

## TRADE MARKS AND DESIGNS CONSULTATION GROUP (TMDCG), MEETING 11

DATE: Thursday 25 October 2018,

Time: 10.30am – 2:00pm

Location: Darling Park Tower 3 Level 18, 201 Sussex St Sydney

EXTERNAL ATTENDEES	
Richard Hoad	Law Council of Australia
Peter Chalk	Law Council of Australia
Brett Doyle	International Trademark Association (INTA)
Jeremy Dobbin	The Institute of Patent and Trade Mark Attorneys of Australia (IPTA)
Stephen Krouzecky	International Federation of Intellectual Property Attorneys (FICPI)
Michael Wolnizer	IPTA – via video conference (VC)
Andrew Sainsbury	Department of Foreign Affairs and Trade (DFAT) – via phone

IP AUSTRALIA	
Michael Schwager	Director General – via VC
Dr Frances Roden	Deputy Director General, IP Rights Division – via VC
Paula Adamson (Chair)	General Manager, Trade Marks and Designs Group (TMDG)
Hrishikesh Desai	Assistant General Manager, TMDG
Heath Wilson	Acting Assistant General Manager, TMDG (and Supervising Hearing Officer)
Andrew Shannon	Acting Assistant General Manager, TMDG
Indrani Sen	Change Manager, TMDG
Andrew Wilkinson	Director, Domestic Policy & Legislation
Brendan Bourke	Director, Trade & Policy Projects (TPP) – via VC
Kerry Sillcock	Assistant Director, TPP – via VC
Charlotte Iggulden	Assistant Director, TPP – via VC
Tanya Duthie	Director, International Policy & Cooperation – via VC
Mark Everding	Internal Audit Manager & TMDCG Secretariat – via VC
Lorena Quinlivan	TMDCG Secretariat

**Apologies:** Brett Lewis (FICPI), Bill McFarlane (FICPI), Bronwen Shelley (IP Australia), Elena Szentivanyi (New Zealand Institute of Patent Attorneys), Jennifer McEwan (IPTA).

### Minutes prepared by TMDCG Secretariat, IP Australia

**MEETING STARTED: 10:30 AM**

## 1.1 INTRODUCTIONS

The Chair introduced members to IP Australia's new Director General, Mr Michael Schwager and Deputy Director General, IP Rights Division - Dr Frances Roden.

Mr Schwager provided a brief overview of his career and outlined his strategic vision for the future. IP Australia will continue to keep pace with adapting changes but does not expect radical changes in direction. Mr Schwager is keen to engage with stakeholders including TMDCG members. He advised of his availability over the following two weeks if members were interested in meeting with him personally.

Dr Frances Roden, Deputy Director General of IP Rights Division, introduced herself and spoke about the role as Registrar of Trade Marks and Designs. Dr Roden has worked across Government in the Industry Portfolio and has a background in Patents. She will continue to work with stakeholders to expand her knowledge on Trade Marks and Designs in her new role.

## 1.2 MINUTES AND ACTION ITEMS OF THE PREVIOUS MEETING

Minutes of the previous meeting held on 17 April 2018 accepted by members.

**Summary of Action Items:**

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Action Items from previous meetings were discussed. The following action items were updated or completed:

**2018-1-A1** – Federal Circuit Court (FCC) to be added as a future agenda item. Cross government working group enforcement. Experience with FCC to determine how it is working.

**2018-1-A2** - Input on the analysis of impacts in joining the Hague Agreement- discussion continued about whether Australia should consider joining the Hague. TMDCG members identified that expanding membership of the Hague including China should be a catalyst to revisit IP Australia's position. Additional consultation on the Hague Cost Benefit Analysis was conducted over the past few months and feedback is being consolidated – ongoing.

**2018-1-A3** – Concern was raised around unqualified parties delivering trade mark services. Some discussions were had at the last meeting, but the issue is still ongoing at this stage.

**2018-1-A4**- Bronwen Shelley sent a copy of Heath Wilson's presentation on Cantarella to Peter Chalk.

<b>Action Item</b> <b>2018-2-A1</b>	IP enforcement – At next meeting, discuss member experiences with IP court cases, in particular at the FCC.
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### 1.1 CHAIR'S UPDATE

The Chair provided an update on Trade Marks and Designs.

#### Trade Mark trends

TM application receipts were 7% below expectation as we received 20,193 applications (36,942 classes) compared to a plan of 21,631 (36,942 classes). Although Madrid and TM Headstart application demand continues to rise, standard national application demand has seen a slight reduction in Q1.

The current stockpile of unexamined applications is at 24,891 applications (46,698 classes). This is almost double of what the ideal stockpile is as a result of higher than anticipated filings in the last 12-18 months. The average timeliness is at 14.9 weeks compared to the Customer Service Charter (CSC) of 13 weeks. The compliance to issue a first report within 13 weeks is at 28% compared to target of 85% due to higher than anticipated demand. In the short term, overtime has been an effective tool to keep the stockpile steady for the past couple of months, however a long-term recruitment strategy is in place to increase examination capacity.

It is expected that 20 trainee trade mark examiners will commence with IP Australia on 19 November 2018. This is in addition to 17 examiners who commenced in March 2018 and have now completed their initial training and moved into their sections. A further recruitment round is planned for early 2019.

The Trade Mark Examiner Training (TMET) project was undertaken in 2015 to deliver comprehensive online competency-based training for trade marks. This was designed under the broader training framework of the IP Rights Examiner Program (IPREP). The aim of TMET was to provide a contemporary framework for the provision of flexible, timely and consistent trade mark examination training which included online training resources, learning communities, workplace examples, and assessments. TMET was implemented in July 2016 and has now been utilised for a total of 6 trainee intakes. As part of the 'Operational Excellence' strategic objective for TMDG within the IP Rights Division 2018-19 Operational Plan, IP Australia are conducting a review of the modules, to improve the online materials provided to trainee trade mark examiners.

## **TRADE MARKS AND DESIGNS CONSULTATION GROUP (TMDCG), MEETING 11**

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### **Designs Trends**

Design application demand is slightly below plan as IP Australia received 1,958 applications compared to a plan of 1,998 in Q1. Design examination requests are 11% above plan as IP Australia received 302 requests compared to planned 273. The average timeliness of 12.3 weeks to issue a first report is within the CSC target of 13 week but compliance has slipped below 85% target and is at 28%. This is due to higher than planned separation rates of Design examiners at the beginning of the financial year. A revised Design training program is currently being rolled out to an additional four trainees to build additional capacity in Design examination. Design has met all quality commitments in Q1.

### **Hearings**

For the 2018 calendar year to date, 171 trade marks decisions have been issued and 4 designs decisions. For the first quarter of 2018/2019, the average time to issue a trade marks decision from hearing was 9.1 weeks. For the first quarter of 2018/2019, the average time to issue a designs hearing decision was 4.67 weeks.

### **Madrid / IRDA**

There are some delays in examination that are also affecting national examination, but we are working hard to address backlogs through recruitment and training of new examiners.

We continue to prioritise IRDA examination where we can, in view of convention claims and notification time limits. Our upcoming RIO system provides examiners with more streamlined tools to help examine IRDA applications more efficiently, with significantly reduced administration tasks and manual processing.

### **WIPO FIT**

IP Australia is developing a series of online learning modules in collaboration with the World Intellectual Property Organisation (WIPO), to provide support to national IP offices considering acceding to the Madrid Protocol. To increase learner knowledge, the modules are complemented by work book guides that can be accessed and referred to offline. Scenarios that apply the learnings are also included in these work book guides to test the knowledge of learners. During the recent Global Forum on Intellectual Property during IP Week in Singapore (4-5 September), a demonstration of the introductory module was given, and well-received by attendees. We look forward to continuing to progress and finalise these online learning modules which we expect will be available in 2019 after WIPO testing.

IP Australia is currently developing their 2030 strategy to ensure that the Agency continues to grow with our customers to support their endeavours to expand and export in a global environment. Trade Marks and Designs immediate focus is on improving quality in examination; addressing increased demand for trade marks; supporting Australian exporters – especially into the Asian region and ensuring our supporting IT platforms are as modern and efficient as possible. IP Australia is keeping a close eye on the emerging trends and an immediate issue is increased demand. Strategic Workforce Planning and new IT search systems should support the increased demand into the future.

Technological change is having an impact on the goods and services our customers are seeking to protect in their trade mark applications. IP Australia is continually working with our customers and WIPO to add new terms to our list of acceptable terms that accurately describe these new goods and services being offered. IP Australia has also invested in the development of a range of tools for our external users to support them before they come into the application process. This

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reduces the number of poor applications that require significant examiner time. IP Australia is also exploring more options to use cognitive computing to better support examiners in their decision making.

IP Australia is undergoing a large technology upgrade for trade marks, taking place from Friday 9 to Tuesday 13 November 2018. To modernise our systems and create an environment that supports examiners in doing their jobs in a more seamless way. IP Australia is moving away from multiple systems with many clunky interfaces to a single system that supports the end to end process. Information about the system upgrade has been communicated through our customer communication channels such as the dedicated web page on our corporate website, 'What's New' email to subscribers, etc. since September 2018. There will be more targeted messaging available via B2B and eServices.

### **DISCUSSION ITEMS**

#### **2.1 DOMESTIC POLICY UPDATE - Dr Andrew Wilkinson**

The paper provided an update on policy and legislative activities including IP Australia's current legislative agenda, which includes two legislative packages related to the Australian Government's response to the Productivity Commission (PC) inquiry into Australia's IP arrangements. The first package has been enacted, with some items commencing 25 August 2018 and other items to commence on 24 February 2019. Details are available on IP Australia's website.

IP Australia has commenced policy development on a third bill focused on implementing the Government response to ACIP's review of the designs system. The policy team are embracing a more agile consultation approach and Mr Wilkinson stressed that IP Australia are interested in working closely with engaging stakeholders, including members of the TMDCG. Members are also encouraged to continue interacting with IP Australia's online policy register. IP Australia also intends to respond to submissions put forward for the economic analysis of the Hague Agreement in 2018.

#### **2.2 FREE TRADE AGREEMENTS – EU, FTA, RCEP, AND GEOGRAPHICAL INDICATIONS - Brendan Bourke and Charlotte Iggulden**

Acknowledgement of feedback and submission by IPTA on the issue of bad faith applications in the context of RCEP negotiations.

An email was distributed to members in August advising that the EU had published their initial negotiating text for the Australia -European Free Trade Agreement, noting that the text only reflects the EU's initial requests. Potential issues on trade marks, designs and geographical indications in the EUFTA were raised and feedback sought from members on concerns or issues that could be raised in the context of the EUFTA.

The next round of EUFTA negotiations will be held during the week of 19 November in Canberra and will include a joint stakeholder event. DFAT will be sending out invitations to the stakeholder event which will be run by the key negotiators from EU and Australia.

## TRADE MARKS AND DESIGNS CONSULTATION GROUP (TMDCG), MEETING 11

DATE: Thursday 25 October 2018,

Time: 10.30am – 2:00pm

Location: Darling Park Tower 3 Level 18, 201 Sussex St Sydney

<b>Action Item 2018 -2- A2</b>	<i>Group to get in touch with Brendan Bourke with comments, suggestions, issues through a submission to DFAT. Information on how to file a submission with DFAT can be found here</i> <a href="https://dfat.gov.au/trade/agreements/negotiations/aeufta/submissions/Pages/submissions.aspx">https://dfat.gov.au/trade/agreements/negotiations/aeufta/submissions/Pages/submissions.aspx</a>
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<b>Action Item 2018-2-A3</b>	<i>Peter Chalk to send through further input for IP Australia to consider.</i>
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### 2.3 INDIGENOUS KNOWLEDGE CONSULTATIONS - Kerry Sillcock

The Indigenous knowledge strategy was release for consultation on the protection of Indigenous Knowledge in the intellectual property system. IP Australia are inviting members views on some of the options canvassed in IP Australia's consultation paper.

The aim of the consultation process is to identify if the IP system can be used to promote economic opportunities for Indigenous businesses and protect the cultural integrity of Indigenous Knowledge.

Proposals in the consultation paper relating to trade marks and designs were discussed as follows:

1. strengthening the grounds for rejection in relation to the use of words or images that may offend Indigenous people
2. database of traditional cultural expressions for examiners to refer to
3. requiring free, prior and informed consent from traditional owners if trade marks or designs contain traditional cultural expressions
4. establishing an Indigenous advisory panel to advise IP Australia on Indigenous matters, possibly modelled on the Maori Advisory Committees in New Zealand.

Consideration of these issues was focused at a high level to gauge stakeholder views and reactions to the proposals, with detailed implementation issues to be fleshed out following the consultation process. Members are encouraged to make a submission.

It was raised by some members that recognition of Indigenous Knowledge was overdue in Australia and the need for education, awareness and training of Indigenous and non-Indigenous businesses.

Two types of reactions may be expected from stakeholders. Some might say the proposal goes too far while others will welcome it. There was a query as to whether the proposal would expand the grounds for rejection and would be affected by freedom of speech laws as was found in a US case involving the trade mark Redskins. Peter Chalk raised a question about the impact on applicants. Ms Sillcock acknowledged that these proposals would have some impact on applicants and noted that the prohibition of certain signs already exists under the trade marks legislation.

### 2.4 DEVELOPMENTS ON THE NEW DRAFT CONVENTION ON FOREIGN JUDGMENTS – TANYA Duthie

An informal proposal has been developed to expand the scope of the Convention to bring decisions made by competent authorities (administrative decisions) within its scope. A questionnaire had been circulated on the topic and IP Australia had submitted its concerns to the Attorney General's Department.

## TRADE MARKS AND DESIGNS CONSULTATION GROUP (TMDCG), MEETING 11

DATE: Thursday 25 October 2018,

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A concern was raised by some members that the draft text does not sufficiently address the inadvertent consequences of including IP rights, for example making orders regarding payment of damages in relation to an alleged infringement of IP rights which would then be enforceable in the country of origin of the owner of the particular rights, or the defendant in the case. The problem for IP cases which makes them different from the general money judgments e.g. 'breach of contract' is that trying to understand the basis for why an IP right may have been enforced or not enforced in a different country with different legislation is quite a different proposition from the enforcement of a simple money judgment on a breach of contract. Enforcement of non-money judgments. In common law jurisdictions such as Australia. It was raised that it has never been the case in recognition of foreign judgments that you are able to enforce non-money judgments, in particular anything that was equitable relief which are the remedies mostly available for IP matters.

This is a concern that IP Australia has highlighted to the Attorney General's Department.

Enforcement of IP rights is conceptually different from the enforcement of a debt. A debt for a specific money sum is ascertainable, is concrete and assuming that the circumstances about whether repayment needs to be made etc. were established to the satisfaction of a competent court in another jurisdiction, you can readily understand why that might be enforced in the country in which one of the parties is located.

IP Australia will continue to engage with stakeholders to ensure a full range of views are considered.

### DISCUSSION TOPICS

#### 2.5 USPTO INITIATIVE TO COMBAT FOREIGN INBOUND FAITH FILINGS BY REQUIRING FOREIGN FILERS TO BE REPRESENTED BY A US ATTORNEY – PETER CHALK

The issue of unqualified parties providing TM services continues to be a concern for members.

Complaints regarding unqualified firms providing TM advice is on the rise.

The issue was raised with NSW Law Council and no further legal action was taken against the parties concerned.

Large Chinese firms are offering advice using an Australian address for service and appear to have handled at least 400 applications. The members raised the fact that consumers cannot differentiate between qualified and unqualified firms.

The USPTO recently initiated a policy to overcome this issue by prohibiting foreign filers to be represented by international attorneys. Australia should consider options if this pattern continues to rise, this issue needs serious consideration although evidence is required before any action can be taken.

<b>Action Item 2018-1-A4</b>	<i>Michael Wolnizer to provide a list of unqualified firms providing TM advice to TMDCG members.</i>
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#### 2.6 EXAMINATION STANDARDS IN LIGHT OF THE JUDGMENT OF *BEACH J IN RED ENERGY PTY LIMITED V REGISTRAR OF TRADE MARKS* [2018] FCA 1449 – PETER CHALK

## TRADE MARKS AND DESIGNS CONSULTATION GROUP (TMDCG), MEETING 11

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Recent judgment of the Federal Court which was an appeal from a decision of the Registrar in which the Registrar did not defend her position.

Summary of *Red Energy* provided.

Mr Chalk commented that the judgment of Justice Beach fairly exposed what he perceived as a difficulty with the application of *Cantarella* in the Office. Mr Chalk said he had looked at the decision by the hearing officer and again some of the problems with the assessment of inherently adapted to distinguish perpetuated in that. Mr Chalk said he blamed the Federal Court somewhat because he perceived inaccuracies in the summary by the Full Court in the *Accor* decision and he felt that it was apt to mislead in terms of how you approach *Cantarella* including some incorrect paraphrases of previous judgments. Mr Chalk felt it was very important in examination that the steps that are required by *Cantarella* are taken and short cuts are not made in that.

Mr Doyle disagreed with Mr Chalk's view on the outcome of *Red Energy* and thought that IP Australia's judgment was good. Mr Doyle said if the Registrar thought that the decision was wrong, consent orders would have been the better way to go.

Heath Wilson noted that there were a number of issues that Mr Chalk had raised and thanked him for his summary, especially on *Red Energy*. Mr Wilson said the Registrar had elected not to participate in the appeal, that no evidence had been filed as a result, the decision itself refers to the presumption of registrability. In those circumstances, The appeal was upheld. The delegate's decision was set aside and the trade mark proceeded to acceptance. The decision of the office not to appear in proceedings is not an unusual occurrence.

<b>Action Item 2018-2-A5</b>	<i>IP Australia to review training material on Cantarella for examiners. TMDCG members to provide examples from examination to the office. Report back at next meeting on any further changes or findings.</i>
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### 2.4 OTHER BUSINESS

There was no other business for this meeting

### INFORMATION PAPERS

The TMDCG were provided with the following information papers;

1. *Information Paper 1 – IP Australia system upgrade for trade marks*
2. *Information Paper 2 – Automated Decision Governance Framework and Policy*
3. *Information Paper 3 – Certified Trade Marks Forum*
4. *Information Paper 4 – International Engagement Strategy (IES) – Regional Strategy for trade Marks and support services for Australian exporters.*

**MEETING ENDED: 1:15 PM (NEXT MEETING - MID APRIL 2019 IN MELBOURNE)**