

---

# Intellectual Property Committee, Business Law Section, Law Council of Australia (the "IP Committee")

## Submission in response to the Advisory Council on Intellectual Property Issues Paper on Extension of the Jurisdiction of patent, trade mark and design matters to the Federal Magistrates Service

Dated: 25 September 2001

---

### 1 Complexity

The IP Committee notes the following comments by ACIP on the Issues Paper (page 7):

"The Federal Magistrates Service was established to deal with a range of less complex federal disputes that would otherwise go to the Federal Court or Family Court of Australia".

"A key feature of the Federal Magistrates Service is that federal magistrates are not to become tied up with complex matters. Their workload is intended to be characterised by high volume and low complexity. For this reason, areas of law seen as relatively complex have not been considered as suitable for federal magistrates."

"IP matters are a specialised area of law and they have generally been considered a complex area of law ...".

The IP Committee agrees with these comments. On the basis of those matters, the view of the IP Committee is that the majority of patent, trade mark and design cases, which come before the Federal Court of Australia, would not be suitable to be dealt with by the Federal Magistrates Service.

The IP Committee notes that the ACIP Issues Paper is essentially concerned with the legislation that covers patents, trade marks and designs. Accordingly, this submission confines itself to those rights only and does not comment on other rights, in particular, copyright.

The IP Committee does consider that there may be some IP cases which currently come before the lower courts, including the local magistrates court, the County Court and the District Court, which may be more appropriately dealt with by the Federal Magistrates Service than by those courts, provided that the presiding Federal Magistrate has adequate IP expertise. This could be achieved by eliminating the IP jurisdiction in those lower courts. This may provide an appropriate alternative venue for applicants for whom Federal Court proceedings are prohibitively costly. However, in relation to time and cost of proceedings, please see our comments at 3 below.

The IP Committee notes that if it were proposed to grant jurisdiction to the Federal Magistrates Service for some IP matters (eg less complex or less financially significant), careful consideration would need to be given to setting the parameters of those matters. For example, it is likely to be insufficient to merely identify some monetary limit given that in many IP cases, the primary remedy sought is injunctive relief rather than monetary compensation. Further, a matter

involving a low monetary value will not necessarily involve a lower level of legal complexity. The IP Committee suggests that further detailed consideration, and further consultation with interested parties, would be essential in determining which IP cases may be more appropriately dealt with by the Federal Magistrates Service. For example, it may be that cases seeking criminal penalties or enforcement of civil orders made by the Federal Court, may be appropriately dealt with in that form.

The IP Committee is not aware of the volume of IP cases before the lower courts and, in particular, whether, if jurisdiction was granted to the Federal Magistrates Service to hear such cases, that volume would warrant the appointment of an IP specialist Federal Magistrate. This could be achieved by eliminating this IP jurisdiction in those lower courts. The IP Committee submits that it would be useful for some research to be conducted to seek to ascertain the volume of such cases in the lower courts and their nature.

---

## **2 Workload**

The perception of the IP Committee is that the workload of the Federal Court in relation to IP matters is not such as to create a strong imperative to seek to ease that workload. However, the IP Committee suggests that ACIP seek the view of the Federal Court in this regard. The IP Committee notes that the recent granting of jurisdiction to the Federal Magistrates Service in migration matters (announced on 30 August 2001) is far more likely to significantly ease the workload of the Federal Court. If the Federal Magistrates Service appointed an IP specialist to deal with IP matters it is more likely he or she would attract matters from lower courts (as discussed above) or matters which otherwise may not have been litigated, rather than relieving the workload of the Federal Court.

---

## **3 Time and cost of proceedings**

The IP Committee acknowledges that the costs of Federal Court litigation relating to enforcement of IP rights can be prohibitive for some businesses and individuals and that this may inhibit enforcement of some IP rights. It may be that a volume of such cases is currently before the lower courts, as discussed above. We repeat our comments at 1 above in this context.

The Committee also notes that within the Federal Court, there is scope for proceedings to be conducted in a variety of ways, not all of which necessarily involve lengthy and costly proceedings. In relation to the time taken in proceedings, this is often not as a consequence of the fact that the proceedings are before the Federal Court but rather the attitude, in particular, of the parties (or their representatives), to interlocutory steps such as discovery.

Determining whether granting jurisdiction to the Federal Magistrates Service for some IP matters would in fact result in less time-consuming and less costly proceedings, would depend in part upon the procedures to apply in relation to transfer of proceedings (between the Federal Court and the Federal Magistrates Court) and appeals. It may be that in the case of many matters initiated in the Federal Magistrates Court, respondents would initially contest the appropriateness

of that forum and seek a transfer to the Federal Court, particularly if the guidelines as to which is the appropriate forum are not clear.

In relation to appeals, there is a risk that appeals from decisions of the Federal Magistrates Service are more likely than appeals from the Federal Court. In practice, this would in fact lead to more time-consuming and costly litigation.

---

## **4 IP Expertise**

If the Federal Magistrates Service was to hear IP matters, the IP Committee considers it would be essential to the proposal that the Magistrate hearing those matters have IP expertise. The nature of the expertise could be several years experience as a legal practitioner admitted to practice in the Federal Court and specialising in IP matters, preferably litigious matters. It would also be necessary that there be sufficient IP matters to be heard by that Magistrate to maintain and develop that IP expertise. To achieve this level of IP workload, it may be necessary to appoint one federal magistrate with IP expertise who could hear all IP matters initiated in all States and Territories.

---

## **5 Decisions that are fair, just, certain and consistent**

It is difficult to assess whether the Federal Magistrates Service would provide fairer adjudication of matters without knowing further details as to how it would conduct such proceedings. For example, would such proceedings involve discovery? Proceedings without discovery are certainly likely to be quicker, but may lead to a result which is not fair because one party's damaging document was not required to be disclosed to its opponent. The IP Committee considers that the method of conducting such proceedings before the Federal Magistrate should be considered further and should be the subject of debate with relevant interested parties.