

Report Q189

in the name of the Australian Group
by Peter FRANKE, Wayne CONDON, Michael DOWLING,
Andrew MASSIE and Chris O'SULLIVAN

Amendment of patent claims after grant (in court and administrative proceedings, including re-examination proceedings requested by third parties)

Questions

- 1) *Does your national law permit post-grant amendment of patent claims?*

Yes, it is possible to amend patent claims after grant.

Are utility models – if available – treated the same way as patents or differently? If so, what are the differences?

Australia does not provide utility models, however we do have a second tier patent known as the Innovation Patent. The same provisions apply to Innovation Patents as to Standard Patents in so far as amendment after grant is concerned.

- 2) *Who is entitled to request post-grant amendment of patent claims under your national law?*

The patentee is entitled to request post-grant amendment of claims. The consent of a registered exclusive licensee or mortgagee may be required but they have no right to request amendment.

The Commissioner of Patents (the Patent Office) may direct that a patent be amended following re-examination, and a court may order amendment during proceeding following application by the patentee.

- 3) *What is the procedural framework for requesting post-grant amendment of patent claims under your national law, in particular:*

- *What procedures (judicial, administrative or other) are available for dealing with requests for post-grant amendment of patent claims under your national law?*

The procedure when before the Patent Office is generally administrative and involves application, examination, allowance and opposition.

Voluntary amendment by the patentee is initiated by filing a request to amend and a statement of proposed amendments at the patent office. The patent office examines the request for formal matters and the statement of proposed amendment for allowability.

The formal matters considered are the reasons provided by the patentee for the amendments and confirmation by the patentee that validity proceedings are not in train.

The allowability issues considered (discussed in detail at paragraph 4) are:

No claiming added matter

No claim broadening

Internal validity requirements

It is forbidden to cure novelty or obviousness problems arising from citations that should have been notified to the Patent Office. (see paragraph 4).

If the Commissioner directs amendment, the patentee must file a statement of proposed amendments and enter into the same process as for voluntary amendments.

There is generally an opportunity for third parties to oppose amendments.

As to proceedings in the court, if the court orders amendment, the amendments are made by the Commissioner in accordance with the court order.

- *Are all of these procedures freely available under your national law to those wishing to request post-grant amendment of patent claims, or does the law give priority to certain procedural measures in certain situations?*

The procedures in the Patent Office are available to the patentee at all times, except during relevant court proceedings. During relevant court proceedings, the patentee can only amend by requesting the court to make the appropriate order. If such an order is made, the patentee must file a copy of it at the Patent Office and the amendments are effective from the date of filing the court's order with the Patent Office.

- *Is it possible under your national law for patentees to make multiple subsequent amendments of patent claims directed towards individual alleged infringers?*

Yes, subject to the allowability requirements outlined above.

- *Who is entitled to amend claims? Is this limited to courts or do also the patent offices have the competence to amend claims?*

Please limit the answer to a general description of the proceedings avoiding discussion of procedural details and peculiarities.

In the case of amendments before the Patent Office, it is entitled to determine the allowability of amendments proposed by the patentee and amend the claims. In the case of amendments during court proceedings, the court determines the allowability of amendments, and may order these amendments to be made by the Patent Office. The latter amendments are not subject to review by the Patent Office.

- 4) *What are the substantive conditions for allowing post-grant amendment of patent claims under your national law, in particular:*

- *Is there a distinction in your national law between the remedies available to patentees/third parties and/or the substantive conditions applicable to patentees/third parties for allowing post-grant amendment?*

- *In what ways may patent claims be amended post grant under your national law?*

We will discuss below the substantive conditions, but by way of preamble wish to address question 4(a). Under our law, the decision maker (Court or Patent Office) considers the amendment as proposed by the patentee, and in accordance with the law determines whether the amendment is allowable, under the substantive conditions which will be discussed below. Issues of infringement and validity may be affected by the amendment, but not the remedies for infringement.

In short, there is no relationship between remedies and the conditions for allowance of amendments. We are also unclear as to how third parties could be involved in these issues.

Voluntary amendments to sealed patents (both standard patents and innovation patents) are permissible in Australia subject to certain limitations. Subject to what is set out below, amendments of this kind may only be sought by the patentee. Amendments are governed by sections 102 to 109 of the Patents Act 1990. Section 102 provides that an amendment to the complete specification of a sealed patent is not allowable if, as a result of the amendment;

- a) a claim of the specification would not in substance fall within the scope of the claims of the specification before amendment; or
- b) the specification would not comply with section 40(2) or (3) of the Patents Act 1990 ("the Act").

The test as to whether an amended claim "*in substance falls within the scope of the claims before amendment*", is whether the amendment makes something an infringement which would not have been an infringement before the amendment. If it does, then the amendment is not allowable. Amendments which narrow an existing claim or which seek to explain or clarify what is claimed in an existing claim will generally be permissible because they would fall within the scope of the claims of the specification before amendment. By contrast, the removal of words that limit a claim would broaden the scope of the existing claims and would not be allowable.

The requirement that the breadth of the proposed amendment be tested by reference to "*the claims of the specification before amendment*" begs the question as to what these latter claims may include. It has been held that they include any amendments allowed to the claims after the filing date of the specification, the English translation of an original foreign language international patent application and any subsequent amendments to the specification before amendment.

Section 40(2) of the Act relevantly requires that a complete specification of a patent must describe the invention fully, including the best method known to the patentee of performing the invention. Section 40(3) of the Act requires the claim or claims of the patent specification to be clear and succinct and fairly based on the matter described in the specification.

Further, an amendment is not allowable to a complete specification relating to a standard patent or an innovation patent if the amendment would remove, as a ground of objection, that the invention is not novel or does not involve an inventive step (in the case of a standard patent) or an innovative step (in the case of an innovation patent) and such objection arises from prior art information that should have been provided to the Patents Office during prosecution in accordance with section 45(3) or section 101D of the Act but was not. These latter provisions require an applicant for a standard patent or an innovation patent, as the case may be, to inform the Patents Office of documentary searches conducted outside Australia and completed before the date of the grant of the patent for the purposes of assessing the patentability of an invention.

Court decisions have established that the post grant amendment provisions are discretionary, that is, that the court has a discretion whether to allow an amendment or not. In general, the starting position is that an amendment which meets the substantive criteria should be allowed. However, in some cases the patentee's conduct may cause the discretion to be exercised to refuse the amendment.

One such situation is where a patentee is aware that an amendment is desirable, for example to overcome prior art which has come to light after grant. If the patentee, knowing the amendment is necessary, unreasonably delays requesting an amendment, or makes threats of infringement based upon the unamended claims, the amendment may be refused in the court's discretion. Although in principle the Patent Office could also exercise such a discretion, in practice it is unlikely that they would do so.

Opposition to Proposed Amendments

A third party may oppose an application for amendment of a patent upon the grounds that the amendment results in claiming added matter, expands the scope of the claims, gives rise to non-compliance with section 40(2) or (3) of the Act or cures a novelty or obviousness (or innovative step) objection arising from documentary searches required to be filed with the Patents Office but not so filed.

Amendment following Re-examination

The Commissioner of Patents may direct that a patent be amended following re-examination but the Commissioner must be satisfied that the patent is invalid on grounds that could be removed by appropriate amendments to the specification. If the Commissioner is satisfied that the amendments proposed by the patentee are allowable and would, if made, remove the grounds on which the patent is invalid, the Commissioner must allow the amendments. It should be noted that a granted standard patent or a certified innovation patent may be re-examined at the discretion of the Commissioner or upon the request of the patentee or any other person or by direction of a court in proceedings where the validity of the patent is in dispute.

Court Directed Amendment

The Court may, on the application of the patentee in the course of an infringement or revocation proceeding, direct the amendment of the patent in suit, but any such directed amendment must be allowable as set out above. As discussed above, the Court has a discretion to refuse an application to amend even if the amendment is technically allowable.

- *Is it a requirement (or a possibility) under your national law that the description/specification be amended to correspond with amendments of the claims?*

It is possible to amend the specification to correspond with amendments to the claims, provided that the other requirements for allowability of amendments are met.

- *Is it possible to make amendments for the purposes of clarification and/or correction of errors?*

The Commissioner of Patents may correct a clerical error or obvious mistake upon the request of the patentee or any other person or on his or her own motion.

- 5) *What are the consequences for third parties of post-grant amendments of patent claims under your national law, in particular:*

- *What are the consequences for third parties' liability for patent infringement where patent claims are amended post grant?*

A third party's liability does not change with a successful post-grant amendment as the amendment cannot in substance extend the scope of the original claims.

However, a third party's prospective liability could be negated by the narrowing of a claim by a post-grant amendment.

In certain limited circumstances, it may not be possible to recover damages for infringing acts which occurred prior to the amendment. Section 115 of the Act provides that an order for damages or an account of profits for infringement prior to the amendment shall not be made

“ unless the court is satisfied that the specification without the amendment was framed in good faith and with reasonable skill and knowledge”.

- Are amendments effective only **inter partes** or, conversely, **erga omnes**, including in relation to previously decided cases?

Post-grant amendments are effective against all third parties.

In relation to previously decided cases, where the appeal rights have been exhausted, the previous decisions stand in accordance with the principle of *res judicata*.

- Are amendments effective only **ex nunc** or also **ex tunc**? Does that depend on the context in which the amendment is made?

Amendments allowed by the Commissioner of Patents are effective from the time that the amendment is allowed.

Where an amendment is sanctioned by a court the patentee must file the court's order in the Patent Office within 14 days of the making of the order. The amendment is effective from the date of filing the court's order.

II) Proposals for substantive harmonisation

The Groups are invited to put forward their proposals for adoption of uniform rules, and in particular to consider the following questions:

- 6) *Should post-grant amendment of patent claims be permitted?*

Yes.

- 7) *Who should be entitled to request post-grant amendment of patent claims and who should have the competence to amend?*

The patentee should be entitled to request post-grant amendment of patent claims.

Both the courts and the Patent Office (subject to the possibility of third party opposition) should have the competence to amend.

- 8) *What should be the substantial conditions for allowing post-grant amendment of patent claims?*

The Australian Group is not familiar in detail with the substantial conditions which prevail for many of the other national groups. Accordingly, whilst we will set out below some conditions which have been found practical in our country, we are happy to take into consideration further conditions in order to improve our law and create a basis for broader harmonisation.

- i) The claims must not be allowed to be broadened.
- ii) Amendments must not be allowed which have the effect that the claims would cover matter not disclosed in the patent specification as filed.
- iii) Amendments should be allowed to correct obvious errors or to clarify, provided that such corrections do not breach other principles of allowability of amendments.

- 9) *Should there be a distinction between the remedies available to patentees/third parties and/or the substantive conditions applicable to patentees/third parties for allowing post-grant amendment?*

We refer to our comments under question 4(a). We do not understand the question as there is no apparent relationship between remedies on the one hand, and substantive conditions for allowance of amendments on the other. We would be grateful of further directions from the Reporters when they send the synthesis.

- 10) *What should be the consequences for third parties' liability for patent infringement where patent claims are amended post grant?*

- i) The third party liability from the date of amendment following claim amendment should depend on the type of amendment which has been made.
- ii) Where the claim amendment comprises the combining of existing claims, clarifies the claims, or corrects obvious errors, then liability should depend upon the application of the claims as amended to the conduct in question before and after amendment.
- iii) Where a claim amendment introduces a new feature which is recited in the description of the specification, but which was not claimed, then the liability for infringement should commence from the filing date of the amendment request.
- iv) Where there has been a demonstrable and significant or unreasonable delay in the making of an amendment after the need for an amendment was recognised, then the courts should have a discretion firstly whether to allow the amendment and secondly to limit the period for which liability for infringement will apply to the term of the patent post amendment .

- 11) *Does your Group have any other views or proposals for harmonisation in this area?*

Our Group would prefer to review the synthesis and the reports of other national groups before commenting further.

Summary

Post grant amendment of patents is allowable in Australia, subject broadly to the claims not being broadened, and the claims not extending to new matter. Amendments may be sought either at the Patent Office or through the Courts. Amendments have effect *erga omnes* from the time the amendment is made. This system functions well in practice, and does not give rise to abuse.

The Australian Group considers that the existence of provisions for post grant amendment or patents is desirable, in order to permit the patentee to refine and correct the scope of his monopoly, but not to extend it.

Résumé

La modification des brevets après l'octroi/délivrance du document homologuant un brevet est autorisée en Australie, sous réserve que le champ d'application ne soit pas élargi et que la demande ne s'étende pas à une nouvelle matière/invention. Une demande de modification est soumise soit au bureau de brevets [office de la propriété industrielle] ou au tribunal compétent. La modification entre en vigueur *erga omnes* au moment de son exécution/sa mise en opération. Le système fonctionne bien en pratique et ne produit pas d'abus.

Le Groupe Australien considère que l'existence des dispositions pour la modification des brevets est souhaitable, afin de permettre le détenteur d'un brevet de raffiner et corriger le champ d'application de son monopole et non pas de l'étendre.

Zusammenfassung

Die Abänderung von Patenten nach ihrer Gewährung ist in Australien zulässig, unterliegt aber allgemein der Bedingung, dass die Patentansprüche weder erweitert noch auf andere Themen ausgeweitet werden. Abänderungen können entweder beim Patentamt oder bei den Gerichten verlangt werden.

Vom Zeitpunkt der Abänderung an, gelten diese *erga omnes* (gegenüber jedermann). Das System funktioniert in der Praxis gut und gibt keinen Anlass zu Missbrauch.

Die Australische Gruppe hält dafür, dass das Bestehen von Vorschriften über die Abänderung von Patenten nach deren Erteilung sei wünschenswert, um es dem Patentinhaber zu ermöglichen, den Umfang seines Monopols zu verfeinern und zu korrigieren, nicht aber, um ihn auszudehnen.