

Overall Review: Toward a stronger and more efficient IP rights system

Particular Review: Resolving trade mark opposition proceedings faster

Document: Consultation Paper

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1. Introduction

1.1 The Consultation Paper makes references to a similar review being conducted of the opposition process in relation to patents.¹ Indeed there are proposals which are considered appropriate for trade marks, which are equally relevant to the patent opposition process.²

1.2 This is understandable as there are matters of policy which have influenced both processes and have given rise to some of the matters sought to be overcome by both reviews.

1.3 The present considerations represent a movement away from the previous preferred thinking, which was reflected in the *Trade Marks Act* 1995 (Cth) (the 1995 Act). Put simply, the thought in trade marks and patents was to give the benefit of the doubt to the applicant and allow the processes of opposition and litigation for revocation act as the purification processes.

2. Background to policies

2.1 The 1995 Act created a presumption in favour of the applicant, which was consistent with the approach of granting rights and allowing interested parties challenge the acceptance or registration. In the context of cross class searching, the Advisory Council on Intellectual Property (ACIP) noted in its 2004 review on trade mark enforcement, the higher standard required to reject an application:³

In the ... *Metro* case,⁴ French J noted in his judgement that the presumption of registrability, which underpins the 1995 Act, has to some extent shifted the balance of the objectives of trade mark law more towards protection of commercial interests than to consumer protection.

¹ IP Australia consultation paper, 'Resolving patent opposition proceedings faster' June 2009.

² For example at [19], [26], [47] and [86].

³ Advisory Council on Intellectual Property. *Review Of Trade Mark Enforcement*, April 2004.

⁴ *Registrar of Trade Marks v Woolworths* (1999) 45 IPR 411 at 427.

He also pointed out that the decision to reject an application must now be based “upon positive satisfaction that a ground for rejection is made out”. It seems therefore to follow that if there is uncertainty that the goods and services are similar or closely related, there can be no “positive satisfaction” that a ground exists under section 44.

2.2 Speaking in relation to the 1995 Act, French J (as he then was), considered that there had in this legislation been a clear shift from the approach of the 1955 Act, which had necessary implications in the manner in which examiners of trade marks would approach the question of rejection of an application:

The Act gives effect to Australia's obligations under the World Trade Organisation Agreement and the World Intellectual Property Organisation (WIPO) Trade Mark Law Treaty (TMT). It also implements the government's response to the report entitled “Recommended Changes to the Australian Trade Marks Legislation” presented in July 1992 by the Working Party to Review Trade Marks Legislation, established by the former Minister for Science Customs and Small Business in 1989. The Act was said in the second reading speech to be “... an evolution from, rather than a revolutionary change of, the 1955 Act”. Its objectives were described as identification and protection of a business' products and protection of the consumer: H of R Deb 27 September 1995 pp 1909-11. Relevantly for present purposes, it was said that:

The bill is expressed in terms that make it clear that there is to be a presumption of registrability when an application for registration is being examined by the Registrar of Trade Marks. This means that, if there is any doubt about whether a trade mark should be registered, that doubt will be resolved in favour of the applicant rather than against the applicant as is now the case. (Underline added)⁵

2.3 The conclusion reached by his Honour, was that the processes of opposition and revocation through the courts, would act as the mechanisms to remove unmeritorious registrations:

This may have implications for the registrar's administrative practice. There will no doubt be cases in which the requisite state of satisfaction can be reached by consideration of the visual and aural features of the marks in question against the description of the goods and/or services to which they relate. But there will also be cases in which such materials will be of themselves inadequate to support a proper judgment. In some circumstances market or survey evidence might be necessary to form a concluded view. Unless the registrar is to undertake inquiries of that kind going beyond the content of the application and the existing register and prior applications, then the application will have to be accepted and determination of such questions as deceptive similarity left to opposition or expungement proceedings.⁶

⁵ *Registrar of Trade Marks v Woolworths* at 417.

⁶ *Ibid* 427.

2.4 The policy of government in introducing a presumption of prima facie validity, to promote commercial activity by extending protection (at least initially), to successful applicants, has been interpreted as a benefit at the cost of the consumer. French J observed:

The policy of the 1995 Act can be said to some extent to have shifted the balance of the objectives of trade mark law more towards the identification and protection of commercial products and services than the protection of consumers, although the latter remains an objective.

2.5 The concept of a ‘balance’ between the interests of the IP stakeholders, who are the recipients of these statutory monopolies and the public, has for hundreds of years been a subject of debate. The exception to the *Statute of Monopolies* 1624 attests to that fact. More recently, one of the two initial Consultation Papers was entitled ‘Getting the Balance Right’ and deals with a strategy to strengthen patents by raising the standards relating to inventiveness and technical matters of full description and fair basing under s 40 of the *Patents Act* 1990.⁷

2.6 The policy, to which French J referred in the *Woolworth’s* case, where the balance favoured the grantees of those trade mark rights, shares a policy reflected by the courts in relation to patents. Although, it is acknowledged that unlike trade marks, the patent applicant might be forever shut out if the application is rejected, the ultimate effect of allowing oppositions and litigation to cull unmeritorious grants is shared between the systems.

2.7 In 2001, a member of our Committee wrote:⁸

‘Is the Court merely “culling” the weak patents?’

If the level of scrutiny of applications by IP Australia is relatively low, this may account for the poor performance of patents under Court scrutiny. However, the Court has considered this to be the preferable position.

In *Commissioner of Patents v Microcell Limited* it was said⁹:

⁷ IP Australia Consultation Paper, March 2009.

⁸ D.G. Eliades, *Intellectual Property – What Went Wrong?* (2001), 14(5) *Intellectual Property Law Bulletin* 49 as part of a Queensland Law Society CLE presentation in conjunction with J. W. Kenny & Co.

⁹ (1959) 102 CLR 232 at 244 –245.

“It is well settled that the Commissioner ought not to refuse acceptance of an application and specifications unless it appears practically certain that letters patent granted on the specifications would be held invalid.”

The Court went on to say:

“Moreover, whereas refusal of acceptance is final, acceptance is not... and if a patent is granted, its validity is open to attack in proceedings for infringement or for revocation.”¹⁰

The merits of a patent will not be scrutinised if there have been no opposition proceedings unless, and until, they come before the Court. As revocation proceedings are usually instigated as a cross-claim, it is crucial for the patentee, at the time of the grant, to have some indication that the grant reflects some merit.⁷

2.8 It was certainly the opinion of Drummond J (now retired) of the Federal Court of Australia, that the high mortality rate for patents was attributable to a lower scrutiny level by the Commissioner’s examiners:

...the courts can hardly be criticised for scrutinising patents granted after a low level examination and for invalidating many that do not pass the public interest tests, including inventiveness and full disclosure that courts have to apply more rigorously than does the Patents Office.¹¹

2.9 An ACIP review of Industrial Property Rights in 1999 suggested that a higher presumption of the validity of patents was required.¹²

2.10 In addition, the Intellectual Property and Competition Review Committee reported:

2.10.1 in its Interim Report of March 2000 on patent rights:

These rights should, in the Committee’s view, only be granted where it is clear they are warranted. This implies a requirement for vigorous screening before grant;¹³ and

¹⁰ See also *McDonald v Commissioner of Patents* (1913) 15 CLR 713.

¹¹ The Honourable Mr Justice Drummond “*Are the Courts Down Under Properly Handling Patent Disputes?*” delivered to the 14th IPANZ Conference in July 2000 at p5.

¹² ACIP ‘*Review of Enforcement of Industrial Property Rights*’ 1999 p11.

¹³ Intellectual Property and Competition Review Committee, “*Review of Intellectual Property Legislation under the Competition Principles Agreement*’ Interim Report March 2000 p49.

2.10.2 in its Final Report of September 2000:

Stringency of tests for patentability

The Committee recommends changing the Patents act to require a ‘balance of probabilities’ approach to be used during examination, rather than conferring the ‘benefit of the doubt’ to the applicant as at present.

Quality of examination

The Committee recommends that IP Australia devote additional resources to improving the quality of the examination, particularly to prior art search processes, including through enhanced use of information technology.¹⁴

2.11 The response from stakeholder to a system with greater certainty whilst acknowledging and accepting the prospect of higher fees was observed by ACIP’s 2004 review:

From consultation with stakeholders, ACIP determined that there are differing views as to how the Australian trade mark system should operate. For some, the priority is a simple low cost system which allows maximum access, while other users favour a robust system with greater certainty. These differing views led ACIP to consider three models for the Australian trade mark system:

§ Model One - A system with a low entry threshold that better suits the needs of those seeking low cost, reduced complexity and greater speed, but who are willing to tradeoff certainty;

§ Model Two - A system with a high entry threshold that better suits the needs of those seeking a greater level of certainty for protection and enforcement of their trade mark rights;

§ Model Three - A two tiered system offering users the option to select a low or high threshold system.

The matter was discussed at length in Workshops with the strongest support being expressed for Model Two. ACIP agrees that this model provides the most balanced and cost-effective system and has therefore concentrated its deliberations on changes which are consistent with Model Two.

¹⁴ Intellectual Property and Competition Review Committee, “*Review of Intellectual Property Legislation under the Competition Principles Agreement*” Final Report September 2000 p18.

Another point that was repeatedly made during the consultations was that users of the trade mark system, be they small, medium or large businesses, all wanted greater certainty through stronger and more enforceable rights. In order to obtain this end, they indicated they were willing to incur reasonable fee increases if this was a necessary consequence.

3. Observations on Registrar's approach to examination of applications

3.1 It would appear that the granting of patent and trade mark rights to applicants unless it appears 'practically certain'¹⁵ that they will not be valid in respect of patents or there is no doubt as to their registrability in relation to trade marks, results in a proportion of grants which under challenge will not stand.

3.3 It is the opinion of this Committee, that two of the three main concerns of IP Australia, through this Consultation Paper, delay and costs in a general sense, are exacerbated by litigious activity surrounding trade marks (and patents), which will not sustain challenge. Further, it would seem that the investment of additional qualified staff to permit such greater examination, would outweigh the substantial costs of trade mark oppositions and litigations involving marks which were given the 'benefit of the doubt'.

3.3 To use a rural example. The raising of broiler chickens for consumption involves a scrutiny of young chicks, from 1 day old to 14 days and beyond, to ascertain whether they might be what was termed in that industry, 'non-starters'. Overall efficiency and productivity suffers if these birds are not culled at an early stage, on the basis that they would unless culled consume resources and not producing a yield.

3.5 The existence of trade marks (and patents), which have been given the benefit of the doubt, would appear to only benefit the grantee. It does not benefit the public who have are constrained by their existence. In addition, it is submitted that an unmeritorious grant or registration might not be of ultimate benefit to the grantee/registrant. The rights are not indefeasible, and yet there is a perception of some grantees, that the fact that the application has undergone some level of scrutiny through IP Australia, that this of itself invokes a confidence, which is misplaced upon their unsuccessful resistance of a challenge.

¹⁵ *Microcell* at 244.

4. Observations on specific proposals

4.1 Proposal 3.1:

The Committee supports this proposal. The proposal would have the effect of crystallising a firm notification date to the applicant for registration. Although not a direct basis to seek an extension to file material in answer, will act to remove any perceived disadvantage the applicant might claim.

4.2 Proposal 3.2:

The Committee supports:

4.2.1 the proposal to remove the following reasons for granting extensions of time for the filing of a notice of opposition:

4.2.1.1 The conduct of negotiations: Litigation shows that negotiations may take place at any time in the life of a dispute, from a time prior to lodgement of an opposition to the day of hearing. As such, the fact of commitment to a process such as the opposition process may of itself be a factor material in the negotiations for settlement. In any event, a delay in filing because of the private interests of the parties involved, is made at the expense of the public, who are entitled to know the true state of the register.

4.2.1.2 Undertaking research: In most cases it is submitted that if a party filed an opposition, and following research determined that it would not pursue the opposition, subject to the time and inconvenience caused to the applicant in terms of answering material, it is submitted that many applicants would consent to the withdrawal on the basis each party bore its own costs, just to be able to proceed with the registration unopposed. Assuming however, a party is not able to extricate itself from the opposition on that basis, presumably the research anticipated to be conducted would be so conducted in a timely manner and the matter not proceed to the time for filing material in support of the opposition. In such cases, the costs awarded if the Registrar considered that they should be awarded against the opponent, would not be substantial.

In addition, the question of what research is sufficient is so open ended that its management becomes cumbersome if done on a case by case basis.

4.2.2 SUBJECT TO THE RESERVATION, the proposal to limit the grounds for extension to the grounds of error or omission, circumstances beyond the control and events occurring despite due care taken in the circumstances, set out in the proposal.

4.2.2.1 The reservation held by the Committee is as to the application of the remedial provision by the Registrar of the principles of determining what is an ‘error or omission’. For example, in the extensive patent litigation of *Stack v*

Brisbane City Council, a delegate of the Commissioner of Patents determined¹⁶ in an application to extend time to pay continuation fees, that despite:

- A letter to the legal adviser of the applicant bearing an erroneous date to pay fees;
- The payment of the fees the very next day of their awareness of the error,

there was an error. The delegate relied on the fact that as the applicant directed its attention to extensive litigation in the Federal Court in determining that the applicant made a positive decision to draw its attention to the Federal Court infringement proceedings, thereby depriving it from claiming an error. Relevantly, the delegate stated:

...that there was no error I have found above that if the applicant made a deliberate decision to direct its attention to other matters at the expense of application 32815/95, this does not constitute an error or omission as required by section 223.

4.2.2.2 From the decision of the Deputy Commissioner there followed:

- an unsuccessful appeal to the Administrative Appeals Tribunal (AAT);
- a successful appeal from that decision to the Federal Court of Australia; and
- a successful re-hearing in the AAT according to law.

4.2.2.3 In his decision allowing the appeal from the AAT, Spender J was critical of the basis upon which the Deputy Commissioner refused the application as outlined above:

On 27 February 2001, the application for an extension of time was refused by the Deputy Commissioner of Patents.

In reasons for the decision to refuse an extension of time (**which reasons might, in my view, be described as tendentious, being crafted to justify a refusal of an extension**), the Deputy Commissioner said:

'... a causal link between 4 October 1995 Pizzey's letter and the failure to pay the fee has still not been established.

I have found above that if the applicant made a deliberate decision to direct its attention to other matters at the expense of application 32815/95, this does not constitute an error or omission as required by section 223.

¹⁶ *G S Technology Pty Ltd v GSA Industries (Aust) Pty Ltd* [2001] APO 9 (27 February 2001).

... The finding of the Deputy Commissioner was that there was no "error or omission" which caused the failure to pay the fee. It follows, if that reasoning be correct, that the discretion conferred by s 223 of the Act was not enlivened, and there was no need to consider its exercise. The consideration, such as it was, in relation to whether the discretion should be exercised, took into account as factors relevant to its exercise the finding that there was no plausible error or omission for the failure to pay, (a factor not relevant to the exercise of the discretion, but to its existence), and what was said to be a failure of full and frank disclosure, a conclusion that was made solely (**and in my view illogically**) from the finding that in the view of the decision maker there was no plausible error or omission revealed in the material provided by GST.¹⁷

(emphasis the Committee's)

4.2.2.4 The Committee considers that appropriate amendments include a direction to the Registrar to consider the remedial nature of this 'error or omission' ground, in refusing an application on this basis. Although the matter is discretionary, as the Spender J pointed out, it must be taken out in the exercise of the discretion not in its existence:

The consideration, such as it was, in relation to whether the discretion should be exercised, took into account as factors relevant to its exercise the finding that there was no plausible error or omission for the failure to pay, (a factor not relevant to the exercise of the discretion, but to its existence)...¹⁸

4.3 Proposal 3.3:

The Committee supports this proposal. The earlier particularisation by the parties of the grounds upon which they oppose the registration:

4.3.1 will assist define the issues and is consistent with the approaches of the Federal Court;

4.3.2 will be a step toward the limitation of the practice, common in patent and trade mark oppositions, for numerous grounds to be nominated, but far fewer to be actively prosecuted at hearing;

4.3.3 following from the previous point, the genuine selection of grounds at an earlier stage will reduce costs in removing the need to prepare material in support of spurious grounds and material in answer to such grounds and will reduce the time to deal with the matter, as the issues are narrowed;

¹⁷ *G S Technology Pty Limited v Commissioner of Patents* [2004] FCA 1017 (Spender J, 9 August 2004) at [26] to [29].

¹⁸ *Ibid* at [29].

4.3.4 the early particularisation of the grounds will have costs consequences even against a successful opponent, as was experienced by a party who made an exaggerated claim in copyright action.¹⁹

4.4 Proposal 3.4

4.4.1 The Committee supports the policy behind the proposal, namely that amendments be permitted to notice of opposition and/or the statement of grounds and particulars on the basis of the public interest consideration that all matters relevant to an opposition be before the Registrar.²⁰ This is not limited to evidence in support of the opposition but extends to evidence in answer.²¹

4.4.2 In relation to the change of name of the opponent, the Committee notes the recent decision of Jacobson J of the Federal Court in *Health World Limited v Shin-Sun Australia Pty Ltd*,²² where the standing of the opponent, as one of a group of corporate profiles of a family business, was deemed not to be an aggrieved person under s 88 of the *Trade Marks Act*. The opportunity to amend might give an opportunity to the opponent to amend and allow the opposition to be dealt with on its merits rather than be undermined by the standing of the opponent.

4.5 Proposal 3.5

4.5.1 The Committee supports this extension of power to the Registrar on the basis that the Committee considers that the powers of the Registrar to strike out vexatious oppositions are limited and should be extended to include a power to

¹⁹ *Software AG (Australia) Pty Ltd v Racing & Wagering Western Australia* [2009] FCAFC 36 (Spender, Sundberg and Siopis JJ, 20 March 2009).

²⁰ *Ferozem Pty Ltd v Commissioner of Patents (1994)* 28 IPR 243 and quoting Sackville J in *A Goninan & Co Ltd v Commissioner of Patents (1997)* 38 IPR 213; *Outrigger Hotels Hawaii v Evangelista Pty Ltd [2000] ATMO 28 (31 March 2000) (suspension of proceedings)*; *Wyrallah Holdings Pty Ltd v Cargo Road Wines [2003] ATMO 30 (8 May 2003)* (extension of time to serve evidence in support of opposition to registration of trade mark application); *The Nasdaq Stock Market, Inc v Ozdaq Research Pty Ltd [2002] ATMO 26 (26 March 2002)*.

²¹ *Professional Golfers Association Ltd v Ladies Professional Golf Association* [2002] ATMO 79 (17 September 2002) (extension of time to serve evidence in answer).

²² [2008] FCA 100 (21 February 2008); upheld on appeal *Health World Limited v Shin-Sun Australia Pty Ltd* [2009] FCAFC 14 (17 February 2009).

summarily dismiss an opposition which clearly has no prospects of succeeding, in a similar way the Federal Court entertains a summary judgment application.

4.5.2 In this regard, the *Trade Marks Act* imposes certain obligations on the Registrar of Trade Marks. The first is a positive duty to give the opponent an opportunity of being heard on the opposition.²³ Secondly, the hearing must be heard in a manner in accordance with the regulations.²⁴

4.5.3 The Registrar is thereafter under a duty to make a decision. The decision must be to either:

4.5.3.1 refuse to register the mark;²⁵ or

4.5.3.2 register the mark, with or without conditions or limits, taking into account, any successful ground of opposition.²⁶

4.5.4 The Registrar may avoid making a decision in the opposition proceedings, where:

4.5.4.1 there is a decision to revoke the acceptance of the application on the ground set out in s 62(a), namely that the application, or a document filed in support of the application, was amended contrary to the *Trade Marks Act*;²⁷

4.5.4.2 the opposition proceedings are discontinued; or

4.5.4.3 the opposition proceedings are dismissed.²⁸

4.5.5 The Committee considers that the ability to end oppositions which have no prospect of success, is consistent with the aims of the Consultation Paper to reduce delay and costs in opposition proceedings.

4.6 Proposal 3.6

²³ *Trade Marks Act* s 54(1).

²⁴ *Trade Marks Act* s 52(2).

²⁵ *Trade Marks Act* s 55(1)(a).

²⁶ *Trade Marks Act* s 55(1)(b).

²⁷ *Trade Marks Act* s 55(2).

²⁸ *Trade Marks Act* s 55(1).

The Committee supports the proposal largely on the basis given with respect to Proposal 3.3, namely that there is an indication given at an early stage by the applicant, that is a positive commitment to the proceedings and which will have cost consequences.

4.7 Proposal 3.7

4.7.1 The Committee supports this proposal. The Committee has referred to the patent cases of *Ferozem* and *Goninan*.²⁹ Although these are patent cases, they have been extensively referred to in applications to grant extensions of time to file further evidence in an opposition proceeding, on the basis that it is in the public interest that all the material relevant to an opposition be before the Commissioner.

4.7.2 The cases have been referred to and relied upon in trade mark cases.³⁰ In *Professional Golfers*, the opponent had sought and obtained 4 x 3 month extensions to file material in support of the opposition and opposed an application by the applicant for its first extension to file material on the basis of negotiations taking place.

4.7.3 In *Goninan*, Sackville J considered that the rejection of the opponent's second extension application involved a misapplication of the principles outlined by Burchett J in *Ferozem*. These principles re-inforced the public interest factor in hearing oppositions on their merits. Sackville J noted:

In the present case, I think that there are difficulties in the path of a conclusion that the delegate did give proper, genuine and realistic consideration to the public interest in opposition proceedings being determined on their merits. One difficulty is that the delegate appears to have misinterpreted the comments made by Burchett J, towards the end of the judgment in *Ferozem*. The delegate expressed the view that those comments show that Burchett J was "concerned that an opponent should not be shut out entirely" (emphasis in original). According to the delegate, *Goninan* had already received a short extension because of "this" - presumably a reference to the fact that, unless the first extension had been granted, *Goninan* would not have been able to rely on any evidence. The delegate noted that *Goninan* would not be "shut out entirely" because some evidence had been served within the extension of time allowed by the first decision.

The comments made by Burchett J in *Ferozem* reflect the unexceptionable proposition that, in the exercise of the Commissioner's discretion under reg 5.10, the decision-maker should take into account the public interest that opposition proceedings be determined on their merits. His Honour was explaining that, even in a case where the opponent has failed to comply with time limits, the decision-maker should consider whether an extension (or further extension)

²⁹ See footnote 20.

³⁰ *Ibid.*

should be granted to permit the opponent to rely on evidence which is immediately available. Burchett J was not confining his observations to a case where a party has not yet filed any evidence. Indeed, in *Ferocem* itself, the opponent had filed some evidence and the question was whether it should be granted an extension to file further evidence. (**Bold** added, underline his Honour's)

4.7.4 The Committee recognises that applications for extensions to serve evidence are a source of delay and as a consequence costs, particularly in contested applications. The Proposals permit greater scrutiny of the application for extension and limit the circumstances in which an application might be sought.

4.7.5 The Committee considers that by the identification of specific grounds upon which an extension might be sought, the proceeding might be shortened thereby permitting an earlier determination. This is of benefit generally, but of particular benefit, the Committee suggests, to trade mark applicants who are unable to institute proceedings for trade mark infringement, until the opposition is finalised. In some cases, protracted opposition proceedings might permit an opponent from adversely affecting the applicant's market and although a response may be that damages will compensate the applicant, in many cases the assessment might be difficult. The result is then likely to be that the opponent has failed in the opposition but succeeded in the market.

4.8 Proposal 3.8

4.8.1 The Committee supports the proposal. The Proposal anticipates the reality that in a litigious environment, there might be a suspension of the proceeding where the consent of *all* parties is obtained.

4.8.2 As a practical measure, and given the period of 6 months nominated in the Proposal, the Committee supports the introduction of a review at the end of three (3) months, in order to monitor the progress of the negotiations. The Registrar should be empowered to make orders as to costs at the review where it appears that one or more parties are not participating in the 'spirit' of the negotiations. For example, the a party might submit evidence of a number of letters sent to the other party seeking to make appointments for settlement conferences or a mediation, with no response. As the process might be utilised for strategic purposes other than genuine negotiations, there should the Committee recommends, be a mechanism of a punitive nature for *mal fides*.

4.9 Proposal 3.9

4.9.1 The Committee supports the introduction of procedures which seek to introduce further evidence, which was reasonably obtainable by the party seeking to tender it, during the evidentiary process.

4.9.2 The Committee does not support the introduction of a mechanism where evidence is excluded:

4.9.2.1 which could not reasonably have been discovered and incorporated in the material in support or in answer or in reply; or

4.9.2.2 where there are circumstances explaining the failure to incorporate the evidence in the material in support or opposition, based on an error or omission, by IP Australia, the party concerned or their legal representative.

4.10 Proposal 3.10

4.10.1 The Committee supports the introduction of a discretion in the Registrar as to the production of documents or the summoning of witnesses for examination. This power is consistent with the Commissioner's discretion under s 210 of the *Patents Act* 1990.

4.10.2 The Committee supports the introduction of regulated inferences by the failures outlined in the *nature* of the inference in *Jones v Dunkell*,³¹ to the effect that the failure of a witness to appear, may lead to an inference that the witness would not have assisted the case of the party calling them.

4.11 Proposal 3.11

4.11.1 The Committee supports the introduction of submissions prior to hearing. The use of submissions:

4.11.1.1 is proving a necessary requirement in court hearings;

4.11.1.2 assists the Registrar identify the issues and case to be made by the parties;

4.11.1.3 assists reconstruct a case over and above the transcript, when the hearing officer is determining the matter, often some time after the hearing;

4.11.1.4 Acts as a record of a parties case, in relation to appeal issues. In this regard, although an appeal to the Federal Court is a hearing *de novo*, submission will

³¹ [1959] 101 CLR 298.

assist the judge determine if a particular matter was put to the Hearing Officer, and assist the court in the Hearing Officer's response to the issue.

4.11.5 The Committee recommends as a matter of practice, that the Registrar be empowered at his or her discretion, to limit the submissions in relation to the number of pages.
