

**BY EMAIL**

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**CC**

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Mr Michael Schwager  
Director General  
IP Australia  
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Dear Michael

### **Qualified Local Representation for Foreign Applicants**

This submission is intended to raise awareness of the issue of qualified local representation for foreign applicants, and to advocate for reforms to the *Designs Act 2003* (Cth), *Patents Act 1990* (Cth) and *Trade Marks Act 1995* (Cth).

### **Executive Summary**

#### **The Issue – qualified local representation for foreign applicants**

Innovation is widely recognised as an important stimulus for economic growth and creative development. Effective and efficient intellectual property ('IP') arrangements contribute to community wellbeing by providing an important framework to incentivise and protect innovation, while enabling its lawful disclosure, dissemination and use.

Australia's IP arrangements are underpinned by the grant of high-quality intellectual property rights, facilitated by informed engagement with Australia's laws. Securing high quality rights requires specialised skill, expertise and knowledge which IPTA strongly believes comes from access to qualified local representation.

Qualified local representation is important not only for local applicants of designs, patents and trade mark ('registered IP') rights, but also for foreign<sup>1</sup> applicants, who in addition to language or cultural differences are likely to be less familiar with Australian laws and practice.

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<sup>1</sup> Foreign refers to a person who does not have a residence or principal place of business in Australia or is not incorporated in Australia.

Unlike a number of our trading partners (including New Zealand), Australia does not currently have uniform requirements dealing with qualified local representation for foreign applicants. Where there are requirements, such as s201 *Patents Act 1990* (Cth), there are mechanisms available to circumvent them. As a result, foreign applicants are being represented by unqualified and unregulated persons, a practice which serves to undermine the:

- rights and innovation investment of foreign applicants;
- integrity of the Australian IP system; and
- community's wellbeing.

### IPTA's Submission

To support the effective and efficient operation of Australia's IP arrangements, IPTA submits that foreign applicants for registered IP rights should be represented in proceedings under the registered IP Acts by qualified Australian or New Zealand Patent Attorneys and Trade Marks Attorneys<sup>2</sup>.

IPTA recommends the introduction of a uniform *nomination* process into each of Australia's registered IP Acts to address the issue.

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<sup>2</sup> Attorney means an individual or firm registered to practice in Australia or New Zealand, or a company registered as an incorporated Attorney in Australia.

## Unqualified Foreign Representatives

### Current Position

In proceedings under Australia's registered IP Acts, it appears that foreign applicants currently:

- represent themselves;
- appoint a qualified Australian or New Zealand Patent Attorney, Trade Marks Attorney or Australian legal practitioner;
- appoint an unqualified local representative; or
- appoint a foreign representative, who may or may not be qualified to practice as a Patent Attorney, Trade Marks Attorney or legal practitioner in a foreign jurisdiction.

Proceedings may include – applications, examination requests, oppositions, re-examinations, requests for extensions of time, amendment requests and rectifications.

Where a foreign representative is appointed, it appears that they are not required (and are unlikely) to be qualified or registered to practice under Australia's registered IP Acts. At least in the case of patents, this practice is contrary to Australian law<sup>3</sup>.

In the absence of professional qualifications and registration, a foreign representative is unlikely to:

- have expertise in, or knowledge of, Australian IP law and practice;
- understand broader intangible rights under Australian law including know how, trade secrets, confidential information, copyright or domain names;
- be aware of (or subject to) general Australian laws dealing with related matters such as privilege, confidentiality, competition and consumer protection, evidence or privacy; or
- be subject to Australian professional or ethical standards.

This position is inconsistent with the specialised nature of the rights and obligations dealt with under the registered IP Acts, and with requirements of other professions most notably the legal profession who have been held to protect the public '*from the untrained and unqualified*'<sup>4</sup>.

### Potential Impacts

Innovation is widely recognised as an important stimulus for economic growth, creative development and community well-being. Effective and efficient IP arrangements play a critical role in providing a regulated framework for investment, protection and dissemination of innovation.

Underpinning Australia's IP arrangements is the grant of high-quality IP rights. Securing those rights requires skill, expertise and knowledge. IPTA strongly believes that qualified local representation is critical to securing high quality IP rights.

*'The potential value of the rights being obtained and the complexity of the procedure, coupled with the adversarial nature of the application process, creates a need for a body of practitioners who are intimately familiar with those procedures and can act in the applicant's best interest to identify and obtain the rights to which they are entitled.'*<sup>5</sup>

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<sup>3</sup> See ss 200, 201 and 2002 Patents Act 1990 (Cth).

<sup>4</sup> See Phillips J in *Cornell v Nagle* [1995] 2 VR 188 at 210.

<sup>5</sup> FICPI, 'The IP Practitioner – Adding Value to Innovation? (4 December 2018) 9 at [https://ficpi.org/\\_uploads/files/The\\_IP\\_Practitioner.pdf](https://ficpi.org/_uploads/files/The_IP_Practitioner.pdf).

Qualified local representation remains important for local applicants of registered IP rights, and IPTA encourages IP Australia to continue recommending that local applicants engage qualified practitioners. Qualified local representation is also important for foreign applicants, who in addition to language or cultural differences, are likely to be less familiar with Australian laws and registered IP practice.

Australia's IP arrangements are part of a global eco-system which includes a complex network of international treaties<sup>6</sup> and local laws, regulations and practice all of which form part of Australia's broader legal framework. The success of our IP system depends on factors such as the:

- inter-relationship of the different IP (and other intangible) rights;
- validity, scope, duration and strength of the rights;
- identifying commercial opportunities and risks associated with IP rights;
- preventing others misappropriating rights, or free riding on reputation or goodwill;
- lawful dissemination and use of innovation; and
- compliance with Australian laws generally.

The rewards from the grant of IP rights are potentially high. Conversely failure to secure appropriate rights may impact negatively on an applicant and its business, the relevant industry or technology sector, and the public.

In the absence of skills, expertise and knowledge of Australia's IP arrangements it is unclear how a foreign applicant could effectively represent themselves; or how a foreign representative could advise a foreign applicant on matters such as those set out above, or more specifically on bespoke registered IP issues such as - first to file, patentable subject matter, novelty, inventive step, enablement, support, distinctiveness, use, prior art comparison, infringement, trade mark registrability and passing off. It is also not clear how a foreign applicant or a foreign representative could engage efficiently with IP Australia, or deal with local applicants in a commercial or economical manner.

Whether communications between a foreign representative and a foreign applicant in relation to patents and trade mark matters would be subject to privilege<sup>7</sup> is not certain. The application of privilege may depend on whether the foreign representative has any relevant foreign qualifications, and if they do, whether they have the requisite authority to act. Client privilege is a fundamental tenet of Australian law, enabling full and frank client disclosure and facilitating competent and independent professional advice. A lack of certainty as to whether communications are privileged has the potential to prejudice the interests of a foreign applicant, and others dealing with its foreign representative.

Similarly, confidentiality, record keeping and monitoring deadlines are important matters for an IP applicant. Whether a foreign representative would be cognizant of such matters as they apply under Australian law is unknown. IPTA believes it is undesirable, inefficient and potentially conflicting for IP Australia, or others dealing with a foreign representative (or foreign applicant) to be placed in a position where they need to explain processes or actions that should be taken.

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<sup>6</sup> Including the *Paris Convention for the Protection of Industrial Property* (20 March 1883), *Berne Convention for the Protection of Literary and Artistic Works* (1886), *Patent Cooperation Treaty* (1970), *Madrid Agreement concerning the International Registration of Marks* (1891), *Hague Agreement concerning the International Registration of Industrial Designs* (1925), *Patent Law Treaty* (2000).

<sup>7</sup> See s 200 *Patents Act 1990* (Cth) and s 229 *Trade Marks Act* (Cth).

In the absence of professional regulation, a foreign representative will not be subject to professional or ethical standards. The services they provide, the fees they charge, and their interactions with all stakeholders are therefore unlikely to be subject to independent scrutiny, discipline or appeal. IPTA submits this is of particular concern, is clearly contrary to the public interest and potentially leaves foreign applicants and others susceptible to nefarious practices such as negligence, misrepresentation and fraud. In the event of a transgression it's unclear what recourse would be available against a foreign representative, given the likely difficulties in enforcing an Australian Court order, particularly an order as to damages.

All of these uncertainties and limitations undermine the effective and efficient operation of Australia's IP system and its impacts on the broader community.

### **Examples**

Schedule 1 includes a number of examples of unqualified foreign representatives acting in Australian patent matters.<sup>8</sup> Of particular concern are apparent misrepresentations by foreign representatives as to their identity and location, a practice which undermines the integrity of Australia's IP Registers.

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## **Addressing the Issue**

### **Australia's registered IP Acts**

While Australia's registered IP Acts go some way to addressing the issue of qualified local representation their approach is piecemeal, inconsistent and difficult to enforce.

IPTA has made two previous submissions (attached in Schedule 2) which outline the current approaches under Australian law, notably:

- ss [200\(1\)](#), [201\(1\)](#), [201\(A\)\(1\)](#) and [202](#) of the *Patents Act 1990* (Cth) which are the clearest articulation of the requirements for qualified local representation;
- ss [157A\(8\)](#) (modelled on s 201A of the *Patents Act*) and [228A](#) of the *Trade Marks Act 1995* (Cth), together with Regulations [20.6](#), [20.8](#) and [20.11](#) of the *Trade Marks Regulations 1995* (Cth) which evidence an intention to address the issue; and
- the *Designs Act 2003* (Cth) which is silent on the issue.

The 'address for service' provisions in the registered IP Acts inadvertently overlap with qualified local representation. However, these provisions were never intended to regulate that issue<sup>9</sup> and recent amendments relating to electronic addresses have highlighted their inability to do so.

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<sup>8</sup> See also patentology blogs – 'Chinese Applicants Are Bypassing Local Patent Attorneys to Obtain Australian Standard Patents' (14 May 2019) at <https://blog.patentology.com.au/search?q=local+practitioner>; and 'Junk Patents Dumped on Australia as Chinese Subsidies Rorted' (6 February 2013) at <https://blog.patentology.com.au/2013/02/junk-patents-dumped-on-australia-as.html>

<sup>9</sup> Letter from the Parliamentary Secretary to the Minister for Industry to the President of the Institute of Patent and Trade mark Attorneys of Australia dated 18 March 2014.

## **Overseas Experience**

FICPI<sup>10</sup> has undertaken a number of comparative reviews of the qualifications of IP professionals in different countries. A 2013 FICPI report<sup>11</sup> found that when a patent applicant is a foreign person, 90% of countries require local representation. FICPI surmise that this is to ensure effective communication between the patent office and the applicant through recognised (or qualified) representation<sup>12</sup>.

Introduction of a qualified local representation requirement is consistent with approaches taken by several of Australia's key trading partners, notably:

- Europe, Japan, China, Canada and South Africa - jurisdictions that have a specific requirement
- New Zealand, the United Kingdom and the United States of America - jurisdictions that have a general requirement.

By way of example, [Article 133\(2\) of the European Patent Convention](#) states:

*'Natural or legal persons not having their residence or principal place of business in a Contracting State shall be represented by a professional representative and act through him in all proceedings established by this Convention ... the Implementing Regulations may permit ... exceptions.'*

Similarly, Regulation [38\(1\)](#) and Regulation [41](#) of the *Patent Regulations 2014* (NZ), provide that an agent may act for a principal in any proceedings under the Regulations, provided the agent:

- is a patent attorney, or entitled barrister or solicitor;
- is authorised by the principal; and
- resides or carries on business in New Zealand or Australia.

In February 2019 the United States Patent & Trademark Office ('USPTO') sought comment on a proposal to require foreign<sup>13</sup> parties to US trademark proceedings be represented by a US licensed attorney, on the basis that such a requirement would '*instill [sic] greater confidence in the public that U.S. registrations that issue to foreign applicants are not subject to invalidation for reasons such as improper signatures and use claims and enable the USPTO to more effectively use available mechanisms to enforce foreign applicant compliance with statutory and regulatory requirements in trademark matters.*'<sup>14</sup>

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<sup>10</sup> The International Federation of Intellectual Property Attorneys.

<sup>11</sup> Kirby Royal Chambers (KRC) Report, 'The Intellectual Property Profession – An International Comparison' (2013) which shows the result of 58 responses to a survey distributed to country delegates of FICPI's Executive Committee.

<sup>12</sup> FICPI, 'The IP Practitioner – Adding Value to Innovation?' (4 December 2018) 9 at [https://ficpi.org/\\_uploads/files/The\\_IP\\_Practitioner.pdf](https://ficpi.org/_uploads/files/The_IP_Practitioner.pdf).

<sup>13</sup> Being a party, whose domicile or principal place of business is not located within the United States.

<sup>14</sup> See *Federal Register Notice* at <https://www.federalregister.gov/documents/2019/02/15/2019-02154/requirement-of-us-licensed-attorney-for-foreign-trademark-applicants-and-registrants>, which includes a detailed analysis of the issue.

The USPTO has subsequently announced a new rule requiring all foreign-domiciled trademark applicants, registrants, and parties to Trademark Trial and Appeal Board proceedings to be represented by an attorney who is licensed to practice law in the United States.<sup>15</sup>

## Uniform Nomination Process

Addressing the issue is relatively straightforward.

IPTA recommends the introduction of a uniform nomination process into each of Australia's registered IP Acts. In summary:

- A foreign applicant would nominate a qualified local representative to be responsible for all proceedings under the IP Acts. Nomination would not require a formal appointment (such as under a Power of Attorney) but would require the address for IP Australia correspondence to be that of the qualified local representative. The foreign applicant may have a separate address for service.<sup>16</sup>
- Where a foreign applicant fails to make a nomination, the Commissioner or Registrar would:
  - notify the applicant requesting compliance within a set time frame<sup>17</sup>; and
  - where no nomination is made, deal with the relevant proceedings<sup>18</sup> as appropriate<sup>19</sup>.

Introduction of a uniform nomination process is consistent with the effective and efficient IP arrangements, and supports the grant of high-quality Australian rights.

## Proposed Next Steps

IPTA requests a meeting with IP Australia to discuss the proposal in detail, and to consider whether there might be any impediments to adopting it completely or in part. Since the proposal relates to the *Patents Act 1990* (Cth), *Designs Act 2003* (Cth), and *Trade Marks Act 1995* (Cth) we believe a meeting outside the normal Patent Consultation Group and Trade Marks and Designs Consultation Group meetings would be desirable.

For the reasons discussed above, we believe our proposal will provide benefits to IP Australia, foreign IP applicants and the public. With broad recognition of the benefits that would flow from adopting IPTA's proposal, we hope that the proposal will be placed on IP Australia's Policy Register and assigned a medium to high priority.

We look forward to hearing from you in relation to our proposal.

Yours sincerely,



**Michael J Caine**  
President  
Institute of Patent and Trade Mark Attorneys of Australia

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<sup>15</sup> <https://www.uspto.gov/about-us/news-updates/uspto-announces-new-trademark-rule-requiring-foreign-domiciled-applicants-and>

<sup>16</sup> Although as a matter of practice, a nominated Qualified Local Representative may also be nominated as an address for service.

<sup>17</sup> Consistent with Article 7(5) of the *Patent Law Treaty* (2000).

<sup>18</sup> For example, to lapse, dismiss or refuse the proceedings for failure to comply with the Commissioner's or Registrar's direction.

<sup>19</sup> Consistent with Article 7(6) of the *Patent Law Treaty* (2000).

## Annexure A | Examples

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Examples of unqualified foreign representatives acting in Australian patent matters.

### Agent – Leoniepat

- Address for service - 15600 W. 99th St. Lenexa VIC 6621 Australia
- A Google search of the address for service directs to a page for an overseas entity called [Victorian Trading Co](#) - the address for service appears to be an address in Kansas, USA (where the ZIP code is 66219)

### Agent - Admiral Trademarks & Patents Services

- Address for service - PO Box 767 Miranda NSW 1490 Australia
- A Google search of Admiral Trademarks & Patent Services' does resolve to a [website](#) which contains confusing details. It references a consultant by the name of Mr Richard Lock as a registered Australian and New Zealand Patent Attorney – a Mr Lock does appear on the [Trans-Tasman Attorneys Board website](#) at a UK address. However, Mr Lock's details on the TTIPAB refer to his business Lock IP based in the UK (lock-ip.com), rather than Admiral Trademarks & Patents Services, and information on the Lock IP website indicate that Lock IP is the trading name used by Richard Lock when giving advice on matters relating to Intellectual Property. He makes no reference to Admiral on his website.

### Agent - GBIP Limited

- Address for service - Suite 504 365 Little Collins Street, Melbourne VIC 3000 Australia
- A Google search of GBIP Limited directs to a site which refers to [Trademarkia](#). The 'About Us' section on that page states that '*Trademarkia (aka LegalForce Inc.) is the largest visual search engine for more than 7 million trademarked logos, names, and slogans on the Internet. We provide software and technology tools to help facilitate and automate trademark processes. We are headquartered in Mountain View, California.*' The [Contact Us](#) page refers to Canada, the EU and the USA.

### Agents with an address for service at G29/21 Beissel St Belconnen ACT 2617 Australia

- Lanxi Zhengke Lockset Co., Ltd
- Wuyi Yilan Metal Household Products Co., Ltd
- Yiwu Guanda Cup Industry Co., Ltd
- Longquan Shengzhi Cup Industry Co., Ltd
- Pujiang County Jingjiu Crystal Co., Ltd
- Taizhou Jiaojiang Ruijiang Computer Co., Ltd
- Cixi Qicheng Machinery Technology Co., Ltd
- Yiwu Fengqing Technology Co., Ltd
- Quzhou Yanhang Machinery Technology Co., Ltd
- Lanxi Hongke Network Technology Co., Ltd
- Wenling Qihao Electronics Co., Ltd

## Annexure B | IPTA's previous submissions

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IPTA has made two previous submissions on qualified local representation.

IPTA Submission (2014)	 IPTA submission (2014).pdf
IPTA Submission (2015)	 IPTA submission (2015).pdf