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**FEDERAL COURT OF AUSTRALIA
PRINCIPAL REGISTRY**

A.B.N. 49 110 847 399

LEVEL 16
LAW COURTS BUILDING
QUEENS SQUARE
SYDNEY NSW 2000

Your Ref:
Our Ref:

30 September 2009

Ms Jacqueline Carroll
ACIP Secretariat
PO Box 200
WODEN ACT 2605

Dear Ms Carroll

Interim Report on Post-Grant Patent Enforcement Strategies

I refer to the invitation to provide comments on the *Interim Report on Post-Grant Patent Enforcement Strategies* published by the Advisory Council on Intellectual Property in August 2009.

Subject to the following, the Court does not wish to comment on the proposals in the Interim Report.

While the final details of the proposed restructure of the federal courts are not yet known, the Court has a number of concerns in relation to the proposal that the jurisdiction of the lower tier of the Federal Court be expressly stated to include patent matters. These include the following:

1. It is not clear from the Interim Report why ACIP considers that lower tier judicial officers will be able resolve patent matters more quickly and cheaply than Judges of the Federal Court given the interrelated issues of the cost, time and complexity of intellectual property proceedings.
2. At page 51 of the Interim Report, ACIP expresses the opinion that there are less complex intellectual property cases that could be heard by a lower tier judicial officer. However, the Interim Report does not describe these cases, nor does it set out the criteria by which such cases might be identified.

The complexity of patent cases flows from the nature of the legal and forensic issues in dispute and the commercial significance (often at an international level) of the judicial

determination of those issues. The monetary value of an patent claim is not a reliable indicator of the claim's complexity.

3. Apart from potentially lower filing fees (that are set by the Government), the legal and other costs of conducting a patent case will be approximately the same irrespective of the type of judicial officer who hears the matter. The key determinants for legal and related costs are the time and complexity of the litigation.
4. A key element to ensuring the streamlined (and economical) conduct of patent cases is for the court to have the expertise and experience to identify and oversee the most appropriate mechanisms for managing the litigation. The intellectual property judges of the Federal Court have the expertise and procedural tools to streamline the conduct of intellectual cases to avoid unnecessary or otherwise inappropriate procedures. This expertise has been recognised by Government, the profession and litigants. It is also reflected in the fact that very few patent matters are commenced in the State and Territory Supreme Courts.
5. In relation to case management, the Court's individual docket system allows for the careful management of cases, aided by leave requirements for discovery and the issuing of subpoenas and a range of procedures for managing expert evidence. The Court also makes extensive use of assisted dispute resolution in appropriate cases, both to assist in the conduct of a proceeding and to achieve its final resolution.

During 2008 each of the Court's registries issued a *Notice to Practitioners and Litigants – Proceedings under the Patents Act 1990 (Cth)*. These notices were replaced on 25 September 2009 by a Practice Note issued by the Chief Justice, a copy of which is enclosed.

6. The following tables set out the age of matters finalised in the Court during the fiscal years 2004-05 to 2008-09. They show that most matters are dealt with expeditiously.

Patents	2004-05		2005-06		2006-07	
0-6 months	13	31.0%	14	27.5%	20	33.9%
0-12 months	28	66.7%	28	54.9%	35	59.3%
0-18 months	33	78.6%	33	64.7%	46	78.0%
over 18 months	9	21.4%	18	35.3%	13	22.0%
Total Finalised	42	100.0%	51	100.0%	59	100.0%

Patents	2007-08		2008-09	
0-6 months	29	64.4%	32	82.1%
0-12 months	38	84.4%	39	100.0%
0-18 months	42	93.3%	39	100.0%
over 18 months	3	6.7%	0	0.0%
Total Finalised	45	100.0%	39	100.0%

Of the 39 Patents Act proceedings finalised in 2008-09, all were completed in less than 6 months from the date of commencement.

If you require further information please contact me by telephone on 02 9230 8336 or by email to Philip.Kellow@fedcourt.gov.au.

Yours sincerely

Philip Kellow
Deputy Registrar
(sent b email)

FEDERAL COURT OF AUSTRALIA
Practice Note IP 1
PROCEEDINGS UNDER THE PATENTS ACT 1990 (Cth)

1. Conduct of Patent Proceedings

- 1.1. This Practice Note sets out the usual procedures in relation to proceedings under the *Patents Act 1990* (Cth).
- 1.2. The aim of the procedures is to accelerate the identification of issues and generally to improve the facilitation of the trial process.
- 1.3. Upon filing in the District Registry, there will continue to be the random allocation of patent cases to individual judges or, if filed in a District Registry which has a Patent Panel, to judges who are members of that Patent Panel.
- 1.4. New proceedings will be listed before a nominated Patents List Judge. Subsequent directions may be before the Patents List Judge depending upon the nature of the procedural dispute.
- 1.5. These procedures are deliberately not overly prescriptive, with an emphasis on flexibility of application to each proceeding.
- 1.6. However, by setting out what is expected of practitioners and litigants, the Court expects that, to the extent practicable, it will be informed of the matters required for giving the appropriate directions at the earliest possible stage in the proceedings.

2. General Procedures

- 2.1. The following are the general procedures which practitioners can expect will be adopted:
 - (1) On the first return date, the parties should be in a position to explain the issues in the proceedings, including whether infringement is disputed.
 - (2) After the filing of particulars of invalidity the party seeking revocation must explain how each ground of invalidity can be supported. The particulars of invalidity should include details of the passages of any prior publication relied upon for novelty purposes.
 - (3) Before any directions are made for the filing of evidence, the Court will enquire (as appropriate):
 - (a) whether any expert evidence will be required;
 - (b) whether a single expert is appropriate for all or any part of the evidence;
 - (c) whether any of the evidence can be given orally or by reference to standard texts, or by a combination of summary outline and oral evidence;

- (d) whether a primer is appropriate;
 - (e) as to the appropriate method of evidence (such as evidence of experts and prior meetings of experts to explain or narrow the issues in dispute).
- (4) Before discovery is ordered, the parties must confer to discuss the issues to be addressed by discovery and the nature of the documents sought, and whether evidence should precede discovery.
 - (5) Unless there has been satisfactory narrowing of issues and resolution of procedural issues, the Court may refer the parties to a procedural alternative dispute resolution.
 - (6) If appropriate, a case management conference will be arranged to resolve issues concerning discovery and any interlocutory steps.
 - (7) Any special matters should be raised at the earliest possible occasion including, for instance, any intended application for amendment to the patent.

2.2 It is expected that at a time nominated by the Patents List Judge, the parties shall reduce to writing as relevant:

- amended pleadings containing only the matters in dispute
- issues in dispute with respect to each ground of claimed invalidity
- statement of non-controversial matters, such as publication dates and priority dates
- details of any outstanding pre-trial matters
- a list of the further actions to be taken by each party
- the issue or issues likely to be addressed by each [named] witness and expert
- the mechanism by which each witness will give his or her evidence
- details of any other case management issues, including likely interlocutory disputes
- details of any outstanding pre-trial matters
- details of any matters likely to attract cost orders
- the next appearance date
- the likely time required for the hearing.

M E J BLACK
Chief Justice
25 September 2009