

Patents (World Trade Organization Amendments) Act 1994

No. 154 of 1994

An Act to amend the law with respect to patents to enable Australia to accept the Agreement
Establishing the World Trade Organization

[Assented to December 1994]

TABLE OF CONTENTS*

	<i>Sections</i>
Part 1: Preliminary	
Short title etc.	1
Commencement	2
[without title]	3
Part 2: Term of Standard Patent	
Term of standard patent	4
Repeal of Division	5
Further amendments.....	6
Application	7
Transitional	8
Part 3: Infringement	9
Application	10
Part 4: Compulsory Licences	
Compulsory licences.....	11
Transitional	12
Application	13
Part 5: Crown Use	
Exploitation of inventions by Crown	14
Remuneration and terms for exploitation.....	15 – 16
Application	17
Schedule: Further Amendments of the Patents Act 1990	

The Parliament of Australia enacts:

Part 1—Preliminary

Short title etc.

1.—

(1) This Act may be cited as the *Patents (World Trade Organization Amendments) Act 1994*.

(2) In this Act, “**Principal Act**”, means the Patents Act 1990¹.

Commencement

2.—

Sections 4, 5, 6, 7 and 12 commence on 1 July 1995.

* Added by WIPO.

¹ No. 83, 1990, as amended. For previous amendments, see No. 66, 1991; and Nos. 58 and 108, 1994.

Note: Under section 5 of the *Acts Interpretation Act 1901* the other provisions of this Act commence 28 days after the day on which this Act receives the Royal Assent.

3.—

(1) In this Act:

“**transitional standard patent**” means a standard patent:

- (a) granted (for a term of 16 years) before 1 July 1995; and
- (b) whose term at the time of the grant was due to end on or after 1 July 1995.

(2) A word or expression that is used in this Act and is defined in the Principal Act has, in this Act, the same meaning as in the Principal Act.

Part 2—Term of Standard Patent

Term of standard patent

4.—

Section 67 of the Principal Act is amended by omitting “16” and substituting “20”.

Repeal of Division

5.—

- (1) The heading to Division 1 of Part 3 of Chapter 6 of the Principal Act is omitted.
- (2) Division 2 of Part 3 of Chapter 6 of the Principal Act is repealed.

Further amendments

6.—

The Principal Act is further amended as set out in the Schedule.

Application

7.—

(1) The amendments made by this Part apply:

- (a) to all standard patents that are granted on or after 1 July 1995; and
- (b) to all transitional standard patents.

Note: The Principal Act as in force immediately before 1 July 1995 continues to apply to a standard patent (other than a transitional standard patent) whose term:

- (a) was, immediately before 1 July 1995, capable of being extended under Division 2 of Part 3 of Chapter 6 of that Act; or
- (b) had, before 1 July 1995, been extended for a period of 4 years ending after that date.

(2) If, before this section commenced, the Commissioner had granted an extension of the term of a transitional standard patent under Division 2 (the “**repealed Division**”) of Part 3 of Chapter 6 of the Principal Act as then in force, the Principal Act as amended by this Part has effect in relation to the patent as if:

- (a) no action had been taken in respect of the patent under the repealed Division; and
- (b) the extension had not been granted.

Transitional

8.–

(1) On the commencement of this section:

- (a) any application (under section 70 of the Principal Act) for the extension of the term of a transitional standard patent that had not yet been determined by the Commissioner under section 75 of the Principal Act is taken to have been withdrawn; and
- (b) no action is to be taken under the Principal Act in respect of the application.

(2) On the commencement of this section:

- (a) any appeal under paragraph 78(a) or (b) of the Principal Act:
 - (i) relating to a transitional standard patent; and
 - (ii) that had not yet been determined by the Federal Court;is taken to have been withdrawn; and
- (b) no action is to be taken in respect of such an appeal except the making of any order about costs that the Federal Court may think proper in the circumstances of the case.

(3) After the commencement of this section:

- (a) an application may not be made under section 70 of the Principal Act for the extension of the term of a transitional standard patent; and
- (b) an appeal may not be made to the Federal Court under paragraph 78(a) or (b) of the Principal Act in relation to an application for the extension of the term of a transitional standard patent.

Part 3—Infringement

9.–

After section 121 of the Principal Act the following section is inserted:

Burden of proof—INFRINGEMENT OF PATENT FOR A PROCESS

“121A.

(1) This section applies only to a patent for a process for obtaining a product.

“(2) If, in proceedings for infringement of a patent started by the patentee or the exclusive licensee:

- (a) the defendant alleges that he or she has used a process different from the patented process to obtain a product (**‘defendant’s product’**) identical to the product obtained by the patented process; and
- (b) the court is satisfied that:
 - (i) it is very likely that the defendant’s product was made by the patented process; and
 - (ii) the patentee or exclusive licensee has taken reasonable steps to find out the process actually used by the defendant but has not been able to do so;

then, in the absence of proof to the contrary the onus for which is on the defendant, the defendant’s product is to be taken to have been obtained by the patented process.

“(3) In deciding how the defendant is to adduce evidence for the purposes of subsection (2), the court is to take into account the defendant’s legitimate interests in having business and manufacturing secrets protected.”.

Application

10.–

The amendments made by this Part do not apply to an action for infringement of a patent that was pending before the court immediately before the commencement of this Part.

Part 4—Compulsory Licences

Compulsory licences

11.—

Section 133 of the Principal Act is amended:

- (a) by inserting in subsection (2) “, subject to this section,” after “may”;
- (b) by inserting after subsection (3) the following subsections:

“(3A) Before making the order, the court must be satisfied that the applicant has tried for a reasonable period, but without success, to obtain from the patentee in respect of the patented invention an authorisation to work the invention on reasonable terms and conditions.

“(3B) If the patented invention cannot be worked by the applicant without his or her infringing another patent:

- (a) the court is to make the order only if the court is further satisfied that the patented invention involves an important technical advance of considerable economic significance on the invention (**‘other invention’**) to which the other patent relates; and
 - (b) the court must further order that the patentee of the other invention:
 - (i) must grant to the applicant a licence to work the other invention insofar as is necessary to work the patented invention; and
 - (ii) is to be granted, if he or she so requires, a cross-licence on reasonable terms to work the patented invention; and
 - (c) the court must direct that the licence granted by the patentee of the other invention may be assigned by the applicant:
 - (i) only if he or she assigns the licence granted in respect of the patented invention; and
 - (ii) only to the assignee of that licence.”;
- (c) by adding at the end the following subsections:
- “(5) The patentee is to be paid in respect of a licence granted to the applicant under an order:
- (a) such amount as is agreed between the patentee and the applicant; or
 - (b) if paragraph (a) does not apply—such amount as is determined by a prescribed court to be just and reasonable having regard to the economic value of the licence.
- “(6) The patentee or a prescribed court may revoke the licence if:
- (a) the patentee and the licensee are agreed, or the court on application made by either party finds, that the circumstances that justified the grant of the licence have ceased to exist and are unlikely to recur; and
 - (b) the legitimate interests of the licensee are not likely to be adversely affected by the revocation.”.

Transitional

12.—

(1) This section applies to an invention (**“patented invention”**) that:

- (a) is the subject of a transitional standard patent; and

- (b) is not a pharmaceutical substance in respect of which the term of the patent could have been extended under Division 2 of Part 3 of Chapter 6 of the Principal Act (as in force immediately before this section commenced) if that Division had not been repealed.

(2) If, before 1 October 1994, a person had made a significant investment in respect of the exploitation of a patented invention, the person may apply to a prescribed court for an order requiring the patentee to grant to the applicant a licence to exploit the patented invention.

(3) After hearing an application under subsection (2), the court may, subject to this section, make the order if satisfied that:

- (a) the person made the investment in good faith; and
- (b) no action done by the person in preparation for the exploitation of the invention has infringed the patent.

(4) If:

- (a) a person holds or held a licence (“old licence”) to work a patented invention; and
- (b) the licence expires or expired at the end of the 16th year of the term of the patent;

a prescribed court may, on the application of the person and subject to this section, make an order requiring the patentee to grant to the person a new licence to exploit the patented invention for so long as the patent remains in force.

(5) In making an order under subsection (4), the court must have regard to the terms and conditions (if any) subject to which the old licence was granted to the person.

(6) Before making an order under this section, the court must be satisfied that the applicant has tried for a reasonable period, but without success, to obtain from the patentee an authorisation to exploit the patented invention on reasonable terms and conditions.

(7) An order must direct that the licence:

- (a) is not to give the licensee, or a person authorised by the licensee, the exclusive right to exploit the patented invention; and
- (b) is to be assignable only in connection with an enterprise or goodwill in connection with which the licence is used;

and may direct that the licence is to be granted on any other terms specified in the order.

(8) An order operates, without prejudice to any other method of enforcement, as if it were embodied in a deed granting a licence and executed by the patentee and all other necessary parties.

(9) The patentee is to be paid in respect of a licence granted to the applicant under an order:

- (a) such amount as is agreed between the patentee and the applicant; or
- (b) if paragraph (a) does not apply—such amount as is determined by a prescribed court to be just and reasonable having regard to the economic value of the licence.

(10) The patentee, and any person claiming an interest in the patent as exclusive licensee or otherwise, are parties to any proceedings under this section.

(11) In any proceedings under this section:

- (a) the applicant must serve a copy of the application on the Commissioner; and
- (b) the Commissioner may appear and be heard.

(12) An office copy of an order made under this section must be served on the Commissioner by the Registrar or other appropriate officer of the court that made the order.

(13) Section 134 of the Principal Act does not apply in the case of a compulsory licence granted under an order made under this section.

Application

13.—

The amendments made by this Part do not apply to:

- (a) an application under section 133 of the Principal Act; or

(b) an order under section 133 or 134 of that Act; made before this Part commences.

Part 5—Crown Use

Exploitation of inventions by Crown

14.—

Section 163 of the Principal Act is amended by adding at the end the following subsection:

“(3) Subject to section 168, an invention is taken for the purposes of this Part to be exploited for services of the Commonwealth or of a State if the exploitation of the invention is necessary for the proper provision of those services within Australia.”.

Remuneration and terms for exploitation

15.—

Section 165 of the Principal Act is amended:

- (a) by omitting subsection (1);
- (b) by omitting from subsection (2) “Subject to subsection (1), the” and substituting “The”;
- (c) by inserting in subsection (2) “(including terms concerning the remuneration payable to the nominated person or the patentee)” after “invention”.

16.—

After section 165 of the Principal Act the following section is inserted:

Exploitation of invention to cease under court order

“165A.

(1) A prescribed court may, on the application of the nominated person or the patentee, declare that the exploitation of the invention by the Commonwealth or the State is not, or is no longer, necessary for the proper provision of services of the Commonwealth or of the State if the court is satisfied that, in all the circumstances of the case, it is fair and reasonable to make the declaration.

“(2)The court may further order that the Commonwealth or the State is to cease to exploit the invention:

- (a) on and from the day specified in the order; and
- (b) subject to any conditions specified in the order.

In making the order, the court is to ensure that the legitimate interests of the Commonwealth or of the State are not adversely affected by the order.”.

Application

17.—

The amendments made by this Part do not apply to an invention that was being exploited by a relevant authority under section 163 immediately before the commencement of this Part.

SCHEDULE

(Section 6)

FURTHER AMENDMENTS OF THE PATENTS ACT 1990

1. Section 3:

Omit “marketing approval” and “marketing approval certificate”.

2. Subsections 83(2) and (3):

Omit.

3. Section 84:

Repeal.

4. Subsection 223(5):

Omit.

5. Section 232:

Repeal.

6. Schedule 1 (definitions of “marketing approval” and “marketing approval certificate”):

Omit.

*[Minister’s second reading speech made in—
House of Representatives on 18 October 1994
State on 7 November 1994]*