

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Council for Trade-Related Aspects  
of Intellectual Property Rights**

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REVIEW OF LEGISLATION IN THE FIELDS OF PATENTS, LAYOUT-DESIGNS  
(TOPOGRAPHIES) OF INTEGRATED CIRCUITS, PROTECTION OF  
UNDISCLOSED INFORMATION AND CONTROL OF  
ANTI-COMPETITIVE PRACTICES IN  
CONTRACTUAL LICENCES

Replies from Australia to questions posed by  
the European Communities and their Member States

The following communication, dated 12 May 1997, has been received from the Permanent Mission of Australia.

**REPLIES TO THE QUESTIONS POSED BY THE EUROPEAN COMMUNITIES AND THEIR  
MEMBER STATES**

***Patents***

1. *Does Australia grant temporary protection to patentable inventions in respect of goods exhibited at official exhibitions held in Australia in accordance with Article 11 of the Paris Convention (1967)? (Article 2.1 TRIPS)*

Yes. See Section 24(1)(a) of the Patents Act 1990 together with regulations 2.2(2)(a) and (b), 2.2(3) and 2.3(1)(a).

2. *In what circumstances and under what conditions would the Commonwealth of Australia order the acquisition of a patent pursuant to Section 171 of the Patents Act? (Article 8 TRIPS)*

We are unable to give a precise answer to this question as there are no instances of the provisions of Section 171 (nor Section 129 of the 1952 Act) having been used. However if an invention is acquired, Section 51(xxxi) of the Australian Constitution requires that the terms of that acquisition be just.

3. *Does the exclusion of an invention which is secretly used from the definition of "patentable invention" in the Patents Act limit in any way the circumstances in which "patents shall be available" within the meaning of Article 27.1 TRIPS?*

The exclusion from "patentable invention" of inventions that have been secretly used does no more than prevent a person, who has secretly used an invention for commercial purposes, from subsequently obtaining a patent - irrespective of the subject matter. [See also Section 9(c)]. It does not prevent a patent from being granted for that invention for any of the reasons set out in Article 27.1 of TRIPS.

4. *Pursuant to Section 51(1)(a) of the Patents Act, is it within the discretion of the Commissioner to refuse the grant of a patent where the prevention of its exploitation is not required for the interests listed in Article 27.2 TRIPS?*

Section 21(1)(a) of the Patents Act is interpreted to be limited to inventions where the only use described for it would be punishable as a crime. Thus guns are patentable since they can be used for both lawful and unlawful purposes. Consequently exclusions beyond the scope of Article 27.2 of TRIPS cannot arise.

5. *Would the grant of a compulsory licence pursuant to Section 133 of the Patents Act, as amended, be subject to the requirements of Article 31(c) and (f) TRIPS? If so, please explain.*

The first part of Article 31(c) is recognized in Section 133(6), where the licence can be revoked if circumstances that justified the licence have ceased to exist and are unlikely to recur. Article 31(f) is embodied in the prerequisite of Section 133(2)(a) that the reasonable requirements of the public have not been satisfied; "the public" is a reference to persons in Australia, and is exclusive of persons outside the jurisdiction of the Act.

It is our understanding that the semi-conductor technology referred to in the second part of Article 31(c) refers to circuit layouts which are protected in Australia under their own legislation, the Circuit Layouts Act 1989.

6. *Is the Government of Australia obliged to make efforts to obtain authorization from the right holder on reasonable commercial terms and conditions prior to the exploitation of inventions by the Crown pursuant to Section 163 of the Patents Act 1990, as amended? (Article 31(k) and (b) TRIPS)*

There is no statutory requirement that the government must make any effort to obtain authorization from the right holder prior to exploitation. The Government is required to advise the relevant persons after exploitation has commenced - Section 164.

7. *Does Section 163 of the Patents Act allow for exploitation of semiconductor technology by the Crown?*

Section 163 is not limited in any way by the subject matter of the invention.

8. *Would the exploitation of a patent by the Crown pursuant to Section 163 of the Patents Act be non-exclusive in all areas and, if so, on what basis? (Article 31(d) TRIPS)*

Exploitation by the Crown under Section 163 is non-exclusive in all areas.

9. *Is the exploitation of a patent by the Crown pursuant to Section 163 of the Patents Act assignable? Please explain. (Article 31(e) TRIPS)*

Section 163 provides that the use can be by a person authorized in writing by the Government - but the use must still be for the services of the Government. The Act does not allow for the right to exploit the invention to be assigned to a person for their own benefit.

10. *Is use of a patent for the services of the Crown pursuant to Section 163 of the Patents Act predominantly for the supply of the Australian market, having regard in particular to Section 168 of the Act? (Article 31(f) TRIPS)*

Section 163(3) imposes a condition that the exploitation is necessary for the proper provision of services in Australia. In effect, this means that the use of the invention must be predominantly for the Australian market.

11. *Does Australia provide for the judicial review of the legal validity of any decision relating to the authorization of use by the Crown pursuant to Section 163 of the Patents Act or is this limited to applying for a declaration to the court that the exploitation is no longer necessary as set out in Section 165A of the Act? Please explain. (Article 31(i) TRIPS)*

Any administrative decisions under Chapter 17 of the Act would be reviewable by the Federal court of Australia under the *Administrative Decisions (Judicial Review) Act*. Any decisions of a court of first instance are appealable.

12. *Does Australia provide for the conditions as set out in Article 31(l) TRIPS in the case of use by the Crown pursuant to Section 163 of the Patents Act of a patent which cannot be exploited without infringing another patent? Please explain.*

The requirements under Article 31.1 of TRIPS are implemented in Section 133, dealing with compulsory licences for persons other than the Crown. If exploitation of an invention under Section 163 necessarily involves exploitation of another invention, clearly that other invention will be covered by Section 163 as well and Article 31.1 is not applicable.

#### ***Layout-designs (topographies) of integrated circuits***

1. *Does Australia apply its law on layout-designs (topographies) of integrated circuits to nationals of all the WTO Members? (Article 1.3 TRIPS, Article 3.1 TRIPS)*

Yes. Rights are granted in the Circuit Layouts Act 1989 to the owner of EL Rights in an eligible layout (see Section 17). Eligible layout is defined in Section 5 of the Act to mean an original circuit layout in which either the maker was an eligible person or the circuit was first commercially exploited in Australia or an eligible foreign country. Eligible foreign country and eligible person are also defined in Section 5. The effect of these provisions is to provide for the rights under the Act to be available to citizens, nationals or residents of (or corporations incorporated by or in) countries declared to be eligible foreign countries in regulations made under the Act.

The Circuit Layouts Regulations (r.3) contains a schedule of eligible foreign countries. This list was amended to include WTO Members in December 1995 and will be amended from time to time to take account of new accessions to the WTO. Section 42 of the Circuit Layouts Act restricts the declaration of eligible foreign countries to, *inter alia*, those that are party to a convention relating to the protection of circuit layouts, to which Australia is also a party.

2. *Does Australia require that the exploitation of a circuit layout by the Crown pursuant to Section 25 of the Circuit Layouts Act be non-exclusive in all cases? (Article 31(d) TRIPS)*

Section 25(4) of the Circuit Layouts Act does not deny the right of the owner to licence to other parties besides the Commonwealth.

3. *Is the exploitation of a circuit layout by the Crown pursuant to Section 25 of the Circuit Layouts Act assignable? (Article 31(e) TRIPS)*

Section 25 provides that an act done by the Commonwealth, or a person authorized by the Commonwealth is not an infringement of the EL rights, in certain circumstances, if the act is for the

security or defence of the Commonwealth. Only the Commonwealth may do the relevant act or grant authority for another to do the act. That being so, the right or immunity granted to the commonwealth is not assignable although, as already noted, Section 25 permits the commonwealth to authorize another to undertake action that would otherwise be an infringement of the EL rights.

4. *Can use by the Crown of a circuit layout pursuant to Section 25 of the Circuit Layouts Act be terminated if and when the circumstances which led to it cease to exist or are unlikely to return, and does a competent authority have the ability to review on request the confirmed use of the circuit layout? Please explain. (Article 31(g) TRIPS)*

An EL owner aggrieved by a decision of the Commonwealth to use a circuit layout could seek judicial review of the decision, either pursuant to the Administrative Decisions (Judicial Review) Act 1977 or Section 39B of the Judiciary Act 1903. Such proceedings would consider the question whether the power had been exercised lawfully.

While not expressly stated, the requirement that the defence or security purpose would need to continue to subsist would be implied by a court. This would also apply in relation to agreed or imposed terms under Section 25(4).

5. *Does Australia require that adequate remuneration be paid to the owner of exclusive rights in relation to circuit layouts, in all cases of use by the Crown pursuant to Section 25(4) of the Circuit Layouts Act? Please explain. (Article 31(h) TRIPS)*

Section 25(3) of the Circuit Layouts Act states that the owner must be notified as soon as possible of the use, unless this would compromise the defence or security of Australia. Section 25(4) states that the Commonwealth and the owner must agree on terms that are mutually acceptable to the owner and the Commonwealth. In default of such agreement, the terms are to be set by the Federal Court of Australia.

There is a clear implication that adequate remuneration must be paid or other compensation offered to the owner under Section 25(4). This would be so even if the owner has not been advised of the use due to the operation of Section 25(3).

6. *Does Australia provide for a general right of review of the decision of the Commonwealth of Australia to undertake an act in relation to an eligible layout pursuant to Section 25(4) of the Circuit Layouts Act? Please explain. (Articles 31(i) and 31(j) of TRIPS)*

Please see the answer to Question 4 above.

### ***Protection of undisclosed information***

1. *Does Australia, and if so on what legal basis, protect (i) the type of information that is the subject matter of Article 39.3 TRIPS and (ii) in accordance with the requirements of Article 39.3 TRIPS? If not, does Australia intend to introduce legislation so as to grant the necessary protection and, if so, when would this be in place and what would be the content of such legislation?*

Australia announced in December 1996 its intention to introduce a new regime of data exclusivity. Under this regime confidential data submitted to the Therapeutic Goods Administration (TGA) or the National Registration Authority for Agricultural and Veterinary Chemicals (NRA) to register a new pharmaceutical, agricultural and veterinary chemical product containing a new chemical entity will be protected for a period of five years from the date of registration of the original product. Legislation is currently being prepared to implement the new regime which will be fully consistent with Article 39.3 of the TRIPS Agreement. The new legislation will be notified to the Council for TRIPS when finalized.