



Law Council
OF AUSTRALIA

Business Law Section

Mr Philip Noonan
Director-General
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Via email: philip.noonan@ipaustralia.gov.au

5 June 2013

Dear Mr Noonan,

Intellectual Property Laws Amendment Bill 2013

The Intellectual property Committee of the Business Law Section of the Law Council of Australia ('the Committee') has considered the Intellectual Property Laws Amendment Bill 2013 ('the Bill') which it received on Friday 31 May 2013. The Committee understands that it is proposed that the Bill should be passed by the Parliament shortly and without further detailed review.

The Committee's submission is that the Bill should be properly reviewed and that it should not be passed in haste.

In the time available the Committee has not had the opportunity to review the Bill fully, but it is clear even on a preliminary analysis that there are significant issues to be considered.

For example, in relation to consistency with international treaties:

1. AUSFTA Article 17.9.7 permits Crown use of an invention without authorisation by the patentee in the case of "public non-commercial use, or national emergency", whereas the legislation in clause 160A would extend authorisation to any use which is necessary for the "proper provision of services" where those services are "primarily funded by" the Commonwealth or a state, clearly a wider concept than "public non-commercial use or national emergency" and broader than existing section 163 of the Patents Act. For example it appears the provision would extend to authorising the commercial marketing of products where those products are primarily funded by the relevant government.
2. Similarly, the legislation does not take account of the effect of AUSFTA Article 17.10.4(a). That article requires, in relation to regulated products such as pharmaceuticals, measures to prevent other persons from "marketing a product

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where that product is claimed in a patent" without the acquiescence of the patent owner. Yet clause 160A appears to permit the Commonwealth or States to authorise exactly such conduct.

3. If clause 160A extends as described above, the regime under section 165A of the Patents Act may be unduly burdensome on a patentee in circumstances where the authorisation has been given to a commercial competitor. In light of the foregoing, clause 160A may also be inconsistent with Articles 30 and/or 31 of TRIPS.
4. The Compulsory Licenses (patented pharmaceutical inventions) part is inconsistent with TRIPS because the proposed legislation provides for the export of pharmaceuticals to countries which are not members of the WTO in breach of article 31(f) of the TRIPS Agreement thereby falling outside the exception.
5. The ancillary licenses and cross-licenses provisions lack clarity and should be redrafted as there seems to be a confusion between the relevance of articles 31(l) and article 31(f) of the TRIPS Protocol.

The foregoing are clearly substantive issues which do not appear to be considered.

The Committee has not had the opportunity to consider whether there are additional similar issues or whether any detailed drafting issues also arise.

If you have any questions regarding this submission, please contact the Committee Chair, Richard Hamer, by phone on 03-9613 8853 or via email: richard.hamer@allens.com.au

Yours sincerely,



Frank O'Loughlin