



20 September 2010

The Hon Senator Kim Carr
Federal Minister for Innovation, Industry, Science and Research
4 Treasury Place
East Melbourne
MELBOURNE 3022

Dear Ministers

IP AUSTRALIA – Closure of State Sub-offices

The Law Society of Western Australia has noted the September 2009 closure of the dedicated Western Australian sub-office of IP Australia. To comply with its statutory obligations, IP Australia has engaged Australia Post to deliver its State based document lodgement services in the place of the dedicated office. Regrettably, the limited services provided by Australia Post do not meet the needs of practitioners of Intellectual Property in Western Australia.

For the reasons set out below, practitioners in Western Australia are significantly disadvantaged by the decision of IP Australia to close the Western Australian sub-office and to relocate most of its services (save those limited services available at the GPO) to the IP Australia office in Canberra. The Society requests that action be taken to reduce this disadvantage.

In Summary

- IP Australia has closed down its dedicated State offices and moved responsibility for receipt of local correspondence to the state GPO;
- Electronic correspondence with IP Australia is available, but due to section 14(5) of the *Electronic Transactions Act 1999* (Cth) such correspondence is treated as being filed at the time it was received in Canberra;
- The difference between an intellectual property right being granted or refused hinges on compliance with strict deadlines. With different time zones applying across Australia, this means that compliance according to the time in one State may actually be an action out of time when electronically filed with the Canberra head office;
- Closure of the State Offices has also given rise to less access by local industry to knowledgeable IP Australia staff members;
- In the case of Western Australia, due to public holidays being celebrated at different times of the year, local industry effectively "loses" those public holidays where action needs to be taken in respect of their intellectual property matters, yet in order to serve local industry properly, must also operate on days when Canberra otherwise celebrates a differing public holiday;

Level 4, 89 St Georges Terrace Perth WA 6000, Dx 173 Perth

Telephone: (08) 9322 7877 Facsimile: (08) 9322 7899

Email: info@lawsocietywa.asn.au Website: www.lawsocietywa.asn.au

- GPO procedures for handling intellectual property matters are inadequate for properly assisting local industry in a timely and efficient manner; and
- The culmination of these actions places practitioners of Intellectual Property law in Western Australian at a severe disability compared to practitioners in other States. Arguably this may raise issues under section 117 of the Constitution.

IP Australia

By way of background, IP Australia is the Commonwealth department that administers and polices registrable intellectual property rights. Registrable intellectual property rights include patents, trade marks, designs and plant breeder's rights.

The customers of IP Australia can be broken down into business customers and practitioners of Intellectual Property law. Business customers cover the range from sole inventors to through to multi-nationals. Practitioners are either lawyers or patent attorneys, or both.

In the past, interaction between local industry and IP Australia has been primarily either by way of facsimile correspondence or through the Western Australian sub-office. When communicating by facsimile, local industry typically used the main fax line at the Canberra head office. However, such correspondence could also be sent to the facsimile machine located at the Western Australian sub-office, rather than at a later time when processed by head office staff.

Filing correspondence through the Western Australian sub-office allowed local industry to obtain an immediate filing receipt confirming which document(s) had been filed. The knowledgeable staff members at the Western Australian sub-office often could also identify problems with any correspondence at the time of filing.

It should be noted that the staff of the sub-office, and the sub-office itself, further operated as an information source to local industry on intellectual property matters generally.

The Current Situation

The closure of the Western Australian sub-office has shut out a primary communication channel with IP Australia. In its place, IP Australia has entered into an arrangement with Australia Post for the Perth GPO to accept documents destined for IP Australia, issue a receipt for these documents and courier the documents to the Canberra head office for processing.

At the same time, the local fax number for the State sub-office was diverted to the Canberra fax number and in accordance with section 14(5) of the *Electronic Transactions Act 1999* (Cth) any facsimile correspondence with IP Australia that is sent via this fax number is dated in accordance with the time that it is received in Canberra.

We should also point out that section 205(2) of the *Patents Act 1990* (Cth), requires that there be a dedicated sub-office of IP Australia in each capital city of Australia. This problem has been dealt with by designating the GPO offices of each state as IP Australia's sub-office for the purposes of this section.

Adverse Impact of Decision on Local Industry

In order to understand the reasons for our concerns, it is to be noted that the regimes governing registrable intellectual property rights are date driven.

In some cases, if a deadline for doing some action or providing certain documentation is not met, the intellectual property right concerned may irrevocably lapse or be refused. This has three potential consequences for local industry:

- Where it is possible to restore an intellectual property right that has lapsed, the local industry bears the costs associated with seeking the restoration;
- Competitors may enter the marketplace, or increase their market share, by taking advantage of the lapsed intellectual property right; and
- As a flow-on effect, the former right holder may no longer be able to obtain intellectual property protection in other countries or jurisdictions.

Where competitors have entered the marketplace, or increased their market share, the financial impact on the former right holder, in terms of either actual or potential lost sales, can be catastrophic. This is particularly so in the information technology and pharmaceutical industries where the most valuable assets of the businesses concerned are their intellectual property rights.

In the case of the lost opportunity to secure intellectual property protection for a product or service in another jurisdiction, this may also result in the former right holder no longer pursuing overseas expansion opportunities that were otherwise planned for.

In addition to the above concerns, where the lost intellectual property right is a patent right that has been published, the technical advances disclosed in the patent are freely available to anyone who so wishes to obtain a copy of the patent specification. The competitive edge of local industry is thus dulled.

The Issues Resulting From IP Australia's Decision to Close the State Sub-Offices

The decision to close the Western Australian sub-office has created a number of issues which impact negatively, and in a way that is more significant than in other states, on Western Australian industry. These issues can be distilled down to:

- Non-conformity of "days"; and
- Access issues;

An associated issue resulting from an earlier decision of IP Australia is that of non-conformity of public holidays.

Non-Conformity of "Days"

The date afforded to a piece of correspondence can mean the difference between a right being granted or refused.

Section 14(5) of the *Electronic Transactions Act 1999* (Cth) ("**ETA**") deems electronic correspondence to be received at the time and date of the place of receipt and not at the place of sending. This effectively means that all States not operating in the same time zone as the ACT are penalised in what constitutes a "day".

Assuming normal working hours of 8am to 6pm for an IP practitioner regardless of their place of practice, if instructions of a complex nature are received overnight that require

documents to be filed on the date that the instructions are received, the effective working time for Western Australian practitioners is significantly less than for practitioners in other states. The following table shows the time available to each practitioner to attend to those instructions (that is the time between 8am in the location where the work is to be completed and 12 midnight in Canberra):

Location of Practitioner	Canberra Time	Canberra Time (Daylight Saving)
ACT	16 hours	16 hours
NSW	16 hours	16 hours
NT	15.5 hours	14.5 hours
QLD	16 hours	15 hours
Vic	16 hours	16 hours
SA	15.5 hours	15.5 hours
Tas	16 hours	16 hours
WA	14 hours	13 hours

Even in the best case situation this means that for WA-based practitioners and industry have less effective time to respond to matters than any other Australian practitioner, regardless of the daylight saving position.

The above points have been raised with IP Australia. To date, the response received has been unsympathetic with IP Australia holding to the position that all States have twenty four (24) hours to deal with matters. While this is technically correct, as indicated above, for WA-based IP practitioners to be placed in the same position as their main Eastern States counterparts they would need to commence work at 6am normally and 5am during the daylight saving period.

When combined with the fact that contact must also be maintained with local clients during their normal business hours, this means that WA based practitioners face a minimum working day of twelve (12) hours just to maintain a parity situation with their main Eastern States counterparts with regards to IP Australia timeframes.

Access Issues

The issue of access to IP Australia staff is of equal importance to local industry. Annexure 1 illustrates the problem based on the following assumptions:

- Local industry work business hours of 8:00am to 6:00pm each day; AND
- Both local industry and IP Australia staff take an hour lunch break at 1:00pm each day.

Working from these assumptions, Annexure 1 shows that during normal ACT time, local industry only have access to knowledgeable IP Australia staff for five (5) hours of a normal working day. During ACT daylight saving time, this is reduced to four (4) hours of a normal working day.

In making reference to IP Australia staff in the preceding paragraphs we are seeking to distinguish access to the full-range of IP Australia staff from access to the skeleton after-hours support staff who man the contact lines between 5:00pm and 7:00pm (AEST). While these people strive to assist wherever possible, experience of Western Australian practitioners has shown:

- Calls made to the contact line between these hours often are directed to voice mail. These calls are then often not returned for two days or more.
- Staff manning the contact lines between these hours are rarely able to answer anything more complex than entry level questions. For Western Australian professionals, this typically results in them being asked to call back again during office hours when they can speak to someone more knowledgeable in the area concerned.

Prior to closure of the Western Australian sub-offices, some of the more complex questions (particularly those relating to procedural issues) could be answered by the Western Australian sub-office staff. Alternatively, where such staff could not answer the question, they were often able to e-mail a description of the problem to the appropriate person or department within IP Australia and request that they call the Western Australian practitioner raising the question.

Non-Conformity of Public Holidays

A further problem associated with the two matters that have already been discussed is that not all public holidays of Western Australia coincide with the public holidays of the ACT. With intellectual property rights in Australia being governed by the time in Canberra, the local industry must be available to work on public holidays in Western Australia, where Canberra does not have a public holiday, to handle urgent matters or matters otherwise due on that date. At the same time, due to pressures from local clients, Western Australian practitioners must also work on those days where the IP Australia Canberra office is closed but it is a normal working day in Western Australia.

While this practice has been accepted by Western Australian practitioners for some time, the above issues compound this problem.

Problems with the GPO as State Office

Local industry has identified a large number of problems with the use of the GPO as the State office for IP Australia correspondence. These problems include:

- Incorrect filing dates being assigned to applications due to delays or mishandling of applications by GPO staff;
- The requirement to line up with other public members seeking access to general postal services in order to obtain the lodgement schedule document required to be submitted along with the IP Australia correspondence and then to line up for a second time to submit the completed lodgement schedule and associated correspondence. In peak times, the cost in terms of lost staff time can be crucial – particularly for sole practitioners/traders;
- The GPO based procedure does not allow for accurate tracking of correspondence filed in that the filing receipt issued by Australia Post only mentions the bundle number. As lodgement schedules must be obtained at the GPO, it is also difficult for a copy of the lodgement schedule to be taken for file records prior to submission;
- The misunderstanding of GPO staff as to which correspondence requires payment and which does not; and
- The lodgement schedule document requires the lodging party to indicate whether the correspondence requires payment. However, this indication is only intended for payments being processed through Australia Post's systems. If payment is being made by other means (such as cheque), this section should not be completed, but no guidance is provided by the schedule in this respect.

It is for these reasons that since closure of the Western Australian sub-offices the only practical means of communication with IP Australia for local industry has been by way of electronic communication (mainly facsimile).

Practical strategies to minimise disadvantage

Filing of Papers

As a temporary way to minimise disadvantage that is being experienced by the Western Australian Intellectual Property practitioners we request that a locally based fax machine be made available for practitioners to correspond with IP Australia. The fax machine **must** be staffed by a local person who can bundle up any such correspondence received by way of this local fax machine and on-forward such correspondence to the Canberra head office. It is not sufficient for a local fax number to be provided which redirects to a fax machine in the Canberra head office as this would again attract the problem of section 14(5) of the *ETA* as already discussed above.

This arrangement need not see IP Australia employ staff in each State purely to man the local fax machine. We would envisage that an arrangement could be made with either State departments overseeing science, technology or industry or a Federal department with offices in each state (such as AusTrade) handling such functions on IP Australia's behalf. We would not advocate, however, for such functions to be handled by Australia Post.

Similarly, there could be a local e-mail address to which scanned papers could be sent. As long as the filing party received a receipt with a local timestamp, the e-mail could be automatically forwarded from that e-mail address to an e-mail address at IPAustralia in Canberra.

An alternative, and perhaps longer term way to handle the matters already identified would be to implement a date certification system such as the one currently operated by the United States Patent and Trademarks Office. Under this system IP professionals or authorised delegates of applicants, when filing correspondence, could provide a further document certifying when the accompanying correspondence was mailed/faxed. This practice has allowed the United States Patent and Trademark Office to handle correspondence across the multiple time zones that exist in the United States.

Access to Staff

It would be useful to have one or more e-mail addresses in Canberra to which practitioners could send queries and be certain that the query would be answered promptly by a person knowledgeable about the area covered by the query. There might be at least 3 such e-mail addresses, one for patent queries, one for trade mark queries and one for design queries.

If you have any questions regarding the contents of this letter, please do not hesitate to contact us.

We look forward to receiving your considered response.

Yours sincerely



**HYLTON QUAIL
PRESIDENT**

Annexure

<u>Normal Time</u>		<u>Daylight Saving Time</u>	
WA	ACT	WA	ACT
2200 – 2259 (-1)	0000 – 0059	2100 – 2159 (-1)	0000 – 0059
2300 – 2359 (-1)	0100 – 0159	2200 – 2259 (-1)	0100 – 0159
0000 – 0059	0200 – 0259	2300 – 2359 (-1)	0200 – 0259
0100 – 0159	0300 – 0359	0000 – 0059	0300 – 0359
0200 – 0259	0400 – 0459	0100 – 0159	0400 – 0459
0300 – 0359	0500 – 0559	0200 – 0259	0500 – 0559
0400 – 0459	0600 – 0659	0300 – 0359	0600 – 0659
0500 – 0559	0700 – 0759	0400 – 0459	0700 – 0759
0600 – 0659	0800 – 0859	0500 – 0559	0800 – 0859
0700 – 0759	0900 – 0959	0600 – 0659	0900 – 0959
0800 – 0859	1000 – 1059	0700 – 0759	1000 – 1059
0900 – 0959	1100 – 1159	0800 – 0859	1100 – 1159
1000 – 1059	1200 – 1259	0900 – 0959	1200 – 1259
1100 – 1159	1300 – 1359	1000 – 1059	1300 – 1359
1200 – 1259	1400 – 1459	1100 – 1159	1400 – 1459
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1600 – 1659	1800 – 1859	1500 – 1559	1800 – 1859
1700 – 1759	1900 – 1959	1600 – 1659	1900 – 1959
1800 – 1859	2000 – 2059	1700 – 1759	2000 – 2059
1900 – 1959	2100 – 2159	1800 – 1859	2100 – 2159
2000 – 2059	2200 – 2259	1900 – 1959	2200 – 2259
2100 – 2159	2300 – 2359	2000 – 2059	2300 – 2359
2200 – 2259	0000 – 0059 (+1)	2100 – 2159	0000 – 0059 (+1)
2300 – 2359	0100 – 0159 (+1)	2200 – 2259	0100 – 0159 (+1)
0000 – 0059 (+1)	0200 – 0059 (+1)	2300 – 2359	0200 – 0059 (+1)
		0000 – 0059 (+1)	0300 – 0359 (+1)

Key

	Time when WA IP professional open for business and IP Australia open for business.
	Time when WA IP professional open for business and IP Australia unavailable (eg. closed or at lunch) or vice-versa.
	Time when WA IP professional open for business and IP Australia on after-hours support line.
	Time when WA IP professional and IP Australia closed for business.