

Documents tabled on 13 June 2007:

National Interest Analysis [2007] ATNIA 21

with attachment on consultation

Extension of the Agreement of 4 December 1997 between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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

[to be signed at WIPO in Geneva in October 2007]

Background information:

World Intellectual Property Organization information

List of other treaties with the World Intellectual Property Organization

NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

Extension of the Agreement of 4 December 1997 between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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

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Nature and timing of proposed treaty action

1. The proposed treaty action is definitive signature of the *Extension of the Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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* (Extension Agreement). The Extension Agreement will extend the operation of the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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 of 19 June 1970 [1998] ATS 4* (Original Agreement) until 31 December 2008, or until a new arrangement is negotiated.

2. The Extension Agreement is proposed to be signed in October 2007. As the proposed treaty action is definitive signature, signature will not occur until the Australian domestic review process has taken place. Accordingly, it is necessary to table the Extension Agreement prior to signature. The International Bureau of the World Intellectual Property Organization (WIPO) has agreed to tabling prior to signature. Pursuant to Article 2(2), the Extension Agreement will enter into force on 31 December 2007.

Overview and national interest summary

3. The *Patent Cooperation Treaty* [1980] ATS 6, which facilitates the filing and assessment of a patent application in multiple jurisdictions, provides for the appointment of International Searching Authorities (ISA) (Article 16(3)) and International Preliminary Examining Authorities (IPEA) (Article 32(2)). The Original Agreement appoints and provides for the functioning of the Australian Patent Office as an ISA and IPEA, and is therefore necessary to allow for the filing of 'international applications' for patents in Australia.

4. 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 the Original Agreement expires. As such, 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 administrative arrangements under the Patent Cooperation Treaty to continue without interruption.

Reasons for Australia to take the proposed treaty action

5. As noted, the Original Agreement between Australia and the International Bureau of WIPO provides for the Australian Patent Office to act as an ISA and IPEA until 31 December 2007.
6. WIPO has proposed a new draft model agreement, on which future individual country 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). Given the impending proroguing of Parliament for the next Federal election, the Australian treaties process for the 2008–2017 Agreement will not be able to be completed by 31 December 2007. As such, it is 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.
7. Article 1 of the Extension Agreement extends the operation of the Original Agreement until 31 December 2008 or until the day before the entry into force of the 2008–2017 Agreement, whichever is sooner. The Extension Agreement will therefore continue the existing role of the Australian Patent Office as an ISA and IPEA until the 2008–2017 Agreement enters into force. The 2008–2017 Agreement will be subject to the Australian treaty process once it is finalised.
8. The purpose of the Patent Cooperation Treaty is to simplify and streamline the process of filing for patent protection in a number of countries by filing a single international patent application. This serves to avoid having to meet the various requirements that can be found in different jurisdictions. Use of the Patent Cooperation Treaty provisions thus saves 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 to conduct the required international search and examination, thus avoiding unnecessary repetition of this work in each country. This also gives significant cost savings to patent applicants.
9. The Patent Cooperation Treaty provides for the Assembly of the International Patent Cooperation Union to appoint a national patent office as an ISA and IPEA, subject to an Agreement being concluded between the International Bureau of WIPO and the relevant office. In the case of Australia, the Original Agreement is between the Government of Australia and the International Bureau. There is considerable international prestige associated with appointment as an ISA and IPEA. The Australian Patent Office has been an International Authority since 1980.
10. The Australian Patent Office is part of IP Australia, formerly the Australian Industrial Property Organisation, which operates on a full cost recovery basis, and whose activities are revenue neutral to Government. At present the Australian Patent Office issues reports on approximately 3000 international searches each year. About two-thirds (approximately 160) of the examination staff work on Patent Cooperation Treaty-related applications. This workload has doubled since 1997 and it continues to

increase. In addition, the Australian Patent Office has entered into bilateral arrangements with countries in the Asia-Pacific region to conduct patent searches. Currently the Australian Patent Office performs searches for many countries including New Zealand, USA, Thailand and Singapore, and has been approached to do work for other countries.

11. Further benefits to Australia from the Australian Patent Office'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.

12. Locally, the existence of the Australian Patent Office as an International Authority has considerable benefits for industry and technology. The examination and support staff of the Australian Patent Office are readily accessible to applicants and/or their legal advisers. This represents a large skills and knowledge base conveniently available to the business and research sector.

13. Paragraph 3 of the Preamble to the Extension Agreement refers to four amendments to the Original Agreement. Annex C of the Original Agreement was amended in 2001, 2002, 2003 and 2007 when Australia's Patent Cooperation Treaty fees changed. Advice was received that changes to fees in the Annex did not require treaty processes to be undertaken.

Obligations

14. As noted, the Extension Agreement extends the application of obligations under the Original Agreement. The Extension Agreement creates no new obligations.

15. Article 2 of the Original Agreement sets out Australia's obligations. The Australian Patent Office shall carry out international search and international preliminary examination in accordance with the Patent Cooperation Treaty, its Regulations, the Administrative Instructions and the Agreement. All patent applications filed under the Patent Cooperation Treaty are subjected to a mandatory international search covering an extensive range of technical literature, the result of which allows for the evaluation of the originality of the invention concerned. The preliminary examination provides an opinion as to the originality and industrial applicability of the invention.

16. Article 2(2) provides that in carrying out international search and international preliminary examination, the Australian Patent Office is to apply and observe all the common rules of international search and international preliminary examination and, in particular, shall be guided by the Patent Cooperation Treaty Search Guidelines and Preliminary Examination Guidelines.

17. Article 2(4) provides that the Australian Patent Office and the International Bureau of WIPO are expected to render mutual assistance in the performance of these procedures.

Implementation

18. No Commonwealth or State and Territory action is required to implement the Extension Agreement. Implementation will not affect the existing roles of the Commonwealth and States and Territories. The Extension Agreement merely extends the expiry date of the Original Agreement. The terms of the Original Agreement are already implemented by the *Patents Act 1990* and its associated Regulations which empower the Australian Patent Office to perform the functions required of an ISA and IPEA.

Costs

19. There are no contributions payable by Australia under the Original Agreement nor any anticipated increases in Australia's contribution to WIPO as a result of entry into the Extension Agreement. Australia currently contributes approximately \$A750,000 per annum as a member of WIPO. The Extension Agreement does not increase costs to industry. However as IP Australia is currently the only ISA/IPEA that Australian patent applicants can use for carrying out their international searches and international preliminary examination, there are potentially considerable costs to industry if the Australian Patent Office cannot to perform the functions required of an ISA and IPEA.

Regulation Impact Statement

20. IP Australia has assessed the implementation of the Extension Agreement against criteria in The Best Practice Regulation Handbook. This regulatory option has no impact on business and individuals or on the economy and a Regulation Impact Statement or Business Cost Calculator report is not required.

Future treaty action

21. Under Article 10 of the Original Agreement, the parties are required to commence negotiations for its renewal at a date not later than January 2007. These negotiations have commenced, and it is intended that the 2008-2017 Agreement will be finalised in late 2007. Once finalised, it will be subject to the Australian treaty process.

22. Pursuant to Article 11, the Original Agreement may be amended by agreement between the parties, subject to approval by the Assembly of the International Patent Cooperation Union. The Annexes may be amended by agreement between Australia and the Director-General of WIPO, without the need for Assembly approval. Certain technical aspects of the Annexes, including the fees and charges imposed by Australia and the languages that applications and correspondence are to be in, may be unilaterally amended by Australia and notified to the Director-General of WIPO. An amendment of the Original Agreement will be subject to the Australian treaty process.

Withdrawal or Denunciation

23. Article 12 of the Original Agreement provides for the unilateral termination, upon one year's notice, by either party. The terminating party may specify a longer

period of notice, and both parties may agree upon a shorter period of notice. The Extension Agreement will not alter this termination provision. Any termination on the part of Australia will be subject to the Australian treaty process.

Contact Details

International Policy
Business Development and Strategy
IP Australia (DITR).

Extension of the Agreement of 4 December 1997 between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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

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Consultation

1. IP Australia has consulted with the International Law and Transnational Crime section of the International Legal Branch of the Department of Foreign Affairs and Trade, to determine options available to IP Australia for continuing the *Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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* (the Original Agreement), and in developing the text of the *Extension of the Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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* (Extension Agreement).
2. IP Australia consults regularly with industry and professional organisations. Consultation includes meetings with groups such as the Inventors Associations, the Australian Manufacturers' Patents, Industrial Designs, Copyright and Trade Mark Association (AMPICTA), the Institute of Patent and Trade Mark Attorneys of Australia (IPTA), the Advisory Council on Intellectual Property and the Law Council. Such meetings include opportunities for providing feedback on the Patent Cooperation Treaty (PCT) and the Australian Patents Office's role as an International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) under the Patent Cooperation Treaty. In this context, as well as more broadly, the Australian Patents Office has continued to receive very positive support and encouragement for the role it has taken in administration of the Patent Cooperation Treaty and for its function as an ISA and IPEA. The level of usage of the Patent Cooperation Treaty provisions indicates their value to patent applicants and the wide reliance upon this means of obtaining international protection for Australian patents.
3. Notification of treaty action for the Original Agreement was provided to the States and Territories through the Commonwealth-State/Territory Standing Committee on Treaties process in 1997. The proposed new agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization 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 (the 2008–2017 Agreement) will be included on the schedule of treaties provided twice yearly to the Commonwealth-State/Territory Standing Committee on Treaties.

4. When the 2008–2017 Agreement is finalised, it will be subjected to the Australian treaty processes with a view to ratifying that Agreement in 2008. IP Australia will consult with the public and our Patent Stakeholders such as IPTA, AMPICTA, and the newly formed Patent Consultation Group.

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BACKGROUND INFORMATION

WORLD INTELLECTUAL PROPERTY ORGANIZATION

1. The World Intellectual Property Organization (WIPO) is a specialized agency of the United Nations. It is dedicated to developing a balanced and accessible international intellectual property (IP) system, which rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.
2. WIPO was established by the Convention establishing the World Intellectual Property Organization (WIPO Convention) in 1967 with a mandate from its Member States to promote the protection of IP throughout the world through cooperation among states and in collaboration with other international organizations. Its headquarters are in Geneva, Switzerland.
3. WIPO's Member States determine the strategic direction and activities of the Organization. They meet in the Assemblies, committees and working groups. There are currently 184 Member States, i.e. over 90 percent of the countries of the world.
4. The WIPO Secretariat, or International Bureau, is based in Geneva. WIPO staff are drawn from more than 90 countries and include experts in diverse areas of IP law and practice, as well as specialists in public policy, economics, administration and information technology.
5. The various divisions of the Secretariat are responsible for coordinating the meetings of Member States and implementing their decisions; for administering the international IP registration systems; for developing and executing the programs designed to achieve WIPO's goals; and for providing a repository of IP expertise to assist its members.

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TREATIES ON THE SAME MATTER

BILATERAL

- Agreement between the Government of Australia and the International Bureau of the World Intellectual Property Organization [WIPO] 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 of 19 June 1970. Done at Geneva, 4 December 1997; due to expire 31 December 2007
[1998] ATS 4

MULTILATERAL

- Patent Cooperation Treaty (PCT) under the auspices of WIPO:

Patent Cooperation Treaty done at Washington, 19 June 1970
[1980] ATS 6

Amendments to the Regulations under the Patent Co-operation Treaty (PCT) of 19 June 1970 ([1980] ATS 6)
[1980] ATS 33

Modifications to [Articles 22(2) and 39(1)(a) of] the Patent Cooperation Treaty (PCT) of 19 June 1970 ([1970] ATS 12)
[1985] ATS 40

Amendments to the Regulations under the Patent Co-operation Treaty (PCT) of 19 June 1970 ([1980] ATS 6)
[1992] ATS 46

Amendments to the Regulations under the Patent Cooperation Treaty (PCT) of 19 June 1970 ([1970] ATS 12)
[1992] ATS 47

**OTHER CURRENT TREATIES ADMINISTERED BY THE WORLD
INTELLECTUAL PROPERTY ORGANIZATION OF WHICH AUSTRALIA IS
A MEMBER**

- Paris Convention:

Paris Convention for the Protection of Industrial Property of 20 March 1883
[1972] ATS 12

Amendments to Articles 13 and 14 of the Stockholm Act of 14 July 1967 of the
Paris Convention for the Protection of Industrial Property
[1984] ATS 38

- Berne Convention:

Berne Convention for the Protection of Literary and Artistic Works of
9 September 1886, completed at Paris on 4 May 1896, revised at Berlin on
13 November 1908, completed at Berne on 20 March 1914, revised at Rome on
2 June 1928, revised at Brussels on 26 June 1948, and revised at Stockholm on
14 July 1967
[1972] ATS 13

Amendments to Articles 22 and 23 of the Paris Act of 14 July 1971 of the
Berne Convention for the Protection of Literary and Artistic Works
[1984] ATS 40

- WIPO Convention:

Convention establishing the World Intellectual Property Organization (WIPO)
[1972] ATS 15

Amendments to Articles 6, 7 and 8 of the Convention establishing the World
Intellectual Property Organization of 14 July 1967
[1984] ATS 37

- Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms done at Geneva on 29 October 1971
[1974] ATS 6
- Strasbourg Agreement concerning the International Patent Classification done on 24 March 1971
[1975] ATS 42
- Universal Copyright Convention of 6 September 1952 as revised at Paris 24 July 1971 and Protocols 1 and 2.
[1978] ATS 2

- Nice Agreement:

Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
[1961] ATS 11

Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957 as revised at Stockholm on 14 July 1967
[1972] ATS 14

Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised at Stockholm on 14 July 1967 and at Geneva on 13 May 1977
[1979] ATS 2

Amendments to Article 5 of the Stockholm Act of 14 July 1967 and the Geneva Act of 13 May 1977 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
[1982] ATS 34

- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, as amended on 26 September 1980
[1987] ATS 9
- Convention relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite done at Brussels on 21 May 1974
[1990] ATS 30
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations and Final Act done at Rome on 26 October 1962
[1992] ATS 29
- Trademark Law Treaty and Regulations done at Geneva on 27 October 1994
[1998] ATS 3
- International Convention for the Protection of New Varieties of Plants of 2 December 1961 [UPOV], as revised on 10 November 1972, 23 October 1978 and 19 March 1991
[2000] ATS 6
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, 1891
[2001] ATS 7

Not Yet in Force for Australia:

- Singapore Treaty on the Law of Trademarks and the Regulations done at Geneva on 28 March 2006, signed for Australia on 26 March 2007
- Copyright Treaty, adopted at Geneva on 20 December 1996
Australian Instrument of Accession deposited 26 April 2007;
to enter into force for Australia on 26 July 2007
[2007] ATNIF 11
- Performances and Phonograms Treaty, adopted at Geneva on 20 December 1996
Australian Instrument of Accession deposited 26 April 2007;
to enter into force for Australia on 26 July 2007
[2007] ATNIF 12

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