

International Trademark Association

Comments to

IP Australia's Proposals to Streamline IP Processes and Support Small Business

The International Trademark Association (INTA) is pleased to provide IP Australia with comments on the consultation paper entitled *Proposals to Streamline IP Processes and Support Small Business*. INTA commends IP Australia for its initiative to make the processes and policies surrounding trademarks and related rights more efficient and effective, in particular for small businesses.

INTA is a global organization of 6,600 trademark owners and professional firms from over 190 countries, including 121 members in Australia. INTA is a not-for-profit membership association dedicated to trademarks and related intellectual property in order to protect consumers and to support fair and effective commerce. The Association was founded in 1878 and today INTA leads the way in global trademark research, policy development, education and training. More details about INTA and its initiatives are available at www.inta.org.

INTA supports many of the proposals, including:

- Changes to the Customs seizure notifications, which will allow notification via email.

INTA is concerned that some recommendations are unduly burdensome and can create legal uncertainty, namely Proposals 2, 3 and 14, that would:

- Introduce a novel re-examination procedure,
- Put restrictions on requests for extensions, and
- Set a 6-month deadline for examination.

INTA believes these proposals will seriously burden trademark owners by not allowing the time necessary to address complex trademark cases and in the case of Proposal 2 will create legal uncertainty by not converging with global harmonized practice.

In general, another major concern for INTA is the drive to impose procedures from one system of intellectual property rights, such as patents, plant breeder's rights or designs, onto the trademark rights system. The rights accorded to trademark owners are distinct from these other intellectual property rights and serve different public policies – namely that trademarks play a consumer protection role.

INTA is in support of Proposals 7, 9 and 20. Please find our details comments set forth below:

Proposal 7: Self-service Amendments

IP Australia proposes to amend IP legislation to allow applicants and IP owners to make various amendments, such as amending applicant and agent address details, online.

INTA Comments:

INTA supports this change as it provides efficient and effective streamlining of services.

Proposal 9: Certificates

IP Australia proposes to amend IP legislation to remove the requirement for IP Australia to issue certificates of registration or grant. IP legislation would be amended to provide that any document approved by the Commissioner or Registrar would constitute *prima facie* evidence. IP rights holders would be able to download extracts of the Register at any time and use such extracts to prove certain facts. IP Australia intends to make commemorative certificates available upon the payment of a small fee.

INTA Comments:

INTA supports this change for the reasons cited in the paper, namely to promote more use of electronic communications and to reduce administrative burdens.

Proposal 20: Customs Notice of Seizure

IP Australia proposes to amend the Trademarks Act to allow customs to notify the designated owner of the goods and the trademark owner notices by 'approved means', which would allow Customs Seizure notices to be issued electronically.

INTA Comments:

INTA supports this change as it encourages quicker and more effective means of communication.

INTA has a number of concerns with the Proposals 2, 3 and 14. Please find our detailed comments below:

Proposal 2: Re-examination

IP Australia proposes moving to a more consistent system by introducing a re-examination process for trademarks, designs and plant breeders' rights which are aligned with the current patent re-examination process, while still accounting for the important differences between the rights.

In respect of trademarks, IP Australia proposes to allow a 12-month period for either a third party or the Registrar to file a request for re-examination of a trademark.

- if re-examination is requested:
 - in respect of an accepted mark, the Registrar has the discretion to re-examine. Discretion may not be exercised if there is an opposition or in the process of court action. No fee is payable by the requestor; and

- in respect of a registered mark, the Registrar *must* re-examine the mark. A fee is payable by the requestor (no contribution required by trademark owner);
- re-examination is on the same grounds as in examination. A report would be sent to both the trademark owner and requestor of re-examination;
- the trademark owner and requestor each have one opportunity to respond to the re-examination report.

INTA Comments:

INTA does not support this proposal. The rationale provided for this action is to bring the Australia Trademark process in to alignment with the Australian Patent procedure. However, if introduced, it would result in Australian trademark practice being different from any most trademark system throughout the world.

INTA strongly supports the harmonization of trademark practice around the globe for the benefit of trademark owners who seek clarity and legal certainty while protecting their rights and protecting consumers of their products and services across different jurisdictions. This proposal would introduce a system that is unique and goes against the global trend of harmonization of trademark practice and would create tremendous legal uncertainty.

The proposed re-examination option will provide a third party with an additional opportunity to prevent (or revoke) the registration of a trademark based on provisions which they previously could have taken action to challenge an application. Third parties already have the opportunity to oppose the mark at the advertisement stage or to seek cancellation of the mark post-registration via the courts.

Proposal 3: Extensions

It is proposed to align the trademark extension of time provisions with the patent and design provisions. This would involve:

- placing a cap on extensions to 12 months, except where there are circumstances beyond the person's control or they had exercised due care (i.e. cap on 'error or omission by applicant/owner' extension to 12 months – currently there is no cap);
- streamlining process for extensions of time, namely that requests are automatically granted by IP Australia without assessment but are subject to third party objection within a 1 or 2 month period. IP Australia would only assess the extensions of time request if objected;

INTA Comments:

This proposal is of concern. In particular, the proposal to place a cap on extensions to 12 months (unless circumstances beyond the control or despite due care) will adversely impact on the ability to obtain extensions of time to overcome objections raised during the examination procedure. This proposal taken into consideration with the proposal to change the examination time limits (see proposal 14 below) will seriously impact the options available for an applicant to respond appropriately to objections raised during examination.

The proposal to automatically grant extensions of less than 3 months without any assessment is also of concern, particularly when the applicant will still be required to file a declaration containing reasons for the

extension, which may or may not be assessed. This places an unnecessary burden and expense on applicants.

Proposal 14: Acceptance Timeframe for Trademarks

IP Australia proposes to:

- reduce the timeframe for acceptance from 15 months to 6 months;
- abolish the general extensions currently available under Regulation 4.12(3) (i.e. the 'easy' extension provisions); and
- expand the grounds of deferment (in particular to include to prepare evidence to overcome a s41 objection, i.e. that the trademark does not distinguish the applicant's goods or services from those of others).

INTA Comments:

The reduction of the period to overcome the objections raised during examination to 6 months is not supported.

The paper discloses that 88% of applications are resolved within this timeframe. Accordingly, there is little benefit provided to a small business by this proposed change as a very high proportion of cases are already dealt with. However, there would be a heavy detriment to the holders of the remaining 12% of cases, as they would not be provided with sufficient time to protect their assets.

A number of the cases that take longer to resolve tend to involve complex trademark issues and should not be penalized by the imposition of reduced timeframe.

The reduction of the time period to 6 months, in practice means that the latest date to file a response is 5 months after the date of the first examination report. This response then needs to be sufficient to overcome all of the objections raised by the Examiner because there would be no time remaining to allow for a second or third report to issue.

The expansion of the deferment grounds is not a suitable replacement for the reduction in the examination timeframe. A divisional system is already in place to allow s41 Applicant's with the time to address the s41 issues. The reduction in the timeframe even with the addition of a deferment ground would not be an equivalent replacement for this system and once again leads to a punishment of a holder of a more complex case with little benefit to small business.

The removal of the "easy extensions of time" are also not supported for the reasons stated above they would only apply to a minor number of cases and be more detrimental to the trademark applicant than of any particular benefit to the small business holder.

INTA would support the introduction of a reasonable period of time for the applicant to respond to any objections made by the office. As more than one response to an official action may be required, the recommended extendible deadline for an applicant's response to each official action should be within three to six months after the issuance of the official action. If this proposal is accepted, the existing fifteen-month timeframe for acceptance of an application will have to be abolished altogether.

These comments were produced by INTA Policy and Advocacy committees, including the Trademark Office Practice Committee, the Anticounterfeiting Committee, and the Legislation and Regulation Committee. If

you have any questions or concerns, please contact INTA's Asia-Pacific Policy Advisor, Mr. Seth Hays at shays@inta.org.