

CHECKLIST OF ISSUES ON ENFORCEMENT<sup>1</sup>

Responses from Australia

**I. RESPONSES TO THE CHECKLIST**

**Civil and Administrative Procedures and Remedies**

*(a) Civil judicial procedures and remedies*

**1. Specify the courts which have jurisdiction over IPR infringement cases.**

Under the Patents, Trade Marks and Designs Acts, the Federal Court of Australia and the Australian State and Territory Supreme Courts have jurisdiction over matters arising under these Acts. Under the Copyright Act, the Federal Court, or any other court of competent jurisdiction, has jurisdiction over matters arising under that Act.

Appeals from the Federal Court or the Supreme Courts are heard by the full bench of the Federal Court or, if special leave is granted, by the High Court of Australia.

**2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?**

Infringement actions may be instituted by a copyright owner, exclusive licensee or performer under the Copyright Act, by the patent owner or exclusive licensee under the Patents Act, the trademark owner or authorized user under the Trademarks Act or the design owner under the Designs Act.

Businesses and individuals are entitled to be, and usually are, represented by solicitors and barristers in legal actions to assert IPRs. An individual may represent themselves. There is no requirement for the right holder to appear in court if not called to give evidence.

**3. What authority do the judicial authorities have to order, at the request of the opposing party, a party to a proceeding to produce evidence which lies within its control?**

The courts have the authority to order the production of documents in court as part of their inherent or statutory powers. Provisions also exist in several of the intellectual property acts which restate the authority. For example s.122(2) of the Patents Act 1990 states that on the application of either party, the court may make such order for the inspection of any thing in or on any vehicle, vessel,

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<sup>1</sup>Document IP/C/5.

aircraft or premises, and may impose such terms and give such directions about the inspection, as the court thinks fit. Orders for discovery are used frequently in civil proceedings including in IPR matters.

**4. What means exist to identify and protect confidential information brought forward as evidence?**

By virtue of the courts' powers, a party is entitled to obtain answers to interrogatories (written questions) and to inspect (by discovery) all documents which are not privileged. Confidentiality is protected by the following:

- a party required to produce documents or answer interrogatories may only produce documents or answer questions which are relevant to the proceedings;
- courts have a discretion to limit interrogatories, order that a person is not required to answer interrogatories or to refuse to order the production of documents which contain secret or confidential information;
- the right of inspection of documents may be limited by the courts to persons such as legal representatives or experts.

Courts can require documents which are claimed to be privileged or confidential to be produced to the court to be identified as such.

For more detail, see Australia's answers to the questions of the US concerning protection of confidential information (question 6) as part of the review of legislation on patents, layout-designs of integrated circuits, undisclosed information and control of anti-competitive practices in contractual licences in the TRIPS Council in May 1997.<sup>2</sup>

**5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use:**

- **injunctions;**
- **damages, including recovery of profits and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and material/implements for their production;**
- **any other remedies.**

Under the provisions of the Copyright Act, Patents Act, the Trade Marks Act and the Designs Act, and under their general jurisdiction, the courts may grant relief for infringement in the form of an interlocutory or permanent injunction and, at the option of the plaintiff, either damages or an account of profits. Under their general jurisdiction the courts have the powers to order a party to pay the legal costs of another party.

The courts apply the rule that they may grant an interlocutory injunction if the court decides that there is a serious issue to be tried; if the risk of damage to the plaintiff if the injunction is not granted

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<sup>2</sup>The response to initial question 6 from the United States can be found in document IP/C/W/66/Add.1. A full record of the questions posed to Australia and the answers given in the review in question will be circulated in due course in the IP/Q3/- document series.

outweighs the risk of damage to the defendant if the injunction is granted; and if the plaintiff gives an undertaking to compensate the defendant if the injunction is later found by the court to be unjustified. A permanent injunction may be granted where the plaintiff establishes infringement.

Provision is made in the Copyright, Patents, Trade Marks and Designs Acts for the award of damages for infringement. The courts have wide powers to award damages, or if the plaintiff prefers, an account of profits. Under the Copyright Act, the plaintiff cannot be awarded damages in the case of innocent infringement but is still entitled to an account of profits. Damages usually include the recovery of commercial losses associated with the infringement and an award of damages would normally be accompanied by an order for payment of all, or a proportion of, the legal and court costs arising from the case.

Provisions of the Copyright Act, and the Trade Marks Act allow for the seizure of infringing goods or copies, and (in the case of the Copyright Act) the equipment used for making them, and delivery of the goods, copies or equipment to the right owner, the exclusive licensee or the performer, or their destruction. There is also a provision for disposal of forfeited goods or copies by the Australian Customs Service. Specific provision for delivery up is not included in the Designs or Patents Acts. However, the courts have an inherent (or statutory) equitable power to order defendants to deliver up goods made in contravention of the plaintiff's rights. The Trade Marks Act makes it an offence to manufacture or possess a die, etc., for use in the commission of a trademark offence.

The Copyright and Designs Acts provide for the conversion and detention of infringing goods. That is, the copyright owner is entitled to treat the infringing articles and articles used to make them as his/her own. This provision is being amended in the Copyright Act to make the remedy discretionary. It has been recommended that the provision be removed from the Designs Act. The remedy may only be used when the infringement was clearly with knowledge of infringement on the part of the infringer. Separately, the Copyright Act permits application for an award of additional damages and its amount is to be determined by the court on its assessment of the flagrancy of the copyright infringement.

The Trade Marks Act provides for the court to direct the disposal of counterfeit goods which have been seized by the Australian Customs Service. Under the Copyright Act, if the court directs that copies are forfeited to the Commonwealth, the copies must be disposed of as prescribed by regulations or as the Comptroller of Customs directs.

**6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of the third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?**

The courts have inherent and statutory authority to direct the defendant to provide information in response to questions put by the plaintiff. Under s.143(1) of the Trade Marks Act the Comptroller of the Australian Customs Service may ask the importer or agent of the importer to produce documents relating to the goods or to give information about the name and address of the person by whom, or to whom, the goods were consigned.

**7. Describe provisions relating to the indemnification of the defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?**

The Copyright, Patents, Trade Marks and Designs Acts allow that damages and an injunction may be sought for groundless threats of legal proceedings.

An interlocutory injunction is typically granted only if the plaintiff gives an undertaking as to damages. If it is decided at trial that the injunction has been wrongly ordered, the court may order the unsuccessful plaintiff to pay damages to the defendant from the undertaking. If the determination that an injunction was wrongly ordered was made on appeal, the appeal court would have the general power to make an order for costs in favour of the party enjoined.

If an obviously unfounded action is commenced against a person, and if that person suffers injury, the person may bring an action and, if successful, receive damages for abuse of process. Also, the Copyright, Trade Marks, Patents and Designs Acts provide that, in a case arising from a border seizure, if a court decides that there was not an infringement by importation and that the defendant has suffered damage by reason of the seizure, the court may order the objector to the importation (the plaintiff in the action), to pay compensation for damages arising since the proceedings were commenced.

Under the Copyright and Trade Marks Acts, the Commonwealth is not liable for loss or damage suffered by a person because of the seizure, failure to seize, or the release of copies or goods. A legal practitioner or patent attorney is not liable to proceedings for actions done in his or her professional capacity on behalf of a client. Disciplinary measures do exist if the action contravened the code of professional conduct. Additionally, officials may be sued in their personal capacity if their actions were not taken in good faith in pursuance of their statutory responsibilities or if taken without legal authority. As a matter of practice the Government will indemnify officials if their action was taken in good faith in fulfilment of their duties.

**8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The cost and length of a court case or legal proceedings depend on the nature of the individual case and the jurisdiction in which the case is heard. Consequently, the cost and duration vary considerably and are difficult to quantify.

*(b) Administrative procedures and remedies*

**9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.**

Australia's Copyright, Patents, Trade Marks and Designs Acts do not have provisions for administrative procedures that deal with merits or remedies in respect of infringement. Under the Patents, Trade Marks or Designs Acts, an appeal on a matter of law against a decision of the Commissioner or Secretary under one of those Acts must be made to a court. Administrative determinations are related to registration rather than infringement.

**Provisional Measures**

*(a) Judicial measures*

**10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.**

Pre-trial injunctions or orders that may be granted by the courts include interlocutory injunctions, Mareva injunctions and Anton Piller orders. The legal basis for injunctions is outlined in answer to question 5. The injunctions are initiated on application by the plaintiff to a court of competent jurisdiction.

The Mareva injunction and the Anton Piller order were established through precedent in English case law. The Mareva injunction is intended to prevent any movement of the defendant's assets before the court's decision which would circumvent the court awarding damages. Mareva injunctions may be granted by the court if the plaintiff's case would otherwise be prejudiced and if it is just and convenient to do so, considering the interests of both the plaintiff and the defendant. Anton Piller orders allow the plaintiff to search the defendant's premises for documents or evidence which would demonstrate the infringement. Such an order would be granted if there were an extremely strong prima facie case, the potential damage to the plaintiff were serious, and if there were a real possibility that the goods or copies would otherwise be destroyed by the defendant. A range of conditions on the execution of the order and subsequent dealings with material seized are used to prevent possible injustice to the potential defendant.

Except in the case of an interim injunction which restrains the defendant until a particular time, injunctions operate until trial or further order.

All these orders derive either from the courts' equitable jurisdiction or from express statutory authority.

**11. In what circumstances may such measures be ordered *inaudita altera parte*?**

By its nature the Anton Piller order may be ordered *ex parte*. In cases of urgency, an injunction may be granted *ex parte*. Such orders in nearly every case require that the matter be returned to the court for further hearing at a specified date.

**12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.**

See the answer to question 10. Generally, the courts are reluctant to use this type of measure, especially the Mareva injunctions and Anton Piller orders. The orders usually require the attendance of the plaintiff's solicitor, limited but some notice of the attendance on the premises of third parties and provision for disputed documents (e.g. where there is a claim the documents are privileged from production such as those held by solicitors for litigation purposes) to be identified and held separately for later court determination of their status.

**13. Describe the provisions governing the length and the cost of proceedings. Provide any data on the actual duration of the proceedings and their cost.**

Refer to question 8. In Australia, the usual rule is that costs follow the cause. That is, the successful party obtains an award of party-party costs from the unsuccessful party(ies). Depending on the circumstances, this usual rule will be varied either to also include solicitor-client costs or to disallow all or part of the full claim. Under the Federal Court Rules, for a case brought in the Federal Court, which the judge finds should have been commenced in a lower court, the judge may restrict the party-party costs payable by the losing side. This rule does not extend to variation of the award of compensation damages - only the legal costs.

(b) *Administrative measures*

**14. Reply to the above questions in relation to any administrative provisional measures.**

Any administrative provisional measures which relate to border measures are handled by the Australian Customs Service and are detailed below.

**Special requirements Related to Border Measures.**

- 15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports. Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

Subsection 135(7) of the Copyright Act allows the Australian Customs Service to seize imported copies of copyright material if a notice of objection to importation of the copies has been given to the Comptroller-General of Customs. The material that must be the subject of such copies is works, sound recordings, cinematograph films, published editions and recordings of broadcasts. Copies imported for personal use only are not subject to seizure.

Section 131 of the Trade Marks Act allows the Australian Customs Service to seize and deal with goods that are imported into Australia if the goods infringe, or appear to infringe, a registered trademark. *De minimis* imports are exempt from this provision.

Neither the Designs Act nor the Patents Act provide for Customs seizure of infringing goods.

The Copyright Act allows for the interdiction of parallel imported copyright material. Some special provisions exist regarding books. Books published since 1991 and not first published in Australia (i.e. published within thirty days of first publication) are not subject to the importation right. Border procedures are not available in respect of exports.

- 16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and the various requirements related to the duration of the suspension (Article 55). How have Articles 53 (Security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?**

Under s.132(1) of the Trade Marks Act and s.135(2) of the Copyright Act, the competent authority is the Comptroller (or Chief Executive Officer) of Customs who administers the Customs Act 1901.

To initiate the seizure of copies or counterfeited goods the copyright owner, exclusive licensee or the trademark owner, or authorised user (the objector), must provide a written notice of objection to importation to the Comptroller of Customs together with any prescribed documents. A notice remains in force for two years from the day on which the notice is given. The Comptroller may not seize copies or goods unless the copyright owner, exclusive licensee or the trademark owner or authorised user provides a security to cover the expense that may be incurred by the Commonwealth.

Under the Trade Marks Act, the Comptroller may seize infringing goods which are manufactured outside Australia and imported into Australia and which are subject to the control of the Customs under the Customs Act 1901. Similarly, under the Copyright Act, the Comptroller-General may seize copies if a written notice of objection has been given to the Comptroller, and if the copies are imported into Australia for trade or some other purpose which will prejudicially affect the owner of copyright.

If goods have a trademark that, in the opinion of the Comptroller, is identical with, or deceptively similar to, a notified trademark; and are goods in a class for which the trademark is registered; the Comptroller must seize the goods unless satisfied that there are no reasonable grounds for believing that infringement has occurred.

Once goods or copies have been seized, the Comptroller must give written notice to the objector and the importer or owner of the seized copies or goods which identifies the copies or goods and states that they have been seized.

Under the Trade Marks and Copyright Acts, the notice must also state that the goods or copies will be released to the designated owner or importer unless the objector brings an action for infringement, and gives to the Comptroller notice in writing of the action, within ten working days after the notice or, if the Comptroller extends that period, within the extended period.

Under s.143(1) of the Trade Marks Act, if goods are seized and the Comptroller is satisfied that the use of a trademark is fraudulent, the Comptroller may ask the importer of the goods, or an agent of the importer, to produce any document relating to the goods; and give information about the name and address of the person by whom the goods were consigned to Australia; and the name and address of the person in Australia to whom the goods were consigned. Failure to comply with the request is an offence punishable, on conviction, by imprisonment for a period not exceeding six months.

If an infringement action has not been started within the required time the Comptroller must release the seized copies or goods to their importer or designated owner. Under the Trade Marks Act, the Comptroller may release the seized goods to their designated owner at any time before the end of the action period if new information has come to hand after the goods were seized which demonstrates that there are no reasonable grounds for believing that the notified trademark was infringed and no action for infringement has been brought by the trademark owner. Under the Copyright Act, the Comptroller may permit the objector or importer to inspect and remove a sample of the seized copies.

In deciding the infringement case, the court may order that the seized copies or goods be released to their importer or designated owner subject to conditions (if any) that the court considers fit to impose; or it may order that the seized goods be forfeited to the Commonwealth. Under the Copyright and Trade Marks Acts, if the court decides that there was no infringement and the designated owner, or defendant to the infringement action, suffers loss or damage, the objector may be ordered to pay compensation.

**17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?**

The requirements for the timing of seizure and infringement action are outlined above. The copyright owner or exclusive licensee, or trademark owner must bring an action for infringement in relation to the seized copies or goods, and give notice of it to the Comptroller within ten working days of the notice from the Comptroller, unless an extension has been obtained. The extension cannot exceed ten working days.

Under the Copyright and Trade Marks Acts if, three weeks after the action was brought, there is no order of the court preventing the release of the seized copies or goods, then they must be released by the Comptroller. If an infringement action is commenced, the court may order the release of the seized copies or goods at any time it sees fit.

**18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?**

There is no provision for *ex officio* action. All actions must be initiated by the copyright owner or exclusive licensee or by the owner (or in some circumstances an authorised user of a trademark) of the industrial property right. Under the Copyright Act, copies may only be seized if the copyright owner or exclusive licensee gives a notice of objection to the importation of the copies. Under the Trade Marks Act, the Comptroller may only seize goods if the goods bear a mark identical or similar to a trademark in relation to which a notice of objection has been given.

**19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.**

The Australian Customs Service is not empowered to order remedies for infringement. The Customs Service can seize infringing copies or counterfeit goods and dispose of those copies or goods if they are forfeited by the importer (Copyright Act) or by a decision of the court. All remedies are decided by the courts.

**Criminal Procedures**

**20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.**

The Supreme Courts of the Australian States and Territories, the Federal Court and the High Court of Australia, and (additionally in the case of the Copyright Act) any other court of competent jurisdiction, have jurisdiction over criminal prosecutions for infringement of IPRs. Under the Patents, Trade Marks and Designs Acts, prosecutions must be initiated in a State Court. Under the Copyright Act, prosecutions can be initiated in the Federal Court or any other court of competent jurisdiction.

**21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?**

Under the Copyright Act the following are criminal offences:

- making for sale or hire, commercially importing or distributing copies for the purpose of trade or to any other extent that affects prejudicially the copyright owner, knowing them to be infringements;
- being in possession of such copies for commercial purposes;
- being in possession of equipment known to be used for making infringing copies;
- causing public performances of a work, film or sound recording at a public venue knowing the performance to be infringing;
- advertising the supply of copies of computer programs that are known to be infringing.

Criminal procedures are available under the Trade Marks Act for falsifying a registered trademark, falsely applying a registered trademark, the manufacture and possession of die etc. for use in commission of an offence, or the selling of goods with false marks.



**22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?**

The Australian Federal Police and the police forces of States and the Northern Territory are responsible for investigating suspected offences under the Copyright and Trade Marks Acts, whether or not complaints have been received. The decision on whether to prosecute for a suspected offence is a matter for the Director of Public Prosecutions or equivalent functionary in the States or Territories. In practice, most police action results from complaints and information received.

**23. Do private persons have standing to initiate criminal proceedings and, if so, who?**

Refer to question 22. Private persons can initiate criminal proceedings, although the prosecution may be taken over by the Director of Public Prosecutions and continued or discontinued.

**24. Specify by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:**

- **imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and material and implements for their production;**
- **other.**

Under the Copyright Act, penalties range from a maximum fine of \$A 500 for some first offences by individuals to a maximum fine of \$A 250,000 for a second or subsequent offence by a corporation. Individuals face a maximum fine of \$A 50,000. Penalties under the Copyright Act can also include imprisonment for periods of between six months and five years.

Under the Trade Marks Act, there are criminal penalties for falsifying a registered trademark, falsely applying a registered trademark, the manufacture and possession of die etc. for use in commission of an offence, or the selling of goods with false marks. The penalty for these offences are fines of up to \$A 50,000, imprisonment for a period not exceeding two years or both.

If counterfeit goods are forfeited to the Commonwealth, under the Trade Marks Act the goods are disposed of at the Comptroller's direction, or under the Copyright Act, as prescribed by regulations or as the Comptroller of Customs directs.

Under the Copyright Act, infringing copies or implements used or intended to be used for making infringing copies may be ordered to be destroyed or delivered up to the copyright owner or otherwise dealt with.

**25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.**

Again, the cost and duration of proceedings are determined by court procedures, the specific nature of each case and the work load of the courts in the jurisdiction in which the case is heard.

## II. ADDITIONAL INFORMATION

### **Other legislation/actions available for enforcement of IPR rights**

In many cases in which a civil action is taken in respect of IPR infringements the plaintiffs will also argue that there has been an infringement of one or other rights under either common law or, usually, the *Trade Practices Act 1974* (TPA).

The TPA is Australia's anti-trust legislation. It also includes a range of consumer provisions directed to penalising the making, in trade or commerce, of false or misleading representations as well as proscribing, in s.52, misleading or deceptive conduct.

The application of the section has now extended into almost every realm of market behaviour in Australia and there is an extensive and growing body of case law. The behaviour that is proscribed is behaviour that is either misleading or deceptive or likely to mislead or deceive. This enables the court to make a determination about whether or not conduct that has been, or is proposed to be, engaged in, is or would be prohibited under the TPA. A successful action under the TPA is not dependent on showing that there was actual deception, or that persons were actually misled, or whether any injury has been or is likely to be suffered. No malicious intent is required - the test is an objective one.

#### "Passing Off"

Such an action may, at times, be similar to the action of "passing off" which is available under the common law of Australia. The origins of passing off are obscure but in some respects it emerged as a species of the genus of the action for deceit but with the difference that it is allowed to be brought not by the customer deceived but by the trader whose goods had been used to effect the deception. (See *Blanchard v Hill* (1742) 2 Atk 484; 26 ER 692 and *Crawshay v Thompson* (1842) 2 Man and G 357; 134 ER 146. 124). An intention by the defendant to deceive has not been a necessary ingredient in the cause of passing off since 1838 (*Millington v Fox*). The modern basis of the tort is now put squarely as injury to the plaintiff's reputation or business or goodwill by the defendant's conduct irrespective of any intent to deceive.

The real question is whether the owner of the goods has established a sufficient reputation within the jurisdiction with respect to his or her goods in order to establish there is a sufficient level of consumer knowledge of the product and attraction to it to provide custom which, if lost, would be likely to result in damage to him or her. If no reputation, or no damage or a real possibility of damage, can be established the action fails.

#### Fair Trading Acts

An action under the common law may be pleaded in relation to conduct by any trader. This is not the case under the TPA. Because there is no constitutional power to enact national legislation regulating market conduct per se, the TPA relies on a variety of other constitutional powers within the jurisdiction of the national legislature. The primary, though by no means the sole, basis upon which federal jurisdiction is attracted is through the use of the national legislature's power to make laws regulating trading and financial corporations. Where misleading or deceptive conduct is engaged in by a trader but that trader is not a trading or financial corporation, there may be no constitutional basis for the application of the TPA. For this reason, amongst others, the Federal Government and the governments of the various States and Territories of Australia agreed to the enactment of substantially uniform legislation by each State and Territory. In each case this complementary legislation is known as the Fair Trading Act.

## Remedies

Remedies under the TPA are largely co-extensive with those available under the IPR statutes. There are also some additional discretions given to the courts in relation to the types of orders that may be made in TPA proceedings. However, remedies of additional damages and conversion damages that are available under, for example, the Copyright Act, are not available under the TPA. As to damages, the normal rule is that the damages are an estimate of what it would cost to place the plaintiff in the position the plaintiff would have been in if the infringement had not occurred. That is, the damages are compensatory. This is the basis for payment of damages under the TPA or in an action for passing off or ordinary damages under the IPR statutes. Nevertheless, this is not an exact science and because of the difficulty in valuation of damage caused by infringing conduct the court may be required to treat the damages as being, as it were, at large, and determine the amount of damage as if it were a jury.

## Conclusion

From the foregoing it will be apparent that even though the TPA operates from a different perspective to the IPR statutes and common law actions, it provides a very powerful weapon in the hands of IPR right owners and for that reason is used extensively in IPR litigation.

## Anti-competitive practices in Contractual-Licences

The TPA also proscribes certain anti-competitive behaviour. This includes abuse of market power, unconscionable conduct, third line forcing and resale price maintenance. Although these provisions do not generally make reference to contractual arrangements they are applicable to contractual arrangements as to other forms of market behaviour.<sup>3</sup>

The TPA is the major statutory mechanism by which anti-competitive provisions in contractual licences may be controlled. It should be noted, however, that the TPA provides specific exclusions for provisions in contracts in relation to the exploitation of patents, registered designs, copyright and layout-designs of integrated circuits that might otherwise result in infringements of certain provisions of the TPA - these being where those arrangements resulted in a substantial lessening of competition (this includes lessening of competition brought about by covenants in relation to competition and to pricing), price discrimination, and exclusive dealing arrangements. These exclusions are intended to be reviewed within the next two years.

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<sup>3</sup>There has been some debate about whether resale price maintenance ought to be proscribed. The competition authorities have the power to authorise resale price maintenance where the public benefits outweigh the detriments.