Date Introduced: 1 May 1980
House: House of Representatives
Presented by: Hon. Kevin Newman, Minister for Productivity

Short Digest of Bill

Purpose

To amend the Patents Act 1952 principally to alter the time limits within which certain actions must be undertaken during the course of the prosecution of a patent application and to adjust patent applicants' and third parties' rights accordingly.

Background

The amendments proposed by this Bill seek to correct a number of procedural inadequacies arising from the present operation of section 160 of the Act. That section purports to generally provide for extensions of time in certain circumstances for doing an act or taking a step in relation to an application for a patent or in proceedings under the Act. Under sub-section 160(1) the Commissioner of Patents may extend the time where, by reason of an error or omission on the part of an officer or person employed in the Patent Office, an act or step has not been done or taken within the time required. Sub-section 160(2) empowers the Commissioner to extend the time where the act or step is not done within time by reason of an error or omission on the part of the applicant or his agent or for circumstances beyond those persons' control.

A decision by the Administrative Appeals Tribunal in December 1978 provided that the period of time under section 54 of the Act within which a patent application and complete specification may be accepted cannot be further extended under section 160. In addition, a decision of the Deputy-Commissioner of Patents provided that section 160 cannot operate for extending the period specified in section 141 of the Act in relation to the extension of the 12 month priority period to enable late filing of a Paris Convention application.

Both these decisions have been endorsed by advice from the Attorney-General's Department. They have effectively meant that in cases of the pursuit of an
acceptance for a patent application and in lodgement of an application under the Convention claiming priority, patent applicants have no recourse to section 160 for extensions of time required, as a result of such circumstances as postal delays or other industrial disputes which have delayed applications beyond the period prescribed.

The Bill then seeks to rectify this situation and to clarify the validity of previously unlawful extensions. A comprehensive explanatory memorandum accompanies the Bill and gives a detailed account of each amendment.

Main Provisions

Clause 4 inserts a new section 41A to provide for extensions of time in certain circumstances where a complete specification has not been lodged in respect of a patent application within the prescribed period of 12 months (section 41(1)). New sub-section 41A(1) provides that where there has been an error or omission on the part of an applicant or his agent or, owing to circumstances beyond their control, a complete specification has not been submitted, the Commissioner may, on the application of the applicant and having regard to certain prescribed factors (new sub-section 41A(3)), extend the period for lodgement for such further period as is specified in the application for extension. New sub-sections 41A(4) to (9) lay down procedures to be followed in considering these extension applications.

Clause 8 amends section 54 so that the time for acceptance of the application and complete specification after the date on which the first report of the Examiner on these documents was sent to the applicant is extended from 12 months to 21 months; as well, section 160 will now be available to further extend this period.

Clause 10 introduces a new section 135A to allow for a wider range of disciplinary control of patent attorneys under the regulations.

Clauses 11 and 12 amend sections 141 and 142 respectively to provide for extensions of time in accordance with new section 142AAA in respect of patent applications under the Paris Convention. Clause 13 inserts a new section 142AAA to provide that the Commissioner may, on an application by the applicant and in accordance with factors in new sub-section 142AAA(3), extend the period of application for a standard or petty patent under an International Convention up to 6 months beyond the prescribed period of 12 months where the application is not made in time owing to circumstances beyond the control of
the applicant or his agent.

Clause 14 amends section 151 to add sections 41A, 59(1), 82, 142AAA and 172B to those provisions where the Commissioner’s decision is reviewable by the Administrative Appeals Tribunal.

Clause 15 amends section 160 which is the general provision relating to the extension of time for the doing of an act or the taking of a step relating to an application for a patent. A new sub-section 160(3A) is inserted stipulating the grounds upon which the Commissioner may grant an extension of time. New sub-section 160(7) excludes the operation of this section for the purposes of sections 41, 41A, 51, 141, 142 and 142AAA as well as sections already excluded; new sections 41A and 142AAA contain express provisions similar to section 160 so this section is not required; in respect of the other sections it was not felt appropriate to extend the operation of s.160 to them.

Clause 16 inserts a new section 172B to allow the Commissioner to take administrative action in relation to documents etc., contained in letters delayed e.g., by industrial disputes, while in the post to the Patent Office. The Commission may direct that the documents be deemed to have been lodged on the date on which a letter would have been delivered in the ordinary course of the post. To achieve reasonable certainty for third parties, this action by the Commissioner must be taken within 3 months from the deemed delivery of the letter.

Owing to the decision of the Administrative Appeals Tribunal and the Deputy-Commissioner of Patents that section 160 was not available to extend certain times in respect of sections 54 and 141, this effectively meant that extensions permitted prior to these decisions were invalid. Clause 21 provides for the validation of patents, priority dates and other proceedings in respect of patent applications where there is a question of invalidity due to a purported extension of time subsequently held to be invalid. This clause will ensure that with the retrospective validation of post extensions, patentees and applicants will not suffer arbitrary loss of rights.

Clause 22 provides for compensation for persons who suffer loss of property rights by virtue of the operation of the Bill. This is intended to protect a third party who is deprived of property by virtue of the validation provision in clause 21. This provision is inserted on the advice of the Attorney-General’s Department. There are no legal barriers to the sale by a patentee of an invalidly granted patent to a person e.g., for business purposes; yet, as
this Bill now retrospectively validates patents previously granted invalidly, the legal effect is to regrant the patent, ab initio, to the patentee, as if he had never sold it; as a result, a person who previously acquired the patent from the patentee loses his rights to the patent. The Department advised that this loss of rights is a loss of property rights which constitutes an acquisition of property within the meaning of paragraph 51(xxxi) of the Constitution requiring compensation to be paid on just terms by the patentee to the person who purported to acquire the patent. Sub-clause 22(1) then gives effect to this by providing for compensation of such persons by the patentee whose patent is validated by the Bill.

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