

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Industry, Innovation and Science

Designs Act 2003

Patents Act 1990

Plant Breeder's Rights Act 1994

Trade Marks Act 1995

Intellectual Property Legislation Amendment (Fee Review) Regulation 2016

Legislative Authority

Subsection 149(1) of the *Designs Act 2003* (Designs Act), subsection 228(1) of the *Patents Act 1990* (Patents Act), subsection 80(1) of the *Plant Breeder's Rights Act 1994* (Plant Breeder's Rights Act) and subsection 231(1) of the *Trade Marks Act 1995* (Trade Marks Act) (collectively, 'the Acts') provide that the Governor-General may make regulations prescribing matters required or permitted by the Acts to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Acts.

Section 130 of the Designs Act, section 227 of the Patents Act, subsection 80(2) of the Plant Breeder's Rights Act and section 223 of the Trade Marks Act provide for the payment of prescribed fees in accordance with the regulations made for the purpose of the respective Acts.

The Regulation

The Intellectual Property Legislation Amendment (Fee Review) Regulation 2016 (the '**Regulation**') updates the *Designs Regulations 2004* (Designs Regulations), the *Patents Regulations 1991* (Patent Regulations), the *Plant Breeder's Rights Regulations 1994* (Plant Breeder's Rights Regulations), and the *Trade Marks Regulations 1995* (Trade Marks Regulations), (collectively, 'the Regulations') to implement changes in fees arising from the fee review conducted by IP Australia.

The Acts specify no conditions that must be met before the power to make the Regulation may be exercised.

The Regulation is a legislative instrument for the purposes of the *Legislation Act 2003*.

Purpose of the Regulation

The purpose of the Regulation is to update the Regulations to amend the fees IP Australia charges for its services. IP Australia is a cost recovery agency and approximately 97% of its revenue is generated from fees paid by customers for services provided by IP Australia. The amendments arise from a fee review conducted by IP Australia as part of IP Australia's Cost Recovery Impact Statement 2016-2017. The review was conducted in compliance with the Australian Government Cost Recovery Guidelines and has been published on IP Australia's website.

Amendments to various fees will be made to reflect changes in costs to administer activities across all IP rights, reduce cross-subsidisation of costs recovered between IP rights, and to streamline the fee schedules and reduce red-tape.

Consultation

Prior to the making of this Regulation, the Patents Consultation Group, the Trade Marks Consultation Group and the Designs Consultation Group were consulted. The members of these consultation groups are drawn from the registered patent attorney profession, the registered trade marks attorney profession, the legal profession, academia and industry. Several peak bodies are represented in the membership of these consultation groups: the Institute of Patent and Trade Mark Attorneys of Australia, the International Federation of Intellectual Property Attorneys of Australia, the Law Council of Australia and the Australian Manufacturers' Patents, Industrial Designs, Copyright and Trade Mark Association.

A draft Cost Recovery Implementation Statement detailing the proposed changes was published and was open to public consultation for two weeks.

Regulation Impact Statement

The Office of Best Practice Regulation has advised that no Regulation Impact Statement is required to be prepared for these amendments.

Commencement

The amendments to implement the changes in fees commence on 10 October 2016.

Details of the Regulation are set out in the [Attachment](#).

Details of the *Intellectual Property Legislation Amendment (Fee Review) Regulation 2016*

Section 1 identifies the Regulation as the *Intellectual Property Legislation Amendment (Fee Review) Regulation 2016*.

Section 2 specifies the Regulation commences on 10 October 2016.

Section 3 provides that the Regulation is made under the *Designs Act 2003*, the *Patents Act 1990*, the *Plant Breeder's Rights Act 1994* and the *Trade Marks Act 1995*.

Section 4 provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 - Amendments

Part 1 Amendments of *Designs Regulations 2004*

Item 1 repeals sub-regulations 11.01(7) and 11.01(8). These sub-regulations are transitional provisions relating to an earlier fee review. The transitional provisions have done all their required work and are no longer needed.

Items 2 and 4 are consequential on the deletion of fee item 10 from Schedule 4 of the regulations (item 7), and amend sub-regulation 11.06(1)(a)(ii) and sub-regulation 11.10(1)(a) respectively to remove cross-reference to fee item 10.

Item 3 is consequential on the deletion of fee items 15 and 16 from Schedule 4 of the regulations (item 9), and amends regulation 11.09 to remove cross-reference to those fee items.

Item 5 corrects the note under the Schedule 4 heading and makes the Schedule consistent with current drafting practice in relation to Schedules.

Item 6 amends fee item 9 in Schedule 4 to increase the fee in order to bring it in line with equivalent fees in the patent and trade mark regulations.

Item 7 amends Schedule 4 to the Designs Regulations to remove a number of fees that apply to transactions that are low volume or otherwise inefficient. These matters comprise:

- request for determinations under sections 29 or 30 of the Act – fee items 10(a) and 10(b);
- application for revocation of a design – fee item 10(c);
- request for the exercise of discretionary power – fee items 10(d) and 10(e).

Item 8 amends fee item 12 as consequential amendment to remove cross-reference to fee item 10. This item also streamlines the wording of fee item 12, in line with the equivalent fee in the trade mark regulations.

Item 9 amends Schedule 4 to streamline fees for requesting documents from IP Australia, reducing the current provisions into two fees, one for one to three documents relating to an IP right or application, one for four or more. These matters comprise:

- request copy of a duplicate certificate – fee item 13 (repealed);
- supply copy of an extract from the register – fee item 14 (repealed);
- supply copy of a document other than extract from the register – fee item 15 (repealed);
- request certification of a document – fee item 16 (repealed);
- request for a copy of one or more documents up to three – new fee item 13;
- request for a copy of four or more documents up to all documents on file relating to a particular IP application or right – new fee item 14.

The new fee items 13 and 14 are intended to be payable on request to IP Australia for the supply of any document or documents relating to a design or design application that IP Australia is capable of supplying. This includes, but is not limited to, application documents, correspondence, and extracts from the register of designs.

Part 2 Amendments of *Patents Regulations 1991*

Item 10 is consequential on the deletion of fee items 219 and 220 from Schedule 7 of the regulations (item 43). This item repeals sub-regulation 22.2(2)(c), as it is no longer necessary in the absence of these fee items.

Item 11 repeals sub-regulations 22.2 (7) and 22.2 (8). These sub-regulations are transitional provisions relating to an earlier fee review. The transitional provisions have done all their required work and are no longer needed.

Item 12 is consequential on the deletion of fee items 217, 219 and 220 from Schedule 7 of the regulations (item 43), and amends sub-regulation 22.2C(1) to remove cross-reference to those fee items.

Item 13 is consequential on the deletion of fee items 229 and 235 from Schedule 7 of the regulations (items 43 and 46), and amends sub-regulation 22.2H(1) to remove cross-reference to those fee items.

Item 14 corrects an explanatory note in Schedule 7.

Items 15, 16, 48 and 50 make the Schedule 7 of the Patent Regulations consistent with current drafting practice in relation to Schedules.

Items 17 and 47 amend Schedule 7 to decrease preliminary searching fees, to encourage uptake of these services. These matters comprise:

- patent search by the Commissioner – item 17, fee item 206;
- international-type search under PCT Article 15(5) – item 47, fee item 236.

Items 18-42 amend Schedule 7 to increase a number of existing fees for patent services provided by IP Australia. These increases are primarily designed to address the current cross-subsidisation issue between the patent and trade mark activity groups by increasing patent revenue. These matters comprise:

- continuation / renewal fees – items 18-41, fee item 211(g) to 211(q);
- filing a request for certification under the Budapest Treaty – item 42, fee item 215.

Items 43 and 49 amend Schedule 7 to remove a number of fees that apply to transactions that are low volume or otherwise inefficient. The majority of fees to be removed relate to oppositions and hearings. These matters comprise:

- request to dismiss opposition – item 43, fee item 217;
- representation objecting to proposed amendment – item 43, fee item 219;
- representation objecting to proposed direction – item 43, fee item 220;
- request for exercise of discretionary power – item 43, fee item 229;
- late payment fee under Rule 16bis.2 of the PCT - item 49, fee item 307.

Items 44 and 45 are consequential amendments resulting from repeal of fee items 219, 220 and 229 in item 43, and amend fee items 231 and 231A to remove reference to the repealed fee items.

Item 46 amends Schedule 7 to streamline fees for requesting documents from IP Australia, reducing the current provisions into two fees, one for one to three documents relating to an IP right or application, one for four or more. These matters comprise:

- request supply of a copy of a patent specification – fee item 233 (repealed);
- request copy of another document – fee item 234 (repealed);
- request copy of a certificate – fee item 235 (repealed);
- request for a copy of one or more documents up to three – new fee item 233;
- request for a copy of four or more documents up to all documents on file relating to a particular IP right – new fee item 234.

The new fee items 233 and 234 are intended to be payable on request to IP Australia for the supply of any document or documents relating to a patent or patent application that IP Australia is capable of supplying. This includes, but is not limited to, application documents, correspondence, and extracts from the register of patents.

Item 51 amends part 4 of Schedule 7 (item 403) to bring the lettering into line with the Schedule of Fees issued under the PCT.

Part 3 Amendments of *Plant Breeder's Rights Regulations 1994*

Items 52, 53, 54 and 55 rename the fee schedule of the Plant Breeder's Rights regulations as Schedule 1, and make Schedule 1 consistent with current drafting practice in relation to Schedules.

Items 56 and 59 amend the Schedule (now Schedule 1 under this Regulation) to the Plant Breeder's Rights Regulations to remove a number of fees that apply to transactions that are low volume or otherwise inefficient. The majority of fees to be removed relate to oppositions and hearings. These matters comprise:

- amendment of the register on assignment – item 56, fee item 3;
- request for variation of an application – item 56, fee item 5;
- general request for work where a fee is not otherwise prescribed – item 59, fee item 16.

Item 57 amends the Schedule (now Schedule 1 under this Regulation) to the Plant Breeder's Rights Regulations to remove the limitation in item 6(c) that varieties must be of the same plant species for the fee to apply. Amended fee item 6(c) will allow discounted examination to take place whenever any 2 or more plant varieties are tested simultaneously at the same site in Australia.

Item 58 amends the Schedule (now Schedule 1 under this Regulation) to add a new fee item 12A. This fee will be payable upon request for a copy of four or more documents up to all documents on file relating to a particular IP right or IP right application.

The new fee item 12A is intended to be payable on request to IP Australia for the supply of four or more documents relating to a PBR or PBR application that IP Australia is capable of supplying. This includes, but is not limited to, application documents, a detailed description, correspondence, and extracts from the register of PBR.

Part 4 Amendments of *Trade Marks Regulations 1995*

Items 60-61 move the definition of 'AFS request' and 'requester' from regulation 3A.2 to the dictionary in regulation 2.1. This is necessary because the definitions are used in other parts of the regulations, not just part 3A.

Item 62 is a transitional provision relating to the repeal of fee item 9 in Schedule 9 (item 73). This provides that applications filed prior to the commencement date of the regulations will, when they are registered, still be required to pay the registration fee (item 9 of the fee schedule) as it was in force prior to the commencement of these amendments. Applications filed on or after the commencement date will not be required to pay the registration fee. This ensures that applicants cannot benefit from a 'double discount' whereby the application is filed under the old, cheaper fee and is registered after commencement when the registration fee will no longer be in effect.

Item 63 corrects the note under the Schedule 9 heading and makes the Schedule consistent with current drafting practice in relation to Schedules.

Items 64-70, 74-75, 77-78 and 83-85 amend Schedule 9 to the Trade Marks Regulations to increase a number of existing fees for trade mark services provided by IP Australia. These increases are primarily intended to offset the removal of the trade mark registration fee (see below), although this offset will be only partial. The overall effect is that trade mark applicants will pay slightly less to register a trade mark than before, and will have fewer interactions with IP Australia. These matters comprise:

- trade mark filing fee – items 64, 65 and 66, fee items 1(a), 1(c) and 1(d);
- series trade mark filing fee – items 67 and 68, fee items 3(a) and (3c);
- amending a trade mark application to include additional goods or services – items 69 and 70, fee items 4(a) and 4(b);
- renewal of a trade mark registration – items 74 and 75, fee items 10(a) and 10(b);
- renewal under section 80D of the Act – item 77, fee item 11;
- renewal under paragraph 80(G)(1)(b) – item 78, fee item 12;
- accelerated filing service for trade mark applications – items 83 and 84, fee items 32 and 33;
- amendment to an accelerated filing service request – item 85, fee item 34.

Item 71 amends fee item 5(b) to provide that if a request for an extension of time is made due to circumstances beyond the applicant's control (section 224(2)(b) of the *Trade Marks Act 1995*), the fee is charged at a flat rate of \$100 rather than \$100 per month the extension is sought for. This aligns with the equivalent provisions for extensions of time for patents and designs. Fees for extensions of time in other circumstances (sections 224(2)(a) and 224(3) of the *Trade Marks Act 1995*) remain the same.

Items 72-73, 80 and 81 amend Schedule 9 to remove a number of fees that apply to transactions that are low volume or otherwise inefficient. The majority of fees to be removed relate to oppositions and hearings. The amendment also removes the fee for registering a trade mark, which as indicated above will reduce the cost of obtaining a trade mark and the number of interactions applicants will need to have with IP Australia. These matters comprise:

- filing notice of intent to oppose a trade mark registration – item 72, fee item 7(b);
- registration of a trade mark – item 73, fee item 9;
- request for hearing on the basis of written submissions – item 80, fee item 17A.
- handling an application for international registration of a trade mark – item 81, fee item 18;

- transmitting a renewal fee for international registration of a trade mark – item 81, fee item 19.

Items 76 and 79 amend fee items 10 and 12 in Schedule 9 respectively to amend the late fee for renewal of a trade mark to be charged at only \$100 per month the renewal is late, rather than \$100 per month the renewal is late per class the trade mark is registered in.

Items 82 and 86 amend Schedule 9 to streamline fees for requesting documents from IP Australia, reducing the current provisions into two fees, one for one to three documents relating to an IP right or application, one for four or more. These matters comprise:

- request copy of a certificate – item 82, fee item 21 (repealed);
- request copy of a duplicate certificate – item 82, fee item 21A (repealed);
- supply copy of an extract from the register – item 82, fee item 22 (repealed);
- supply copy of a document for which a search is required – item 82, fee item 23 (repealed);
- request copy of a file or part of a file – item 86, fee item 35 (repealed);
- request for a copy of one or more documents up to three – item 82, new fee item 21;
- request for a copy of four or more documents up to all documents on file relating to a particular IP right – item 82, new fee item 22.

The new fee items 21 and 22 are intended to be payable on request to IP Australia for the supply of any document or documents relating to a trade mark, trade mark application or AFS request that IP Australia is capable of supplying. This includes, but is not limited to, application documents, correspondence, and extracts from the register of trade marks.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Intellectual Property Legislation Amendment (Fee Review) Regulation 2016

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Intellectual Property Legislation Amendment (Fee Review) Regulation 2016* makes technical and administrative amendments to various Regulations to improve the operation of the intellectual property rights system administered by IP Australia.

The amendments implement changes in fees arising from the fee review conducted by IP Australia. This review was conducted as part of IP Australia's Cost Recovery Impact Statement 2016-2020, in compliance with the Australian Government Cost Recovery Guidelines.

None of these amendments make any substantive changes to the law.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Hon Greg Hunt MP, Minister for Industry, Innovation and Science