(4), 58, 60</p>
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		<p>plaintiff's conflicting mark, a defendant will only be able to do so if it could show that its hypothetical application for registration would be accepted under s 44(3) or (4). However, it has been accepted that because s 44(3) and (4) are not subject to the opposition grounds, the hypothetical defendant would <i>also</i> need to show that it would overcome hypothetical opposition grounds under ss 58 and 60 to make out the defence (see <i>Optical 88 Ltd v Optical 88 Pty Ltd (No 2)</i> [2010] FCA 1380; 89 IPR 457 at [182]–[193]).</p> <p>In IP Australia's <i>Trade Marks Legislation Review—Paper 3</i> (September 2004) (available at https://www.wipo.int/edocs/lexdocs/laws/en/au/au164en.pdf), it was stated that 'It is proposed to amend sections 60 and 58 so that evidence of honest concurrent and/or prior use <i>may</i> provide a basis for defence against those grounds of opposition' (p 12). It is not clear why this proposal did not lead to legislative reform at the time. Given the Full Court of the Federal Court's clear position that the <i>TMA</i> in its current form cannot be read to achieve this outcome, legislative reform is needed.</p>	
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5	Effect of removal of mark from Register / cancellation of registration	<p>Section 73 of the <i>TMA</i> provides that where a mark is removed from the Register under Part 9 (on the grounds of non-use) or where the registration of a mark is cancelled under Part 8 (for example, on the opposition grounds, or where the mark has become ‘generic’ or liable to deceive or cause confusion post-registration), the registration ‘ceases’. However, the <i>TMA</i> is silent on the date on which the cessation of rights takes effect.</p> <p>The Federal Court has held that an order for removal or cancellation does not have ‘retrospective’ effect—that is, it takes effect from the date of the order. However, once the order takes effect the formerly registered owner no longer has any rights under s 20, and cannot maintain infringement proceedings. This approach is workable in some cases, but has the potential to cause problems. For example:</p> <ul style="list-style-type: none"> • A defendant to an infringement action may bring a successful cross-claim for removal of the registered mark for non-use under s 92. But where the registered owner (re)commences use of the mark after the removal application is brought, it is entitled to damages or an account of profits for the period between the end of the non-use period and the date of the order for removal. • Where cancellation is sought under s 87 or s 88(2)(c) where the registered mark was not defective from the outset, but where it became ‘generic’ or became liable to cause confusion post-registration, an owner may be deprived of remedies for infringement that date back to a period of time before its mark became ‘generic’ or before its use came to cause confusion. • Where a defendant in an infringement action seeks to rely on the s 122(1)(e) defence to infringement (for using its own registered mark), but the plaintiff successfully applies for cancellation of the registration of the defendant’s mark under s 88 on the basis that it should never have been registered, the defendant’s defence will apply until that order for cancellation takes effect. As Rofe J observed in <i>FanFirm Pty Ltd v Fanatics, LLC</i> [2024] FCA 764; 183 IPR 1 at [313], ‘From a policy perspective, it is a strange result that the owner of a trade mark registration that was not validly made could obtain the benefit of a defence for trade mark infringement against an applicant who has established that the owner was never entitled to the registration’. 	
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		<p>The <i>TMA</i> should be amended to specify the date from which an owner's rights are taken to have ceased, and to ensure that this date can (where appropriate) be <i>before</i> the date of the order for removal or cancellation.</p> <p>This issue has been addressed in other jurisdictions, and potential options for reform are contained in UK, EU and New Zealand law: see <i>Trade Marks Act 1994</i> (UK), ss 46(6) and 47(6); <i>EU Trade Marks Regulation</i>, arts 62(1)–(3); and <i>Trade Marks Act 2002</i> (NZ), ss 68(2) and 74(1).</p>	
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6	Rectification of Register: court's discretion	<p>The IPC's view is that s 89(1)(b) of the <i>TMA</i> should be repealed.</p> <p>To explain, s 87(1) and 88(1) of the <i>TMA</i> provide that a prescribed court 'may' order the rectification of the Register where a ground of rectification in s 87 or s 88(2) has been made out. However, this 'at large' discretion is qualified by s 89.</p> <p>Section 89(1) provides that where the application for rectification is made under one of three specified grounds, the court may decide not to grant the application for rectification 'if the registered owner ... satisfies the court that the ground relied on ... has not arisen through any act or fault of the registered owner', taking into account the factors in s 89(2). The three specified grounds are set out in s 89(1)(a)–(c), as follows:</p> <ul style="list-style-type: none"> (a) under section 87; or (b) on the ground that the trade mark is liable to deceive or confuse (a ground on which its registration could have been opposed, see paragraph 88(2)(a)); or (c) on the ground referred to in paragraph 88(2)(c). <p>The s 87 and s 88(2)(c) grounds most commonly apply where the mark was not defective at its priority date, but where it became 'generic' (and thus liable to be cancelled under s 87) or became deceptive/confusing (and thus liable to be cancelled under s 88(2)(c)) after registration. In these cases, it would clearly be harsh for the registration to be cancelled if the 'defect' did not arise as a result of any 'act or fault' of the registered owner.</p> <p>Where rectification is sought 'on the ground that the trade mark is liable to deceive or confuse' under s 88(2)(a), this is a shorthand reference to the opposition grounds in ss 43, 60 or 61 (and potentially s 44). But for these grounds to be made out, the registered mark must have been defective <i>at its priority date</i>. For example, for cancellation under s 60 to be made out, the use of the registered mark must have been confusing at its priority date, because of the reputation of another mark. For cancellation under the s 43 ground, the mark must have had a confusing connotation at its priority date. In these cases, there is no justification for conditioning the discretion to leave the mark on the Register on whether the ground of rectification somehow arose through the owner's 'act or fault' and on the factors in s 89(2). These cases should be dealt with like others where rectification was made out under s 88(2)(a) based on other</p>	<i>TMA</i> , s 89(1)(b)
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		<p>opposition grounds, such as s 41—that is, as subject to the court’s overarching ‘at large’ discretion under s 88(1).</p> <p>The existence of s 89(1)(b) is likely due to a drafting error dating back to 1995, and the IPC suggests that it should be repealed. Doing so would simply mean that for a mark whose registration is liable to be cancelled under s 88(2)(a) based on any of the opposition grounds, the prescribed court will have the ‘at-large’ discretion under s 88(1) not to order cancellation.</p>	
7	Infringement	<p>Under s 120 of the <i>TMA</i> it is not an infringement of a registered mark to authorise another party’s infringing use. This was confirmed in <i>PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd</i> [2021] FCAFC 128; 285 FCR 598 at [65]–[75].</p> <p>It is possible to hold an ‘authoriser’ liable as a joint tortfeasor, or through the common law tort of conspiracy. However, the complexities of these doctrines are such that the <i>TMA</i> should be amended to make a party who authorises a user’s infringement of a registered trade mark under s 120 liable for infringement.</p> <p>Such a reform would be consistent with the approach taken under the <i>Copyright Act 1968</i> (Cth), ss 36 and 101 and the <i>Patents Act 1990</i> (Cth), s 13, and with the position for which the IPC is advocating in relation to the <i>Designs Act 2003</i> (Cth).</p>	

Schedule 2—Designs Reform Priorities

No.	Issue	Case for Reform	Reference
1	Standing of exclusive licensees to sue for infringement	<p>The <i>Designs Amendment (Advisory Council on Intellectual Property Response) Act 2021</i> (Cth) conferred on exclusive licensees the right to bring infringement proceedings. The drafting was modelled on the equivalent provisions in the <i>Patents Act 1990</i> (Cth) (Sch 1, definition of “exclusive licensee”).</p> <p>Specifically, the definition of exclusive licensee is “a licensee under a licence granted by the registered owner of a registered design that confers on the licensee, or on the licensee and persons authorised by the licensee, the exclusive rights in the design mentioned in paragraphs 10(1)(a) to (e) to the exclusion of the registered owner and all other persons”.</p> <p>This narrow definition of an exclusive licence does not align with commercial expectations or reflect commercial realities.</p> <p>Nor does there seem to be any policy justification for taking a different approach to that taken in respect of copyright law. Section 119 of the <i>Copyright Act 1968</i> (Cth) confers on exclusive licensees the right to sue for infringement, but the definition of “exclusive licence” in section 10 makes it clear that it is sufficient that the licence is exclusive in respect of a particular act which falls within the exclusive rights conferred on the copyright owner. This allows a copyright owner to grant multiple exclusive licences, covering different exclusive rights and/or different territories, where each exclusive licensee will have standing to sue for infringement (other than against the copyright owner).</p> <p>The IPC considers that the definition of “exclusive licensee” in both the <i>Designs Act</i> and the <i>Patents Act</i> should be amended such that it encompasses a licence which confers on the licensee, to the exclusion of all other persons including the owner, any right in respect of the invention/design.</p> <p>See further the IPC submissions dated 18 November 2014 and 24 June 2015.</p>	Section 73; definition of “exclusive licensee”

2	Unjustified threats	<p>There are inconsistencies in approach between the unjustified threats regimes in the various IP statutes which do not appear to be necessary.</p> <p>Further, unjustified threats allegations are often being deployed strategically in circumstances where it is unlikely that any damage has been sustained, creating a chilling effect on IP owners asserting their rights (particularly where the IP owner has relatively less economic power than the alleged infringer).</p> <p>In <i>GM Global Technology Operations LLC v SSS Auto Parts Pty Ltd</i> (2019) 371 ALR 1, Burley J held that, where a threat of infringement proceedings is made prior to certification of a registered design, it is sufficient for the purposes of section 78(a) of the <i>Designs Act</i> that the design has been examined and certified before that defence is raised in any proceedings (at [550]). The IPC considers that this interpretation is inconsistent with the intent of the legislation, as evidenced by section 77(3), which provides that: “<i>If a certificate of examination has not been issued in respect of a design, a threat to bring infringement proceedings, or other similar proceedings, in respect of the design is an unjustified threat for the purposes of this section.</i>” See also section 73(3).</p> <p>The IPC submits that:</p> <ul style="list-style-type: none"> • the unjustified threats regimes in all of the intellectual property statutes should be reviewed for consistency of approach; • consideration should be given to discouraging frivolous unjustified threats allegations; and • it should be clarified that the time at which the design must have been examined and certified under section 78(a) of the <i>Designs Act</i> is the point in time at which the threat was made. 	Sections 77–81
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3	Customs seizure	<p>Under both the <i>Copyright Act 1968</i> (Cth) and the <i>TMA</i>, the IP owner may lodge a Notice of Objection with the Australian Border Force asking that infringing goods be seized at the border. There is no equivalent regime in respect of registered designs. There is no apparent policy or practical reason why this same regime could not be extended to registered designs. Given that the majority of counterfeit goods are sourced from overseas, it would be desirable to enable registered design owners to utilise a customs seizure regime to control the importation of such goods into Australia.</p>	N/A
4	Validity—incorrect or incomplete owners	<p>Like section 138(4) of the <i>Patents Act 1990</i> (Cth), section 93(3A) of the <i>Designs Act</i> provides that a court must not revoke the registration of a design on the ground that one or more of the original registered owners was not entitled to the design on registration (or that each of the original registered owners was so entitled, but another person or persons also entitled on registration), unless the court is satisfied that, in all the circumstances, it is just and equitable to do so. This IPC supported the addition of section 93(3A), which was introduced via the <i>Designs Amendment (Advisory Council on Intellectual Property Response) Act 2021</i> (Cth).</p> <p>However, there is no equivalent in the <i>Designs Act</i> to section 22A of the <i>Patents Act</i>, which provides that a patent is not invalid merely because (a) the patent was granted to a person who was not entitled or (b) the patent was not granted to a person who was entitled. In supporting the inclusion of a provision along the lines of section 138(4) of the <i>Patents Act</i>, the IPC also supported the inclusion of a provision along the lines of section 22A (see the IPC submission dated 22 January 2020 in relation to the ACIP reform proposals).</p> <p>The IPC considers that this should be clarified by including in the <i>Designs Act</i> a provision to the same effect as section 22A of the <i>Patents Act</i>.</p>	Section 93(3A)

5	Infringement	<p>Section 10(1) identifies six exclusive rights which the registration of a design confers on the registered owner, including “to authorise another person to do any of the things mentioned in paragraph (a), (b), (c), (d) or (e)” (s 10(1)(f)).</p> <p>Section 71(1), however, provides that a registered design is infringed only by persons who do one of more of the acts specified in paragraphs (a), (b), (c), (d) or (e) of section 10(1). In other words, it is not an infringement to “authorise” the doing of such an act. The failure to include “authorisation” as an infringing act in section 71(1) means that it is likely that the Court will rule that authorising someone to do an infringing act is not itself infringing. See <i>PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd</i> [2021] FCAFC 128; 285 FCR 598 at [65]—[75] (in the context of registered trade marks). Section 71(1), therefore, is inconsistent with section 10(1) and undermines the grant of the exclusive right.</p> <p>In some cases, it is possible to rely on the common law tort of conspiracy or joint tortfeasorship. However, the shortcomings with reliance on the common law tort led to the inclusion of the authorisation right in the <i>Copyright Act 1968</i> (Cth) (see sections 36 and 101) and the <i>Patents Act 1990</i> (Cth) (see section 13). It appears to be an inadvertent omission that the <i>Designs Act</i> does not similarly provide that authorisation amounts to an infringement.</p> <p>The IPC considers that section 71(1) of the <i>Designs Act</i> should be amended to align with the formula adopted in sections 36 and 101 of the <i>Copyright Act</i>, such that it reads: “<i>Subject to this Act, a person infringes a registered design if, during the term of registration of the design, and without the licence or authority of the registered owner of the design or an exclusive licensee, the person does an act comprised in the exclusive rights of the owner in respect of a product, in relation to which the design is registered, which embodies a design that is identical to, or substantially similar in overall impression to, the registered design.</i>”</p>	Section 71
6	Partial designs	The IPC supports the proposal to provide protection for partial designs. The IPC refers to its submission dated 8 August 2023 on this topic.	N/A
7	Virtual designs	The IPC supports the proposal to provide protection for virtual designs. The IPC refers to its submission dated 8 August 2023 on this topic.	N/A