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**ADMINISTRATIVE  
REVIEW COUNCIL**

**REPORT TO THE ATTORNEY-GENERAL**

**Administrative Review of Patents Decisions**

**Report No. 43**

**October 1998**

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**ADMINISTRATIVE REVIEW COUNCIL**

**PROFESSOR MARCIA NEAVE  
PRESIDENT**

16 October 1998

The Hon Daryl Williams AM QC MP  
Attorney-General and Minister for Justice  
Parliament House  
CANBERRA ACT 2601

Dear Attorney-General

I have pleasure in submitting to you the Administrative Review Council's report,  
*Administrative Review of Patents Decisions (Report No 43)*.

Yours sincerely

Professor Marcia Neave

## **ADMINISTRATIVE REVIEW COUNCIL**

This report was adopted at a meeting of the Administrative Review Council held in Canberra on 4 September 1998. The members of the Council at the date of that meeting were:

Professor Marcia Neave (President)  
Justice Jane Mathews  
Alan Rose AO  
Ron McLeod AM  
Jill Anderson  
Bill Blick PSM  
Tony Blunn AO  
Christine Charles  
Professor Ian Lowe  
Wayne Martin QC  
Stephen Skehill  
Helen Williams AO

The Council acknowledges the contribution to this report of Philippa Lynch (Director of Research), Mark Gladman (Project Officer) and Angela Baker (Project Officer).

## **ADMINISTRATIVE REVIEW COUNCIL FUNCTIONS AND POWERS**

Section 51 of the *Administrative Appeals Tribunal Act 1975* sets out the functions and powers of the Council as follows:

- (1) The functions of the Council are:
  - (a) to ascertain, and keep under review, the classes of administrative decisions that are not the subject of review by a court, tribunal or other body;
  - (b) to make recommendations to the Minister as to whether any of those classes of decisions should be the subject of review by a court, tribunal or other body and, if so, as to the appropriate court, tribunal or other body to make that review;
  - (c) to inquire into the adequacy of the law and practice relating to the review by the courts of administrative decisions and to make recommendations to the Minister as to any improvements that might be made in that law or practice;
  - (d) to inquire into the adequacy of the procedures in use by tribunals or other bodies engaged in the review of administrative decisions and to make recommendations to the Minister as to any improvements that might be made in those procedures;
  - (e) to make recommendations to the Minister as to the manner in which tribunals engaged in the review of administrative decisions should be constituted;
  - (f) to make recommendations to the Minister as to the desirability of administrative decisions that are the subject of review by tribunals other than the Administrative Appeals Tribunal being made the subject of review by the Administrative Appeals Tribunal; and
  - (g) to make recommendations to the Minister as to ways and means of improving the procedures for the exercise of administrative discretions for the purpose of ensuring that those decisions are exercised in a just and equitable manner.
- (2) The Council may do all things necessary or convenient to be done for or in connection with the performance of its functions.

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## CHAPTER 1

### INTRODUCTION

#### THE ADMINISTRATIVE REVIEW COUNCIL

1.1 The Administrative Review Council (the Council) is an independent statutory body that provides advice to the Attorney-General on administrative law matters. It was established under the *Administrative Appeals Tribunal Act 1975* (the AAT Act) as an integral part of the Commonwealth system of administrative law. Section 51 of that Act sets out the Council's functions and powers.<sup>1</sup>

#### THE PROJECT

1.2 The *Patents Act 1990* and the Patents Regulations provide for the review of many of the decisions of the Commissioner of Patents (the Commissioner). Most of the reviewable decisions relate to the process of obtaining a patent, although some relating to the registration and discipline of patent attorneys are also reviewable.

1.3 Some of the reviewable decisions are subject to review by the Administrative Appeals Tribunal (the AAT):<sup>2</sup> these are listed in Appendix A. An appeal can be brought against a decision of the AAT to the Federal Court on a question of law (AAT Act, section 44). The decisions of the Commissioner that are listed in Appendix B are directly reviewable by the Federal Court under the Patents Act.

1.4 Some decisions of the Commissioner are not subject to review by the AAT or the Federal Court. These decisions, most of which are made under the Regulations, are listed in Appendix C.

1.5 This Report is concerned with the suitability of the existing system for reviewing patent decisions, whereby jurisdiction is distributed between the AAT and the Federal Court. The Report also examines whether the range of decisions that are subject to review is appropriate.

#### BACKGROUND TO THE REPORT

1.6 In 1994 the Council released an Issues Paper, *Administrative Review and Patents Decisions*. The Paper was prepared with the purposes of:

- identifying decisions that may be taken under the *Patents Act 1990* and the Patents Regulations that are subject to review by the AAT or the Federal Court of Australia;
- examining whether the review procedures adopted are the most suitable;

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<sup>1</sup> Section 51 is reproduced at page v.

<sup>2</sup> Section 224 of the *Patents Act 1990* and regulation 22.26 of the Patents Regulations prescribe the decisions of the Commissioner of Patents that are reviewable by the AAT.

- identifying decisions that are not subject to review; and
- considering whether decisions presently not subject to review should be reviewable and, if so, by what body.

1.7 The Council invited submissions on the matters raised in the Issues Paper. The persons and organisations who made submissions are listed in Appendix E. All of those persons and organisations agreed to have their submissions made available to members of the public, and they are available on request from the Council. In addition, members of the Council held informal discussions with the Federal Court to receive its views on the matters raised in the Issues Paper.

#### **DELAY IN PUBLICATION OF THE REPORT**

1.8 In consultations following the release of the Issues Paper, concerns were raised regarding the limitation imposed on the Federal Court by section 44 of the AAT Act. Under section 44 of the AAT Act, the Federal Court's jurisdiction to review AAT decisions is restricted to questions of law. If the AAT is found to have made an error of law, the limitation imposed on the Federal Court by section 44 of the AAT Act requires the Federal Court to remit the matter to the AAT for redetermination and possible further appeal.

1.9 The limitation imposed on the Federal Court by section 44 of AAT Act was not only an issue for the review of patent decisions but was also the subject of criticism in regard to the review of taxation decisions. In light of the concerns that had been expressed in both the patent and taxation areas, the Council decided to undertake a separate review of the scope of appeals from the AAT to the Federal Court under section 44 of the AAT Act. The Council further decided that the review of section 44 of the AAT Act should be completed before the review of patent decisions. The Council therefore postponed work on the patents project pending the completion of the report on section 44 of the AAT Act.

1.10 The Council's report on appeals under section 44 of the AAT Act, *Appeals from the Administrative Appeals Tribunal to the Federal Court* (Report No. 41) was released in 1997.<sup>3</sup> In its Report, the Council examined whether the Federal Court should be able to review findings of fact made by the AAT or make supplementary findings of fact where the Tribunal has made no findings on a relevant issue.

1.11 The Council recommended that the power of the Federal Court be expanded to include making findings of fact, not inconsistent with the findings made by the AAT, where there has been an error of law by the AAT and where such a power would enable the more efficient resolution of proceedings. The Report's recommendation is set out in full at Appendix F.

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<sup>3</sup> Administrative Review Council, *Appeals from the Administrative Appeals Tribunal to the Federal Court* Report No. 41, 1997.

## CHAPTER 2

# SHOULD THE CURRENT SYSTEM OF REVIEW BE MAINTAINED?

### REVIEW OF PATENT DECISIONS

2.1 Decisions of the Commissioner of Patents (the Commissioner) are subject to various types of review, including:

- merits review by the AAT – the AAT’s decision may be appealed on a question of law to the Federal Court under section 44 of the AAT Act;
- review by direct appeal to the Federal Court under specific sections of the Patents Act – such a review by the Federal Court involves a hearing *de novo*, ie the Court is not confined to the material which was before the Commissioner and is able to substitute its own decision for that of the Commissioner; and
- judicial review by the Federal Court under the *Administrative Decisions (Judicial Review) Act 1977* (the AD(JR) Act) - such a review is limited to the question of whether the Commissioner’s decision has a legal or procedural error. Unlike an appeal under the Patents Act, it is not a hearing *de novo*.<sup>4</sup>

### Merits review by the AAT

2.2 The Patents Act provides for some decisions of the Commissioner to be reviewable by the AAT. The AAT conducts merits review of these decisions. That is, the facts, law and policy aspects of the original decision are all reconsidered afresh and a new decision - affirming, varying, or setting aside the original decision - is made. In reviewing a decision of the Commissioner, the role of the AAT is to make the correct or preferable decision in relation to the matter that it is considering and, in so doing, the AAT can exercise all of the powers of the original administrative decision maker (section 43 of the AAT Act and *Drake v Minister for Immigration and Ethnic Affairs* (1979) 2 ALD 60).

### Review under the Patents Act

2.3 Various decisions of the Commissioner are reviewable by the Federal Court,<sup>5</sup> including decisions about acceptance or refusal to accept application for a standard patent (section 49), extension of the term of a petty patent (section 69) and allowing or refusing to allow amendment of patent documents (section 104).

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<sup>4</sup> Judicial review is also available by the Federal Court under section 39B of the *Judiciary Act 1903* and by the High Court under s.75(v) of the Constitution.

<sup>5</sup> These decisions are listed in Appendix B.

2.4 The powers of Federal Court in reviewing these nominated decisions are set out in section 160 of the Patents Act. They include the power to do any one or more of the following:

- admit further evidence orally or on affidavit;
- permit the examination and cross-examination of witnesses, including witnesses who gave evidence before the Commissioner;
- order an issue of fact to be tried as it directs;
- affirm, reverse or vary the Commissioner's decision or direction;
- give any judgement, or make any order that it thinks fit; and
- order a party to pay costs to another party.

2.5 Section 160 of the Patents Act enables the Federal Court to conduct a *de novo* hearing of the matter (ie the Court makes a fresh decision and is not confined to the material that was before the Commissioner). This fact was acknowledged by Kitto J in *Kaiser Aluminium & Chemical Corporation v Reynolds Metal Co* (1969) 120 CLR 136 at 142-3: "[t]he appeal is, of course, only an appeal in name. In truth it is an original proceeding..."<sup>6</sup> More recently, the Federal Court commented (in the context of discussing section 160 of the Patents Act):

in the particular context of patent litigation there is all the more reason to think that the legislature intended the appellate court to have wide powers, and that at the very least the power to do everything that the Commissioner could have done in making the decision under appeal. Patents are often complex documents and can deal with technology at the very edge of human understanding. An appeal...can involve evidence quite different to that which was before the Commissioner. New arguments may be advanced and new insights obtained.<sup>7</sup>

### Review under the AD(JR) Act

2.6 Decisions of the Commissioner may also be reviewed under the AD(JR) Act. Paragraph 10(1)(a) of the Act states that the rights conferred on a person by sections 5, 6 and 7 are:

in addition to, and not in derogation of, any other rights that the person has to seek a review, whether by the Court, by another court, or by another tribunal, authority or person....

2.7 Section 16 of the AD(JR) Act sets out the powers of the Court in respect of applications for order of review. These powers include the power to make orders:

- quashing or setting aside the decision;

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<sup>6</sup> See also *Acushnet Co v Spalding Australia Pty Ltd* (no 2) [1990] AIPC 90-720, which held that the Federal Court is not bound by findings of fact or conclusions of law made by the Patent Office at any stage of the application.

<sup>7</sup> *Genetics Institute Inc v Kirin-Amgen Inc* (1996) 138 ALR 731 at 733.

- referring the matter to which the decision relates to the person who made the decision for further consideration;
- declaring the rights of the parties in respect of any matter to which the decision relates; and
- declaring the rights of the parties in respect of any matter to which the conduct relates.

2.8 The scope of review under the AD(JR) Act is limited to examining the legality of an administrative decision. That is, while the Court is given wide discretion as to the appropriate form of relief, the Court is not empowered to substitute its decision for that of the decision-maker: see *Hamblin v Duffy* (1981) 50 FLR 308 at 310; *Perkins v Cuthill* (1981) 52 FLR 236; *Turner v Minister for Immigration and Ethnic Affairs* (1981) 4 ALD 237.<sup>8</sup> This contrasts with the power given to the Court under section 160 of the Patents Act.<sup>9</sup>

## THE EXISTING DIVISION

2.9 As the Council noted in its Issues Paper, it is not immediately apparent what criteria have been adopted in determining that some decisions should be reviewable by the Court while others should be dealt with by the AAT. Although a number of possible reasons may be suggested to explain the existing division in the patents legislation between those decisions that are reviewable by the AAT and those which are reviewable by the Federal Court,<sup>10</sup> it is not possible to identify the rationale for the existing system with any degree of certainty.

## RESPONSE TO THE ISSUES PAPER

2.10 The Council's Issues Paper invited submissions to address how decisions of the Commissioner should be reviewed. A majority of submissions supported extending the AAT's jurisdiction to review decisions of the Commissioner on the merits, subject to a right of appeal to the Federal Court on matters of law.<sup>11</sup> However, four submissions considered that the existing system of review should be retained, while one submission supported transferring the review of all decisions of the Commissioner, other than decisions relating to patent attorneys, to the Federal Court.

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<sup>8</sup> But note that the proposition that section 16 does not extend to the making of specific orders, as opposed to the making of a declaration and remitting a matter to the decision-maker to deal with in accordance with the law so declared, has been rejected: *Brown v Tahmindjis* (1985) 7 FCR 277.

<sup>9</sup> Section 160 is discussed above at paragraphs 2.4 and 2.5 .

<sup>10</sup> See paragraphs 24-36 of the Issues Paper.

<sup>11</sup> Transfer of jurisdiction to the AAT was supported by the Commonwealth Attorney-General's Department, the Australian Law Reform Commission, the International Federation of Industrial Property Attorneys, Watermark Patent and Trademark Attorneys, the Law Society of New South Wales, the Law Society of South Australia and Anne Fitzgerald, Rick Snell and Matthew Stilwell from the Law School of the University of Tasmania.

### **Support for existing system of review**

2.11 The existing system of review of decisions of the Commissioner received support from the Law Council of Australia, IP Australia<sup>12</sup>, judges of the Federal Court with whom the Council held informal discussions regarding the Issues Paper, and a number of senior barristers who practise in patent law.

2.12 The Law Council of Australia and IP Australia indicated that there were not sufficient problems with the existing system to justify a change. In their view, an extension of the AAT's jurisdiction to review decisions of the Commissioner would not necessarily result in an improvement to patent decision making.

2.13 The Federal Court judges who were consulted on the Issues Paper supported the existing system of review whereby the Federal Court conducts *de novo* review of certain types of patent decisions.

2.14 A submission from a number of senior barristers<sup>13</sup> who practise in the area of intellectual property and patent law agreed that it is not immediately apparent what criteria have been adopted in determining that certain decisions should be reviewable by the Court while others should be reviewable by the AAT. However, this submission suggested that the decisions which have been allocated to the Court are those which relate either to the grant of a patent or to matters closely allied to the grant (such as amendments, revocations and, in the case of petty patents, extensions of term). This submission argued that the present allocation of decisions to the Court should not be disturbed as the Court is the most qualified to decide such matters.

### **Extending the AAT's jurisdiction**

2.15 The case for extending the AAT's jurisdiction to review decisions of the Commissioner is based on three main arguments. These arguments are that the AAT is more flexible, less expensive and has a greater capacity to deal with the technical issues that arise in reviewing patent decisions than the Federal Court.

#### *Flexibility of proceedings*

2.16 The AAT has considerable flexibility as to the process of review. Subsection 33(1) of the AAT Act gives the Tribunal, subject to the Act and regulations, discretion to control its own proceedings. In addition, subsection 33(1) of the AAT Act provides that proceedings before the AAT shall be conducted with as little formality and technicality as possible and that the AAT is not bound by the rules of evidence.

2.17 A number of submissions to the Issues Paper argued that this procedural flexibility of the AAT makes it the better body for reviewing patent decisions. The informality of AAT proceedings, the AAT's ability to inform itself in any manner it thinks appropriate without being bound by the rules of evidence<sup>14</sup> and the capacity for people other than legal practitioners (such as patent attorneys) to

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<sup>12</sup> IP Australia was then known as the Australian Industrial Property Organisation or AIPO.

<sup>13</sup> Submission, RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.

<sup>14</sup> *Administrative Appeals Tribunal Act 1975*, section 33.

appear before the AAT<sup>15</sup> were identified as important factors in favour of extending the AAT's jurisdiction in patent matters.

2.18 Further, the Law Society of New South Wales noted that the preliminary conference procedure of the AAT enables early resolution of objections and differences of opinion.<sup>16</sup> This was also the Council's preliminary view in the Issues Paper. The Issues Paper also noted that the Court does not have the powers of the AAT in relation to resolution of disputes before hearings.<sup>17</sup>

2.19 Some submissions identified the need to reduce the delays encountered in the traditional adversarial process and considered that the AAT would provide a quicker form of review.<sup>18</sup> One of these submissions saw the specification of time limits within the AAT Act as an advantage of AAT review.<sup>19</sup> It considered that the specification of a 28 day period, within which a review application must be lodged with the AAT, reduces the likelihood of the delays associated with review by the Federal Court.<sup>20</sup>

### Costs

2.20 Extending the AAT's jurisdiction in patent matters may assist in minimising the cost of review by eliminating the need for legal representation. As legal representation is not required in the AAT, the patent attorney who put the case to the Commissioner would be able to represent the party appealing and would be fully conversant with the technical issues involved.<sup>21</sup> In addition, application costs are less in the AAT: unlike the Federal Court, the AAT has only one application fee.

### Expert panel

2.21 A number of submissions expressed the view that the AAT's capacity to appoint members with specialist expertise in areas of relevance to the patent matters gives it a significant advantage in reviewing patent decisions. In one submission it was said that technical expertise and understanding is required in order to review patent decisions and that the need to "educate the judges" on the technical aspects in each case is a major factor currently determining the length of

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<sup>15</sup> *Administrative Appeals Tribunal Act 1975*, section 32.

<sup>16</sup> See Appendix G for the statistics, provided by the AAT, on the percentage of matters which are settled.

<sup>17</sup> In informal discussions with the Federal Court, the Court agreed that it does not have preliminary conferences or other aspects of procedural flexibility that the Tribunal does, even though it now has the power to order parties to mediation (see section 53A of the Federal Court of Australia Act). However, the Court also noted that patent matters are generally not matters that are suitable for mediation in any case, as the parties are specifically seeking a decision on facts or law.

<sup>18</sup> Submission, the International Federation of Industrial Property Attorneys, the Institute of Patent Attorneys of Australia, and Ann Fitzgerald, Rick Snell and Matthew Stilwell.

<sup>19</sup> Submission, Anne Fitzgerald, Rick Snell and Matthew Stilwell from the Law School of the University of Tasmania.

<sup>20</sup> Section 29 of the *Administrative Appeals Tribunal Act 1975* prescribes the time limits for applying to the Tribunal for review of a decision.

<sup>21</sup> Patent Attorneys may not have legal qualifications.

hearings.<sup>22</sup> The Institute of Patent Attorneys of Australia also observed that “in most matters which require a decision of the Commissioner, the Commissioner delegates his decision-making power to a senior official of the Patents Office who is generally selected because of his technical expertise and understanding”. The Institute recommended that, where a decision of the Commissioner or his delegate is to be reviewed, the review should be undertaken by a body which also has technical expertise and understanding.

### **Retention or expansion of the Federal Court’s jurisdiction**

2.22 The strongest support for Federal Court review came from the Victorian Bar Council. In its submission to the Issues Paper the Victorian Bar Council recommended that the Federal Court should be given exclusive jurisdiction to review patent decisions. The Law Council of Australia and a number of senior barristers who practise in the area of patent law were also supportive of Federal Court review, however, they considered that the existing division of review between the AAT and the Federal Court should be maintained.

#### *Flexibility of proceedings*

2.23 The submissions that supported Federal Court review of patent decisions challenged the view that the AAT is the preferable body for reviewing patent decisions because its proceedings are more flexible.

2.24 The Law Council of Australia said that the informality of the AAT has caused problems for people appearing before it (for example by allowing evidence to be filed close to hearing dates). It also argued that the AAT is not better suited to review patent decisions on the basis of its preliminary procedures since the Federal Court also has pre-trial procedures.

2.25 The Victorian Bar Council argued that although “the AAT is not bound by the rules of evidence and in some respects has less formal procedures, ...neither of these matters has proved to be of much or any practical significance in patent matters”. The Victorian Bar Council also considered the AAT’s preliminary procedures to be of little practical benefit. It said patent matters are not generally matters which are suitable for mediation and that, in any case, amendments to section 53A of the *Federal Court of Australia Act 1976* give the Court the power to refer parties to mediation.

2.26 A submission from a group of senior barristers who practise in patent law similarly argued that, in practice, the AAT does not possess greater procedural flexibility than the Federal Court. This submission argued that:

- in practice, the hearings of the AAT are no less formal than those of the Federal Court;
- although patent appeals are dealt with by the same procedures that apply to any other proceeding before the Court, the Federal Court is able to adapt its procedures to take into account the particular nature of the proceedings;

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<sup>22</sup> Submission, Watermark Patent and Trademark Attorneys.

- it is doubtful that mediation has a great role to play in the review of patent decisions. However, to the extent that mediation is relevant, the Federal Court has the same ability to invoke mediation procedures as the AAT; and
- although a party before the AAT may be heard in person or by some other representative, it is doubtful that this form of representation is likely to be utilised, and be of any great benefit to a party, in patent matters.

2.27 The same submission also suggested that because of the procedures adopted by the Commissioner, AAT review is unnecessary.<sup>23</sup> It said that the decisions that are subject to review by the Court are invariably arrived at as a result of a hearing before the Commissioner. According to this submission, the hearings are before trained hearing officers who have expertise in the subject matter and who adjudicate on the matter after receiving evidence and hearing the submissions of the parties, the hearings are recorded and are attended with a degree of formality similar to AAT or Court proceedings and the parties to these hearings are able to be represented by specialist advisers. The submission said that these hearings are similar to proceedings before the AAT and are, in effect, a form of specialist review.

#### *Costs*

2.28 The cost of reviewing patent decisions in the Federal Court may be greater than the costs associated with AAT review. The procedures in the Federal Court are less conducive to applicants representing themselves. There are also more fees associated with Federal Court review. Whereas the AAT has only one application fee, the Federal Court has an application fee, a setting down fee and a hearing fee. On the other hand, unlike the AAT, the Federal Court has the power to make awards of costs against an unsuccessful party.

#### *Expert panel*

2.29 The Victorian Bar Council said that patents is a highly technical area of law and that most decisions, even procedural decisions, have an effect on substantive rights. It argued that the issues that arise nearly always involve questions of law or mixed questions of law and fact. It said that any decision of the AAT will not be final and conclusive but usually goes on appeal to the Federal Court. The Victorian Bar Council further argued that the issues that arise in patent matters do not really need any technical or special expertise, other than that possessed by superior court judges. The view of the Victorian Bar Council was that the Federal Court is better qualified to review patent decisions than the AAT and therefore that all patent decisions should be subject to appeal to the Federal Court.

2.30 The Law Council of Australia similarly considered that the Federal Court is better qualified to review patent decisions. However, it supported the current allocation of decisions. In its submission to the Issues Paper, the Law Council

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<sup>23</sup> Submission, RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.

expressed the view that the existing allocation of reviewable decisions between the AAT and the Federal Court is based on the nature of the decisions. It said that the review of decisions involving substantive provisions of the Patents Act has been allocated to the Federal Court whereas decisions involving a greater discretion on the part of the Commissioner and which do not involve substantive provisions of the Patents Act has been allocated to the AAT. In consultations following the release of the Issues Paper, the Law Council strongly argued that the Federal Court, because of its adherence to the rules of evidence and its expertise in law, is the best body for finding the 'truth' of the facts before it and applying the law according to those facts.

2.31 As noted above, a joint submission from a number of senior barristers practising in the area of patent law argued that the decisions which have been allocated to the Court are those which relate either to the grant of a patent or to matters closely allied to the grant of a patent. This submission argued that the Federal Court is the preferable body for reviewing these kinds of decisions. The submission said that the expertise required to review patent decisions is not expertise in a particular area of science or technology which may happen to be the subject of an alleged invention but that the expertise required is a knowledge of the principles of patent law and how the Patent Act requires those principles to be applied. The submission said that the AAT has no expertise in patent matters whereas the Federal Court over the years has developed considerable expertise in relation to intellectual property matters in general and patent cases in particular.<sup>24</sup>

## COMPARISON OF HEARINGS IN THE AAT AND THE FEDERAL COURT

### *Flexibility*

2.32 As noted at paragraphs 2.17-2.19 above, a number of submissions to the Issues Paper saw the procedural flexibility of the AAT as an important factor in favour of extending the AAT's jurisdiction in patent matters.<sup>25</sup> This view was challenged by other submissions.<sup>26</sup>

2.33 The Council accepts that there will be some matters which are not suitable for mediation and that the Federal Court is able to refer parties to mediation. However, mediation services are not the only benefit arising from the AAT's flexible procedures. The AAT Act permits people, apart from legal practitioners, to appear before it. Patent Attorneys, and also individual applicants, can therefore participate in the review of patent decisions in the AAT.<sup>27</sup> Moreover,

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<sup>24</sup> The Victorian Bar Council and the Law Council of Australia also noted that, at the time of their submissions, the AAT did not have any non-Presidential members with expertise in patent matters.

<sup>25</sup> In particular, see the submissions from the Law Society of New South Wales and of Anne Fitzgerald, Rick Snell and Matthew Stilwell from the Law School of the University of Tasmania.

<sup>26</sup> Submissions, Law Council of Australia, Victorian Bar Council, and joint submission of RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.

<sup>27</sup> The submission from RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC queried whether the capacity for a party before the AAT to be heard in person or by some other representative would be utilised in patent matters. However, in the submission from Watermark Patent and Trademark Attorneys it was said that the necessity to use two or three

the AAT is able to conduct its hearings with a minimum of formality and technicality and is able to inform itself in any manner that it thinks appropriate. The AAT's procedural flexibility makes it more accessible than the Federal Court for seeking review of administrative decisions. The Council considers that the AAT's accessibility is a strong argument for expanding the AAT's jurisdiction to review patent decisions.

*Cost comparison of AAT and Federal Court review*

2.34 The costs associated with Federal Court litigation was seen by some as a major disadvantage of Federal Court review of patent decisions. One submission said that "[t]here is a general fear of litigation and of the high costs involved in any Court action relating to patents because of the necessity to use two or three different professionals (ie. patent attorney, solicitor and barrister) in order to have a matter reviewed".<sup>28</sup> This submission recommended that all patent decisions be reviewable by the AAT as a means of reducing costs.

2.35 It is difficult to assess whether review of patent matters by the AAT will cost less than review by the Federal Court. The low numbers of cases before the AAT make time and cost comparisons difficult.<sup>29</sup> As the AAT is not confined to the material put before the Commissioner but instead makes a fresh decision, the length of hearings and overall cost may not be any less in the AAT than they are at present in the Federal Court.

2.36 Some submissions suggested that extending the AAT's jurisdiction in patent decisions would increase costs by creating an additional level of review.<sup>30</sup> The Victorian Bar Council said:

taking a matter on review to the AAT very often, in patent cases (as well as many others), results merely in added delay, expense and complexity. Many cases go in any event on appeal to the Federal Court under section 44 of the AAT Act. Although that appeal is an appeal 'on a question of law' only, that hardly acts as a filter or barrier at all to further proceedings. This is because, under decisions of the full Federal Court, a 'question of law' is a very wide conception, indeed. It is not easy to find a case, where a decision of the AAT is not susceptible to such an appeal - especially in patent cases.

2.37 The International Federation of Industrial Property Attorneys expressed a contrary view. It considered that providing the AAT with jurisdiction to review all decisions of the Commissioner would reduce costs and delay. The International Federation of Industrial Property Attorneys argued that although

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different professionals (ie patent attorney, solicitor and barrister) is a disincentive to seeking review of patent decisions in the Federal Court.

<sup>28</sup> Submission, Watermark Trademark and Patent Attorneys.

<sup>29</sup> The number of appeals to the AAT, from decisions by the Commissioner of Patents is small. From 1979 to 1994, only 7 patent matters were heard by the AAT. Since then, (in the years 1995-97) only 6 patent matters have been heard by the AAT. On the other hand, the Federal Court reports that it deals with around 25 patent matters a year.

<sup>30</sup> See submissions, Law Council of Australia and the Victorian Bar Council.

there will always be cases which will be appealed to the Federal Court, some applicants will be satisfied with having a decision of the Commissioner reviewed by the AAT.

2.38 As discussed at paragraph 2.17 above, the AAT permits people, other than legal practitioners, to appear before it. Patent attorneys, employees of a company and individual applicants can therefore participate in the review of patent decisions in the AAT. Eliminating the need for legal representation may, in some cases, reduce the cost of reviewing a patent decision. One submission queried whether non-legal representation would be utilised in patent matters.<sup>31</sup> However, in at least 4 of the AAT's 13 patent cases, the applicants did not have separate legal representation (in two cases the applicant was self-represented, in one case the applicant was represented by a patent attorney and in the other case the applicant company was represented by one of its office holders).<sup>32</sup> It is likely that if the AAT's jurisdiction to review patent decisions were to be extended, a significant proportion of applicants would choose to be represented by people other than legal practitioners.

2.39 The Council accepts that there will always be some cases which will be appealed to the Federal Court. However, the Council is of the view that in the simpler cases the AAT provides a less costly form of review.

#### *Need for technical expertise*

2.40 The submissions to the Issues Paper expressed differences of opinion on whether the body reviewing patent decisions requires technical knowledge or expertise. Many submissions regarded the appointment of people to the AAT, with specialist expertise in areas relevant to the patent matter, as a major advantage of the AAT. This view was challenged in other submissions.

2.41 There are considerable advantages in having review conducted by a multi-member panel which brings together expertise from a variety of disciplines. The Council believes that members with scientific or technical expertise would assist the Tribunal to appreciate the technical issues involved in a patent decision, while legally qualified members could assist in analysing and resolving any legal issues. It notes that there is a concern that the use of experts may result in cases being judged on the basis of the expert's personal views rather than on the merits of the case.<sup>33</sup> However, the Council considers that it is unlikely that tribunals, particularly multi-member tribunals, would not assess cases on their merits.

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<sup>31</sup> Submission, RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.

<sup>32</sup> In some of the AAT's decisions on patents, it is unclear whether the applicant was represented by a legal practitioner. The cases in which the applicants did not have separate legal representation were *Hugh MacDonald Reilly v Commissioner of Patents* No.Q95/762 AAT No. 10852, *Jiejing Pty Ltd v Commissioner of Patents*, *Ron Thomas and Allan Garnham* No.Q94/92 AAT No.10131, *Peter Noel Franke and Cochlear Pty Ltd v Commissioner of Patents and M.X.M* (1993) 29 ALD 801 and *Re Weir Pumps Ltd v Commissioner of Patents and Stork Pompen B.V.* No. N88/373 AAT No. 4764.

<sup>33</sup> See the submission from the Law Council of Australia.

2.42 The Patents Act could be amended to stipulate the composition of the AAT when reviewing a patent decision.<sup>34</sup> For example, the Patents Act could require that the AAT, when reviewing a patent decision, must comprise a legally qualified member together with one or more members with scientific or technical expertise. If AAT panels in patent matters were constituted in this way issues of both law and fact should be satisfactorily addressed.

2.43 The Council is of the view that the AAT's capacity to utilise members who have technical knowledge or expertise relevant to patent matters gives the AAT considerable advantages in reviewing patent decisions.

#### *Legal complexity and referrals*

2.44 The main argument in favour of *de novo* review by the Federal Court rather than review by the AAT is that the Federal Court is a better qualified body to deal with the complex issues, particularly the complex legal issues, that arise in patent matters.<sup>35</sup> However, the Council does not agree that the Federal Court is necessarily better qualified than the AAT to review patent decisions.

2.45 The argument that the Federal Court is better qualified to review patent matters does not appear to appreciate the AAT's capacity to constitute itself with appropriately qualified members. As noted above, the AAT is able to be constituted by a member with significant legal experience together with one or more members who have relevant technical or scientific expertise.

2.46 In addition, the AAT has the capacity under section 45 of the AAT Act to refer questions of law to the Federal Court. This action can be taken by the Tribunal of its own motion or at the request of a party. Where a question of law has been referred to the Federal Court the AAT retains control over the case but must not decide the application while the Federal Court is still considering the question of law. The AAT's capacity to refer questions of law to the Federal Court gives it increased flexibility to deal with complex legal issues which may arise in reviewing a decision.

#### *Finality*

2.47 Another argument in favour of *de novo* review by the Federal Court is that the AAT is unable to make conclusive determinations on matters of law. It is argued that, in contentious matters, applicants will not be satisfied until they have exhausted all their appeal rights.<sup>36</sup> The ability to make conclusive determinations on questions of law is a significant advantage of Federal Court review. However, the Council does not consider that capacity to make conclusive determinations on

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<sup>34</sup> Such a requirement is contained in section 237 of the *Life Insurance Act 1995*. Section 237(1) requires that the AAT, when reviewing a decision under the Life Insurance Act, be constituted by a presidential member and two non-presidential members. Section 237(2) states that when giving a direction as to the persons who are to constitute the Tribunal, the AAT President is to ensure that the non-presidential members have special knowledge or skill in relation to life insurance business.

<sup>35</sup> This view was expressed in informal discussions with the Federal Court and in the submissions of the Law Council of Australia, the Victorian Bar Council and the joint submission of RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.

<sup>36</sup> See the submission of the Law Council of Australia.

matters of law in itself justifies retaining or expanding the Federal Court's role in providing *de novo* review of patent decisions. Although the AAT is unable to make conclusive determinations on matters of law it has the advantages of its flexible procedures and the capacity to take advantage of a range of expertise, legal and non-legal, in constituting a tribunal.

#### *Power to award costs*

2.48 The Issues Paper noted that the AAT does not have power to award costs whereas the Federal Court does.<sup>37</sup> In its 1992 report, the Industrial Property Advisory Committee noted the view that the present position in relation to costs imposes a substantial burden upon a successful litigant (because under present costing regimes a party's expenses are not fully recovered) and gives an unfair negotiating weapon to the other party, especially if the other party is a big organisation.<sup>38</sup> Similarly, in its submission to the Issues Paper, IP Australia argued that the power to award costs should be given to the body responsible for reviewing patent decisions. In its view, "[t]he risk of bearing the successful party's costs will act as a disincentive to parties maintaining unmeritorious applications". It is arguable that extension of AAT review without any extension of power to award costs may clog the system with appeals for ulterior motives by all parties. On the other hand, section 42B of the AAT Act gives the AAT the power to dismiss an application if it is satisfied that the application is vexatious or frivolous.

2.49 The issue of costs is particularly significant in the review of patent decisions. Patent disputes frequently involve third party interests and can be very time consuming and expensive. However, following the decision of the High Court in *Brandy v Human Rights and Equal Opportunity Commission*,<sup>39</sup> there may be constitutional difficulties in providing the AAT with a costs power capable of being exercised against parties to review proceedings other than government parties. The power to award costs is therefore a factor that favours retaining, and possibly expanding, the Federal Court's jurisdiction to conduct *de novo* review of patent decisions.

2.50 Rather than limit the AAT's jurisdiction to review patent decisions because of difficulties with costs, the Council considers that provision should be made to enable applicants who have been successful before the AAT in a patent matter to apply to the Federal Court for an order of costs.

2.51 In the Council's view, the AAT should be provided with the discretion to award costs against a party or a party's representative where that is appropriate having regard to the conduct of the parties. For example, a costs award could be made where a party or its representative have behaved improperly or where a review application has been dismissed by the AAT for being frivolous or vexatious. Where the AAT considers that an award of costs is appropriate, it should be required to provide written reasons explaining why it considers an award of costs should be made.

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<sup>37</sup> Paragraph 22.

<sup>38</sup> Industrial Property Advisory Committee, "Practice and Procedures for Enforcement of Industrial Property Rights in Australia", 12 March 1992 at p 33.

<sup>39</sup> (1995) 127 ALR 1.

2.52 In order to avoid possible constitutional difficulties, an award of costs by the AAT should not be binding or conclusive. Instead, a party in whose favour an award of costs has been made should be entitled to apply to the Federal Court to seek enforcement of the costs award. The Federal Court would conduct a hearing *de novo*, but only in relation to whether an order of costs is appropriate. The Federal Court would be exercising original jurisdiction and would consider afresh whether costs should be awarded and, if so, the amount of those costs. In deciding whether costs should be awarded against a party, the Federal Court would take evidence.

#### **REFORM OF COMMONWEALTH MERITS REVIEW TRIBUNALS**

2.53 In its *Better Decisions* report, the Council recommended wide-ranging changes to the system of merits review of Commonwealth decisions. On 3 February 1998 the Attorney-General, the Hon. Daryl Williams AM QC MP, announced that the Government has agreed to amalgamate the Administrative Appeals Tribunal, the Social Security Appeals Tribunal, the Immigration Review Tribunal and the Refugee Review Tribunal into a single tribunal, the Administrative Review Tribunal (the ART).

2.54 The Council's preliminary view is that the ART is the preferred body for conducting merits review of patent decisions. However, this preliminary view is premised on the assumption that the flexibility and specialist expertise which is currently available to the AAT will continue to exist in the new ART.

2.55 The Government is presently engaged in a process of consultation with interested parties concerning its decision to reform the merits review system. As part of this process, the Government has released some proposals for the structure

and procedures of the ART.<sup>40</sup> A number of these proposals have implications for any changes to the review of patent decisions. For example, it is proposed that:

- single member panels should be the norm in the ART but that multi-member panels may be available in some circumstances;
- new evidence produced for the first time in the ART should be referred back to the original decision maker for consideration rather than becoming the basis for the review decision; and
- legal representation should not be the norm in the ART but would be subject to portfolio legislation or ART practice directions.

2.56 At this stage it is unclear how the establishment of the ART will affect the review of patent decisions. It may be that the advantages which the AAT possesses in regard to the review of patent decisions will continue to exist in the ART. The Council considers that the ART would be the preferable body for conducting merits review of patent decisions provided it has the following features:

- when reviewing patent decisions, the tribunal comprises a multi-member panel;
- at least one member of the panel has significant legal experience and at least one member has significant scientific or technical expertise;
- the parties have the right to be represented by a person of their choice;
- the tribunal's function is to conduct full merits review of patent decisions (ie the tribunal is obliged to make the correct and preferable decision in relation to the matter under review and can exercise all of the powers of the original administrative decision maker); and
- the tribunal is not bound by the rules of evidence and its proceedings are conducted with as little formality and technicality as is possible.

2.57 Another relevant factor would be whether the tribunal is given a discretion to award costs against a party or a party's representative where that is appropriate having regard to the conduct of the parties.

2.58 The Council does not consider that it is in a position to recommend changes to the system for reviewing patent decisions until more details regarding the nature and operation of the ART are known.

## RECOMMENDATION 1

**The Council recommends that the existing system for the review of patent decisions be retained pending determination of the structure and procedures of the ART. When these are clarified this matter should be reconsidered.**

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<sup>40</sup> See Renée Leon, "Tribunal Reform: The Government's position" paper presented at AIAL 1998 Administrative Law Forum, Melbourne.

## **CHAPTER 3**

### **REVIEW OF DECISIONS NOT CURRENTLY SUBJECT TO REVIEW**

#### **APPLICATION OF THE PRIMA FACIE TEST**

3.1 The decisions of the Commissioner of Patents (the Commissioner), other than decisions relating to patent attorneys, that are currently not subject to review are set out in Appendix C. Most of the unreviewable decisions are made under the Regulations.

3.2 The Issues Paper examined these decisions against the Council's guidelines for determining whether the exercise of a decision-making power is appropriate for external merits review (as then contained in Chapter 7 of the Council's Seventeenth Annual Report 1992-93). The Council's prima facie test for whether a decision is appropriate for external merits review is whether the decision will, or is likely to, affect the interests of a person. The Council concluded in the Issues Paper that it appears that the currently unreviewable decisions are appropriate for external merits review and that "it does not appear that the currently unreviewable patent decisions fall into any of the Council's recognised categories for exemption from review."

#### **RESPONSE TO THE ISSUES PAPER**

3.3 Generally, submissions favoured a right of review for these currently non-reviewable decisions. However, the Law Council of Australia considered that the review of these decisions should be divided between the AAT and the Federal Court, depending on the relative seriousness of the decision. The Victorian Bar Council, on the other hand, considered that any decisions of the Commissioner, which are not presently subject to review by the AAT or the Federal Court, should only be reviewable by the Federal Court.

3.4 Two types of decisions were identified as being unsuitable for merits review. The Commonwealth Attorney-General's Department considered that it would not be appropriate for decisions under section 219 of the Patents Act to be subject to merits review. Section 219 empowers the Commissioner to require security for costs from a person overseas who gives notice of opposition to the grant of a patent. In its opinion, a decision under section 219 should not be subject to merits review as it is "unlikely to adversely affect a person's rights to any significant degree".

3.5 The Australian Law Reform Commission also suggested that decisions to dispense with certain formalities or requirements should not be subject to merits review. For example, it suggested that decisions of the Commissioner under regulation 22.6 and regulation 22.7 of the Patents Regulations to exempt the payment of a fee or to refund a fee that has been paid should not be reviewable.

3.6 The Council does not agree that decisions of the Commissioner under section 219 of the Patents Act, requiring security for costs from a person overseas who gives notice of opposition to the grant of a patent, are “unlikely to adversely affect a person’s rights to any significant degree”: such decisions are likely to affect the financial interests of a person. Similarly, decisions to exempt the payment of a fee or to refund a fee that has been paid may affect the financial interests of a person.<sup>41</sup> The Council considers that all decisions of the Commissioner that are listed in Appendix C, including decisions under section 219 of the Patents Act and decisions under regulation 22.6 and regulation 22.7 of the Patents Regulations, are likely to affect the interests of a person and therefore should be subject to merits review by the AAT.

## **RECOMMENDATION 2**

**The Council recommends that all decisions by the Commissioner of Patents, other than decisions relating to patent attorneys, that are currently not subject to review and which are set out in Appendix C should be subject to merits review by the AAT.**

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<sup>41</sup> Schedule 7 of the Patents Regulations prescribes the fees for applications under the Patents Act and Patents Regulations. The fees range from \$65 to \$1200, depending on the nature of the application.

## CHAPTER 4

### REVIEW OF DECISIONS CONCERNING PATENT ATTORNEYS

4.1 The question whether administrative review is appropriate for any or all decisions concerning the registration and discipline of patent attorneys was also raised in the Issues Paper. The Issues Paper noted that currently some, but not all, decisions affecting patent attorneys are reviewable.<sup>42</sup> The reviewable decisions are reviewed by the AAT. The Issues Paper also noted that some of the decisions regarding patent attorneys that are not reviewable are concerned with examinations. The Issues Paper suggested that “[i]t may well be considered inappropriate to include provisions enabling the AAT to intervene in the examination process”.

#### RESPONSE TO THE ISSUES PAPER

4.2 Most submissions favoured extension of review mechanisms to those decisions involving patent attorneys currently not reviewable. However, there were some differences of opinion.

4.3 IP Australia considered that it is not appropriate to provide merits review of decisions concerning examinations and qualifications. IP Australia further considered that, in relation to other types of decisions affecting patent attorneys:

[a] breach of the requirements of natural justice, or other illegality in the making of these decisions can appropriately be addressed by judicial review under the Administrative Decisions (Judicial Review) Act.

4.4 The Victorian Bar Council considered that decisions regarding examinations should not be made subject to AAT review or appeal to the Federal Court but that all other decisions concerning patent attorneys should be the subject of either AAT review or an appeal to the Federal Court. The Victorian Bar Council said:

Most of the decisions in respect of patent attorneys do not affect the right of any other person other than the patent attorney concerned (although the general public interest may be involved). A patent attorney affected by an adverse decision or a client (where relevant), may well prefer the less formal and less expensive and in practice less public, proceedings in the AAT. It is considered that there should be an option of an unrestricted “appeal” to the Federal Court or a review by the AAT at the option of the person concerned.

4.5 The NSW Law Society considered that decisions involving disciplinary action are not appropriate for AAT review, as such decisions may involve issues of law and possibly criminal prosecutions. In its opinion, decisions involving matters of disciplinary action should be subject to an appeal to the Federal Court.

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<sup>42</sup> The reviewable and non-reviewable decisions are identified in Appendix D.

## COUNCIL'S VIEW

4.6 The decisions of the Commissioner of Patents (the Commissioner) concerning patent attorneys that are not subject to merits review by the AAT concern:

- whether to grant a supplementary exam (regulation 20.12);
- exemption from examination (regulation 20.13);
- issue of certificate of qualification (regulation 20.15);
- extension of time to pay fee (regulation 20.19);
- extension of time to furnish further information to Disciplinary Tribunal (regulation 20.20(8));
- authority to bring proceedings against patent attorney (regulation 20.21(2)); and
- direction that hearing not be in public (regulation 20.27(2)).

4.7 In the Council's view, decisions whether to grant a supplementary exam under regulation 20.12 of the Patents Regulations should not be subject to merits review by the AAT. Such decisions are closely related to the assessment of examinations, and the Council does not consider that decisions relating to the conduct and assessment of examinations are appropriate for merits review by the AAT.

4.8 However, all of the other decisions listed above should be subject to merits review by the AAT. These decisions would, or would be likely to, affect the interests of a person and therefore fall within the Council's prima facie test as being decisions that are appropriate for external merits review.

## RECOMMENDATION 3

**The Council recommends that, except for decisions whether to grant a supplementary exam under regulation 20.12 of the Patents Regulations, all of the decisions listed in paragraph 4.6 above should be subject to merits review by the AAT.**

## APPENDIX A

### DECISIONS REVIEWABLE BY THE AAT

#### Part 1 - Decisions under the Patents Act

##### Section

10	Commissioner to give PCT (Patent Cooperation Treaty) application an international filing date
17	Commissioner's directions to co-owners
32	Commissioner's determination in relation to disputes between parties to a patent application
33	Grant of standard patent to opponent
66	Sealing of duplicate of patent that has been lost, stolen, damaged or destroyed
103(2)	Direction that consent of mortgagee or licensee to proposed amendment is not necessary
113	Direction that patent application proceed in name of person entitled to patent or interest in it
137(3)	Acceptance of offer to revoke patent
142(2)(b)	Direction that application for patent is to lapse
150(2)	Restoration of lapsed patent
151(2)	Reinstatement of application as international application
152(2)	Giving effect to notice of Director of Safeguards relating to associated technology
152(3)	Restriction of disclosure of information relating to associated technology
173(a)	Prohibition of publication of information about subject matter of a patent in interests of defence
173(b)	Prohibition of access to micro-organism in interests of defence
215	Amendment of patent after death of applicant
223	Extension of time to do certain acts

**Part 2 - Decisions under the Patents Regulations****Regulation**

- |               |   |
|---------------|---|
| 3.24(1)(b)    | Request by Commissioner for sample of micro-organism                    |
| 3.25(2)       | Imposition of condition on release of sample of micro-organism          |
| 4.3(2)(b)     | Documents exempted from public inspection                               |
| 5.5(3)        | Dismissal of opposition   |
| 5.6(3)        | Determination of opposition after re-examination                        |
| 6.2(1)(b)(ii) | Direction as to period within which standard patent must be granted     |
| 13.4(3)       | Extension of period for acceptance of request and specification         |
| 22.21(5)      | Determination of terms on which licence to exploit invention is granted |

## **APPENDIX B**

### **DECISIONS REVIEWABLE BY THE FEDERAL COURT**

#### **Part 1 - Decisions under the Patents Act**

##### **Section**

35	Declaration of eligibility for grant of patent after revocation
36	Declaration that person other than applicant is eligible person to whom patent may be granted
42	Declaration that a specification does to comply with section 40 unless deposit requirements are satisfied in relation to a micro-organism
49	Acceptance or refusal to accept application for a standard patent
50	Acceptance or refusal to accept application for petty patent
51	Refusal to accept patent request for invention, the use of which would be contrary to law or which involves food or medicine
60	Decision on opposition
69	Extension of term of petty patent
81	Grant of patent of addition
82	Revocation of patent and grant of patent of addition instead
101	Revocation of patent following re-examination
104	Allowing or refusing to allow amendment of patent documents
106	Direction to amend specification after grant of patent
107	Direction to amend patent request or specification
108	Direction to amend request for extension of petty patent

#### **Part 2 - Decision under the Regulations reviewable by virtue of association with sections of the Act**

##### **Regulation**

6.6	Extension of term of petty patent [section 69 of Act]
10.3, 10.4, 10.5	Refusal or grant of leave to amend specification or other documents [section 104 of Act]

## APPENDIX C

### DECISIONS THAT ARE NOT REVIEWABLE

#### Part 1 - Decisions under the Patents Act

##### Section

- |       |   |
|-------|---|
| 44(2) | Direction to applicant to ask for examination [to be read with regulation 3.16]                               |
| 44(3) | Direction to applicant to ask for examination following request by a person [to be read with regulation 3.17] |
| 97(1) | Decision to re-examine complete specification   |
| 219   | Requirement for opponent to give security for costs   |

#### Part 2 - Decisions under the Regulations

##### Regulation

- |                           |  |
|---------------------------|--|
| 3.2(3)                    | Complete specification may be treated as not having been filed   |
| 3.2(4)                    | Direction to do such things as are necessary to ensure specification complies with Act   |
| 3.16(1)                   | Prescribed grounds for requesting examination [review of action should be of decision under section 44(2)]   |
| 3.17(2)                   | Requirement for Commissioner to expedite examination [review of action should be of decisions under section 44(3), (4)]  |
| 3.20(4)                   | Basis for Commissioner's direction entitling deferment of examination under section 46(1)  |
| 3.25(4)(b), (e), (f), (g) | (d) Circumstances in which Commissioner may authorise release of sample of micro-organism  |
| 5.9                       | Permission to amend grounds of opposition  |
| 5.10                      | Direction by Commissioner relating to conduct of opposition proceedings including extension of time [unless section 60(4) can be read as allowing an appeal on a procedural ruling which seems improbable] |
| 6.7(1)                    | Fixing of period within which application for pharmaceutical substance to lapse  |
| 8.1(2)(e)                 | Belief of Commissioner as to certain facts relating to international applications  |
| 12.3(4)                   | Determination of rights of person to be heard on application to surrender patent under section 137   |
| 22.6                      | Commissioner may exempt from payment of fees   |
| 22.7                      | Commissioner may refund fees   |

- 22.8 Commissioner may award costs
- 22.14 Commissioner may give directions not otherwise prescribed
- 22.16 Commissioner may give directions in relation to certain documents
- 22.25 Commissioner may dispense with certain requirements under Regulations
- 23.16 Commissioner may defer acceptance of certain applications under 1952 Act

## APPENDIX D

### DECISIONS RELATING TO PATENT ATTORNEYS

#### Part 1 - Reviewable Decisions

##### Decisions under the Act

###### Section

198 Registration of a patent attorney

##### Decisions under the Regulations

###### Regulation

20.21(7) Professional Standards Board to give notice if it decides not to authorise proceedings against a patent attorney

20.23(2), (4), (5) Decisions of Disciplinary Tribunal

#### Part 2 - Decisions that are not reviewable

##### Decisions under the Regulations

###### Regulation

20.12 Grant of supplementary exam

20.13 Exemption from examination

20.15 Issue of certificate of qualification

20.19 Extension of time to pay fee

20.20(8) Extension of time to furnish further information to Disciplinary Tribunal

20.21(2) Authority to bring proceedings against patent attorney

20.27(2) Direction that hearing not be in public

## **APPENDIX E**

### **LIST OF SUBMISSIONS**

**Watermark Patent and Trademark Attorneys**

**The Law Society of South Australia**

**The Law Society of New South Wales**

**Commonwealth Attorney-General's Department**

**The International Federation of Industrial Property Attorneys**

**Australian Law Reform Commission**

**The Institute of Patent Attorneys of Australia**

**The Victorian Bar Council**

**Law Council of Australia**

**IP Australia**

**Anne Fitzgerald, Rick Snell and Matthew Stilwell, Law School, University of Tasmania**

**RJ Ellicott QC, JJ Garnsey QC, DK Catterns QC, AC Bennett SC, AJL Bannon SC and DM Yates SC.**

## **APPENDIX F**

### **RECOMMENDATION OF ARC REPORT NO 41: APPEALS FROM THE ADMINISTRATIVE APPEALS TRIBUNAL TO THE FEDERAL COURT**

The power of the Federal Court should be expanded to include making findings of fact where there has been an error of law by the AAT, provided that:

- (a) such findings of fact are not inconsistent with findings made by the AAT;  
and
- (b) it appears to the Court convenient to make such findings, having regard to:
  - (i) the timely and economical resolution of the whole of the subject matter of the application before the AAT;
  - (ii) the relative expense to the parties of the Court, as opposed to the AAT, making additional findings;
  - (iii) the relative delay to the parties of the Court, as opposed to the AAT, making additional findings;
  - (iv) the extent (if any) to which it is necessary for facts to be found and the means by which those facts might be established;
  - (v) whether any of the parties considers that it is appropriate for the Court, as opposed to the AAT, to make additional findings of fact.

For the purposes of making such findings of fact, the Court may permit evidence to be adduced which was not before the AAT.

## APPENDIX G

### PERCENTAGE OF AAT APPLICATIONS SETTLED

Table 1. 12 months to December 1997

REGISTRY	General	Veterans'	Social Security	Compensation	Taxation
NSW	80%	87%	78%	80%	72%
VIC	79%	84%	64%	91%	81%
QLD	71%	89%	49%	68%	88%
SA	86%	74%	89%	93%	100%
WA	71%	82%	70%	86%	78%
TAS	65%	70%	54%	81%	29%
ACT	81%	95%	84%	81%	65%
NT	55%	50%	56%	40%	100%
<b>ALL REGISTRIES</b>	<b>77%</b>	<b>85%</b>	<b>68%</b>	<b>84%</b>	<b>78%</b>

Table 2. 12 months to December 1996

<b>REGISTRY</b>	<b>General</b>	<b>Veterans'</b>	<b>Social Security</b>	<b>Compensation</b>	<b>Taxation</b>
NSW	79%	89%	78%	72%	85%
VIC	81%	88%	68%	86%	67%
QLD	73%	89%	57%	61%	82%
SA	81%	83%	85%	75%	67%
WA	69%	81%	64%	76%	80%
TAS	65%	72%	56%	85%	86%
ACT	81%	97%	70%	82%	65%
NT	55%	100%	45%	57%	100%
<b>ALL REGISTRIES</b>	<b>77%</b>	<b>88%</b>	<b>69%</b>	<b>78%</b>	<b>75%</b>

**Notes:**

- (1) Includes applications settled after commencement of a hearing.**
- (2) Applications dismissed, other than with the consent of the parties, are not counted as settled.**
- (3) Transferred applications are disregarded.**