Australia's response to WIPO Circular C.9199 Pt 1: request for inputs for the preparation of the following documents and a new webpage

(i) a draft reference document on the exception regarding extemporaneous preparation of medicines. The inputs may relate to, for example, relevant court cases, challenges faced by Member States in implementing the exception and the results of the national/regional implementation

[Nil. Australian law does not have an exception for extemporaneous preparation of medicines.]

(ii) a study on various aspects of the unity of invention, including divisional application

[Nil.]

(iii) compilation of laws and practices relating to the patentability of artificial intelligence (AI)-related inventions (update of document SCP/30/5)

On the issue of AI inventorship, the court decisions on the DABUS applications have illustrated that the increasing use of artificial intelligence in innovation is bringing unique challenges to the IP system.

In April 2022, the Full Federal Court of Australia ruled that an AI cannot be named as an inventor on a patent application overturning a previous decision allowing an AI to be designated as an inventor of an Australian patent application. The High Court of Australia has denied further appeal, meaning the decision of the Full Court is final.

The DABUS decision is discussed in IP Australia's Patent Manual of Practice and Procedure 5.4.3 Inventions Produced by Artificial Intelligence | IPA Manuals (ipaustralia.gov.au), making it clear that a human inventor is required. The principles for considering human inventorship are summarised in the manual at 7.2.8.5 Relevant Cases | IPA Manuals (ipaustralia.gov.au).

Australia continues to explore policy issues at the intersection of AI and IP (for example, Generative AI and the IP System (ipaustralia.gov.au)). Accordingly, we welcome further discussions on AI and IP issues, including inventorship within SCP, to examine emerging issues and build a common understanding of them towards adopting standard approaches where possible.

On the issue of patentability of AI-related inventions in a subject matter sense, we consider that AI-related inventions are generally a subset of computer implemented inventions. The principles for such inventions have been laid out in recent court decisions as discussed in our Patent Manual of Practice and Procedure (5.6.8.6 Computer Implemented Inventions, Mere Schemes, and Business Methods | IPA Manuals (ipaustralia.gov.au)). Australian courts have yet to consider an invention including or using AI, but patentability is generally found where there is some technical solution provided to a technical problem. Following these principles, where AI is improved in a material or technical manner or AI is used to address a technical problem, patentability may be found.

(iv) a dedicated webpage on the expedited examination program of Intellectual Property Offices (updating the contents of document SCP/35/6)

In Australia, an applicant can request expedited examination of an application for a standard patent in the circumstances outlined below.

Currently it can take more than a year from the submission of an examination request for the examination process to begin. Accelerating the examination process reduces this waiting time, usually to between four and eight weeks. Expedited examination can be helpful if an applicant is seeking to enforce patent rights, and to inform commercial decisions.

Eligibility for expedited examination will depend on the circumstances of the case in question. The Australian Patents Regulations provides that the Commissioner of Patents may expedite examination if reasonably satisfied that:[1]

- it is in the public interest
- there are special circumstances that make it desirable.

An applicant must provide reasons why an application is eligible for expedited examination. Without limiting the circumstances that the Commissioner may consider justify expedited examination, reasons currently include:

- the invention is in the field of green technology
- the applicant is a small or medium enterprise
- the claims of the invention have been found acceptable by certain patent offices under the Global Patent Prosecution Highway program, or the IP Australia-European Patent Office Patent Prosecution Highway program
- an applicant needs a granted patent in order to commercialise or license out their invention
- an applicant is concerned that their invention may be infringed and wants to commence infringement proceedings.

Expedited examination can be requested at any time following the filing of the patent application and there is no additional cost associated with expedited examination.

(v) a document updating SCP/26/5 (Constraints faced by developing countries and LDCs in making full use of patent flexibilities and their impact on the access to affordable especially essential medicines for public health purposes in those countries)

[Nil.]

[1] *Patent Regulations 1991* (Cth) r 3.17.

(vi) a document updating SCP/25/4 (compilation of court cases with respect to client-patent advisor privilege)

Client-Attorney Privilege is essential to ensuring clients can receive high quality IP advice. Client-attorney privilege is provided for by s 200 of the *Patents Act 1990* (Cth) (and equivalent provisions in s 229 of the *Trade Marks Act 1995* (Cth)).

Australia's legislative provisions afford foreign innovators privilege in communications with their own patent attorneys and Australian patent attorneys when seeking protection in Australia. Section 200 (and s 229) were amended by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) to expressly extend privilege to an individual authorised to do patents work or trade marks work under a law of another country or region, to the extent to which the individual is authorised to provide intellectual property advice of the kind provided. The Federal Court of Australia had found that the earlier version of s 200 confined the privilege provided by the statute 'to communications with patent attorneys registered as such in Australia' (*Eli Lilly & Company v Pfizer Ireland Pharmaceuticals (No 2)* [2004] FCA 850).

Since this amendment, the Federal Court found in *Australian Mud Co Pty Ltd v Coretell Pty Ltd* [2014] FCA 200 that s 200 'protects communications between a patent attorney and his or her client which are made for the dominant purpose of providing intellectual property advice to the client to the same extent as such communications would be protected if they were between a legal practitioner and his or her client.'

(vii) a document updating SCP/32/6 (patent law provisions that contribute to effective transfer of technology, including sufficiency of disclosure)

Australian Patent Law provisions on Technology Transfer

Paragraph 40(2)(a) of the *Patents Act 1990* requires that applicants must disclose their invention in a manner which is clear enough and complete enough for the invention to be performed by a person skilled in the relevant art.

Patent licences contribute to effective technology transfer and are often involved when establishing a joint venture or a collaborative partnership. Patent licences are also typical in consortium arrangements and sponsored research agreements.

The *Patents Act 1990* does not specify any formalities that must be satisfied for a patent licence to be valid and enforceable. However, as a matter of commercial practice, the terms of a patent licence are typically set out in a written document executed by the parties to the agreement.

IP Australia initiatives that facilitate Technology Transfer

If innovation is to be fully effective, it is crucial to ensure that new technology is incentivised and reaches the market. This can be difficult to achieve, and hence it is important to ensure patent protection is in place and to have initiatives to facilitate commercialisation.

Effective technology transfer can be facilitated through collaboration and establishing strong links between researchers and industry. Benefits of collaboration can include sharing of knowledge, research

insights, improvement in methodologies, identifying opportunities for future research and improved market growth, all of which lead to better results in technology transfer and support cooperative or competitive downstream innovation.

IP Australia has developed resources that support users of the patent system and facilitate technology transfer. These include:

- Resources to support rights holders to commercialise their IP once they have made the decision to take it to market (How To Commercialise My IP | IP Australia).
- IP Basics factsheets that provide IP knowledge and tools needed to establish and grow a successful business (IP Basics | IP Australia).
- Choosing the right IP Tool that helps innovators identify what type of IP protection they may need (Choosing the right | IP Australia).
- Information about commercialization and collaboration for innovators (Commercialisation And Collaboration |IP Australia).
- Non-disclosure contract generator to help create NDAs. It builds a contract in four simple steps using the user's business details and those of the other party (Non-Disclosure Agreement Generator| IP Australia).
- Resources to assist in obtaining professional IP advice that can help innovators at different stages of their IP journey including commercialisation. IP Australia recommends seeking professional advice and provides resources to help find IP professionals who can provide assistance (Get Professional Assistance With Your IP | IP Australia).

(viii) a study on patent inventorship and ownership issues arising from collaborative research

IP including patents is an important enabler of collaborative research. In 2016, the Productivity Commission (PC) published its report on the IP system. The PC found that, in relation to commercialisation including collaborations involving publicly-funded research, 'IP arrangements can facilitate commercialisation of publicly-funded research by allowing exclusivity over certain inventions created with the benefit of public funding'. Noting arguments raised for and against, the PC found that 'on balance', where IP rights including patents are sought in inventions arising from publicly-funded research, institutional ownership was preferable to alternatives such as government or individual ownership. The PC also noted that government initiatives (as well as self-regulatory initiatives) may play a role in supporting collaborations.

IP Australia provides resources to support collaboration and commercialization of IP that highlights the importance of establishing an IP management strategy. These include:

- Resources that highlight some things parties should consider in IP management for collaborations (IP Management For Collaborations | IP Australia).
- Model Term Sheet that can help innovators to define projects, outline the basic terms and conditions of a collaboration, engage with internal policies, processes and approval mechanisms and negotiate with collaborators (Model Term Sheet | IP Australia).
- Model Contract and Mini Model Contract that can be used to help draft a contract to govern the commercial relationship between parties (Model Contract | IP Australia, Mini Model Contract | IP Australia).

- Non-disclosure contract generator to help create NDAs. NDAs are used to protect sensitive information that needs to be shared with others including when entering collaborative research. The tool builds a contract in four simple steps using the user's business details and those of the other party (Non-Disclosure Agreement Generator| IP Australia).
- Resources to assist in obtaining professional IP advice that can help innovators at different stages of their IP journey including collaboration. IP Australia strongly recommends seeking professional advice and provides resources to help find IP professionals who can provide assistance (Get Professional Assistance With Your IP | IP Australia).
- Collaborations checklist and Mini Collaborations Checklist that can help parties to a possible collaboration consider issues that may impact a collaboration (Collaborations Checklist | IP Australia, Mini collaborations checklist | IP Australia).

IP Australia also highlights other resources which support collaborations (Commercialisation And Collaboration |IP Australia). These include:

- The Higher Education Research Commercialisation (HERC) IP Framework (the Framework) helps businesses and industry to collaborate with universities on research and commercial projects (Higher Education Research Commercialisation Intellectual Property Framework - Department of Education, Australian Government).
- Easy Access IP which offers businesses free access to IP from Australian universities (Easy Access IP | Some Success Depends On Research)