**Brief Submission**

by Virginia Rigoni to

**Productivity Commission’s Intellectual Property Arrangements inquiry**

As a small business creator, owner and operator with significant experience in workforce and in the healthcare industry, and more recently experience in preparing and applying for a range of trademarks in Australia and internationally, I’d like to comment on a few areas to be considered at this time.

If Australia would like to hold on to its expert talent and build talent and skills for future workforce capability, and continue to encourage innovation from individuals and organisations, it needs to do more to recognise the important role IP plays in the health and productivity of an economy. The banking and financial industry could take the leap and collateralize commercial loans and bank financing by granting a security interest in IP, especially where it's considered the IP has benefits for Australia's local economy, new industry development, and broader engagement internationally. An option could also be that the banks engage, collaborate with and "buddy" SME organizations seeking financing in different ways than it does today, that way becoming more true partners than just for finance.

Other countries are making that option available and increasingly, the changes taking shape internationally through technology and different platforms will reshape the business proposition and IP will be one of the fundamental drivers that create, and define a global business and their engagements in the future. It could be far more adaptable, offer greater assurances and be more meaningful longer term than human workforce capability managing a quarterly or annual budget cycle as an example. Countries that postpone doing so will lose critical talent, momentum, knowledge and valuable opportunities to build industries and new economies, to the countries that are changing the way they see IP and how they can engage emerging companies or individuals who are IP enabled, yet cash poor.

If IP is considered to be personal property then personal property needs to be better recognized by our financial institutions.

Australia could consider taking a lead and be innovative in the way it creates this change and not just by following examples of other countries. Australia could nominate one bank to be the IP bank for the region or globally, which engages, collaborates and exchanges IP on a global scale. The Australian IP exchange could be closer than we think. The IP exchange could then itself take on different roles that are traditionally reserved for Private Equity, and venture capitalists, groups that are often out of reach of a start up in its formative months .

Process:

The Madrid protocol international trademark process is excellent at the commencement of the process whereby one application can cover many countries. The time consuming and very complex process that follows, of then responding to each respective office for the same international trademark appears to be in conflict with the ethos of the intended Protocol. Although the examiners and officers are very pleasant, it is timely for both parties to be preparing responses and some times more than one. Rather than helping innovators and those wishing to protect their IP and scale their business brand , this process ties up resources at all ends , is extremely costly in time, particularly if the countries nominated are more than 3, and seems to be repetitive. There must be a more efficacious way to share information internationally with the holder , make common requests for changes or amendments to the international mark so that one set of changes to an international application carries through internationally to all designated countries, particularly where the initial exam has uncovered no conflict or earlier mark. Perhaps WIPO could nominate an account manager to manage the process internationally and for a small fee that is paid upfront be a key and consistent resource to the applicant. The exchange and sharing of valuable Information and reports in a timely fashion with the holder is also something that could be addressed more effectively with WIPO. These comments are also made in the context that a fee for the international trademark through Madrid protocol needs to be paid well in advance of hearing from examiners about the status of the trademark application, which if doesn’t progress, is not a fee that can be reimbursed. WIPO has designated offices, in each of the countries, yet the process still seems protracted and could be streamlined for ease of processing. Reviewing the policy on reimbursement of the collective International fee is also an action I would like to see considered and changed, especially if the fee is to be paid at the outset.

In response to a couple of questions in the issues paper: Implementing a health check test to identify when a trademark is being used in an anticompetitive way is one possibility. KPIs could be drawn for the test.

Identifying collaborations through the trademark process, both in Australia and internationally could be one way to identify potential partners with whom to engage. Rather than seeing Trademarks as mostly as a way to “define” a brand, they could be utilized also as a vehicle to scope and engage new networks with which to engage. This could then open up new collaborations and opportunities with respect to parallel imports; -perhaps to be future titled “complementary imports”, to enhance collaboration and networks.

Payment:

The current process of IP Australia where the holder pays in full for a trademark only once it has been amended and accepted is far more considerate of a startup and a small business and shows a good level of understanding about where IP fits in the process of building and defining strategy for a business. The timing of paying the full and balance of a trademark registration fee is important, (following examination and when hopefully, financing sources can be in place).

The current process for the international Madrid protocol demands full payment even before the application is forwarded for examination to the individual countries. In some cases payment for an international trademark is made 6 -9 months earlier than the time it might be examined, let alone registered. I hope this can be reviewed in the future as it is cost prohibitive to a small business or a start up and doesn’t enable development, consider cash flow requirements and in fact hinders the other part of a company’s planning requirements. Payment of the trademark through Madrid protocol would make more sense following the opposition period. This would then support its intended raison d'etre more fully. This will give time for new businesses to identify resources required to get their start up off the ground. I suggest a window of 6 months, post the opposition period, for the trademark to be fully paid. Perhaps a smaller process fee could be charged at the outset, but a much smaller fee than the current request for full payment prior to examination.