

Standard Directions for Australian Patent Proceedings

Introduction

The purpose of this practice note is to further the overarching purpose set out in s 37M of the *Federal Court of Australia Act 1976* (Cth), in summary, to facilitate the just resolution of disputes according to law and as quickly, inexpensively and efficiently as possible, including by increasing consistency and certainty in procedure.

These Standard Directions will be issued at a *first* case management hearing which will be scheduled to occur shortly after the date when all respondents who intend to file and serve a defence and any cross-claim have done so. Pursuant to rr 16.32 and 15.04 of the *Federal Court Rules 2011* (Cth), this is to occur within 28 days of the filing of the statement of claim. If a respondent requires more than 28 days to file its defence and any cross claim, it should seek the applicant's consent to an extension of time before the expiration of the 28 day deadline or seek to list the matter before the deadline. At the case management hearing, the Standard Directions may be amended or added to, if required. A respondent that fails to file its defence and any cross claim in accordance with the rr 16.32 and 15.04 of the Rules, or any extended deadline, may be required to pay the costs of the first case management hearing.

Frequently, statements of claim that allege the infringement of multiple patents and large numbers of claims are productive of undue repetition, increased costs and wasted court time. Applicants should confine their allegations of infringement to the minimum possible number of claims and, if possible, one patent. Respondents advancing cross claims should also confine the number of prior art documents and grounds advanced to the minimum necessary.

If a patentee advances infringement allegations in respect of large numbers of patents, claims and/or scenarios of infringement, the Court may direct a patentee to propose determination of infringement and validity of a subset of patents, claims or infringement types as separate questions. Whether it is appropriate to order separate questions should be determined as soon as possible, ideally at the first case management hearing, to minimise complexity and cost in the pre-trial period. In addition, the parties might agree that the Court need only hear and determine infringement and validity issues with respect to certain exemplar patent claims or products. These matters should be discussed between the parties prior to the first case management hearing.

Should a patent applicant seek to amend a patent, or a party rely on experimental evidence, they should raise these matters, if possible, at the first case management hearing.

Below is the Standard Directions for the first case management hearing by which time the statement of claim, any cross claim and the defence is expected to have been filed. The parties must have discussed the Standard Directions and be in a position to indicate to the Court whether they agree on any variation to the orders (which otherwise will be taken to be a default position) and, if not, what their points of difference are. A draft of these short minutes, marked up with any proposed differences should be supplied. It is anticipated that the Court will not lightly depart from the form set out below.

The draft short minutes of order take the proceedings up to a provisional trial date that is expected to be no more than 18 months from the date of the first case management hearing.

Standard Directions

IT IS ORDERED THAT:

1. Patentee position statement on infringement/ respondent product or process description, and where appropriate limited discovery

- (a) The applicant file and serve a position statement on infringement by [two weeks] in the form described in paragraph 6.12 of the **Intellectual Property Practice Note** (IP-1) by reference to each distinguishable instance of infringement
- (b) The applicant indicate by [same date as (a)] whether it proposes to rely on expert evidence in support of its infringement case and, if so, the relevant technical or scientific discipline of that expert.
- (c) Unless the respondent admits the presence of all integers in the accused product or process, the respondent file and serve a responsive position statement on infringement in the form described in paragraph 6.13 of the Intellectual Property Practice Note, and a product/process description directed to any integers in dispute as described in paragraph 6.15 of the Intellectual Property Practice Note , by [three weeks after the date in (a)].
- (d) If, despite orders 1(a) and 1(b), the applicant believes discovery is necessary, on or before [two weeks after the date in (c)], the applicant notify the respondent of the categories of documents directed to the disputed integers of which it seeks discovery using the discovery procedure described in paragraph 8.5 of the **Commercial and Corporations Practice Note** (C&C-1).
- (e) On or before [two weeks after the date in (d)], the respondent responds to the applicant's discovery categories following the same discovery procedure referred to above in order 1(d).
- (f) The schedule of requests and responses be provided to the Court on or before [two days thereafter].
- (g) The Court will notify the parties [within 14 days' time] whether the dispute is to be:
 - i. determined on the papers;
 - ii. listed for hearing on [a date to be set by the Court]; or
 - iii. referred to a Registrar for determination within [time frame set by the Court].

Commentary:

The patentee should file a position statement on infringement, pointing to where it says the asserted claim integers are to be found in the product or arise from the respondent's conduct. The patentee might only be able to do that by way of inference on some integers, but the patentee should identify the matters that support that inference. Such a document will be taken to have the status of particulars of the patentee's claim. The alleged infringer

should respond, admitting the integers that are not in contest and identifying those that are, with a short explanation of why the patentee's position is rejected (including, where applicable, because of construction). This document will also be taken to have the status of particulars. Where integers are admitted, these will be taken to have the status of formal admissions in the proceeding and require leave to be withdrawn.

The respondent should then file a product and/or process description (“PPD”), directed towards the integers in dispute. Where the description is against the respondent's interest, the patentee may treat it as an admission, and leave will be required for the respondent to depart from it. The description otherwise does not have evidentiary status. The patentee (other than for admissions) and the respondent will still need to prove any factual matters on which they rely by admissible evidence. It may be noted that the right to apply to cross-examine the maker of the PPD arises in an interlocutory context akin to seeking to cross-examine the deponent of a list of discovered documents. It does not enable a patentee to compel a respondent to call the maker as a witness in the respondent's case, enabling the patentee to cross-examine the deponent of a list of discovered documents. It does not enable a patentee to compel a respondent to call the maker as a witness in the respondent's case, enabling the patentee to cross-examine him or her at trial: [*Voxson Pty Ltd v Telstra Corporation Limited \(No 10\)* \[2018\] FCA 376](#); (2018) 134 IPR 99 at [17]–[19] (per Perram J).

A prudent respondent might choose to supplement the PPD with business records substantiating the description, increasing the likelihood of the applicant accepting the description as accurate. However, the standard approach should allow for the possibility of the applicant seeking targeted discovery in relation to the disputed integers. In order to make discovery requests as quickly, inexpensively and efficiently as possible, interlocutory applications, supporting affidavits and traditional written submissions will be not required in the first instance. Rather, the parties will follow the discovery procedure set out in paragraph 8.5 of the Commercial and Corporations Practice Note. Where a factual matter is not self-evident, the party seeking to prove that fact may file affidavit evidence in support of it. *Inter partes* correspondence is not to be proved by affidavit, but an agreed bundle may be provided to the Court. The Court may choose to have a hearing to determine the discovery requests or decide the request on the papers.

2. Respondent position statement

The respondent/cross-claimant file by [two weeks] a position statement on the validity of any patent claim, identifying, in the form of a schedule, the patent claims alleged to be invalid and for each and on which grounds invalidity is alleged.

3. Evidence and Technical Primer

- (a) Each party may call [one] expert witness in these proceedings, in each of the following fields: [relevant fields to be decided at the case management hearing];
- (b) Each party is to file its affidavit evidence in chief (expert and lay) on or before [date, on or around five months before pre-trial directions] limited to [[X] pages] in length, such page number being the subject of discussion and approval by the Court at the case management hearing.

- (c) In the affidavit evidence in chief referred to at order 3(b):
- i. The expert giving evidence at the request of the patentee is to give evidence in a section entitled “Primer” of information that the expert considers is likely to be uncontroversial technical background knowledge relevant to the question of infringement known to that expert as at the priority date, which is intended to serve as a technical primer, including a glossary of key technical terms (“**Primer**”).
 - ii. The expert giving evidence at the request of the party alleging invalidity is to give evidence in a section entitled “common general knowledge” that represents a summary of information that the expert considers is likely to be uncontroversial background common general knowledge (if relevant to the issues in the case) that is known to that expert and likely to be known others in the field before the relevant priority date(s) (“**CGK Summary**”).
- (d) Each party is to file and serve its affidavit evidence in answer on or before [date on or around two months before pre-trial directions]; and
- (e) At the time of serving their affidavit evidence in answer referred to in order 3(d):
- i. The expert giving evidence on behalf of the party alleging invalidity is to include in that expert’s evidence in answer a copy of the Primer marked up to indicate any areas of disagreement with the contents of the Primer and supplemented by any additional material that expert witness considers to be suitable information that is likely to be uncontroversial to the question of infringement to include in the Primer.
 - ii. The expert giving evidence on behalf of the patentee is to include in that expert’s evidence a copy of the CGK Summary marked up to indicate any areas of disagreement with the contents of the CGK Summary and supplemented by any additional material that expert witness considers that is likely to be uncontroversial and which is suitable for inclusion in the CGK Summary.
- (f) By [a date on or around weeks after the evidence in (d)], the parties file a separate document combining the Primer and the CGK Summary, indicating the areas of agreement or disagreement that have been identified in accordance with orders 3(c) and 3(e), and minimising any duplication to the extent possible.

4. Preparation for pre-trial directions

The matter be listed for a case management hearing to make pre-trial directions on [date following evidence in answer under order 3(d) eg. six months hence], prior to which the parties will discuss and provide to the Court, no later than two working days earlier, draft directions marked up to indicate any points of disagreement addressing at least:

- (a) whether the parties consider reply evidence is necessary;

- (b) the topics and scope for any expert conclaves;
- (c) joint expert reports;
- (d) giving of concurrent evidence by experts at the hearing; and
- (e) whether there should be any changes to the estimated hearing length.

5. Expert conclave / joint expert reports

- (a) On or before [two weeks before the pre-trial case management hearing], the parties are to confer regarding any expert conclaves and topics; and provide an agreed list of participants and topics for the experts to the Court or, in the event of disagreement, a marked-up list of topics indicating the areas of disagreement.
- (b) The parties' expert witnesses (as specified) participate in joint expert conferences during the period between [eg. seven days from three weeks after the pre-trial directions] such conferences to be conducted in accordance with Part 7 of the Expert Evidence Practice Note (GPN-EXPT) and facilitated by a Registrar of the Court, and, by [four weeks after the pre-trial directions], produce a joint report that identifies areas of agreement, partial agreement and disagreement, in respect of any matters in which they have expertise, and, where there is partial disagreement or disagreement, short reasons for any disagreement.

Note:

Parties may choose to provide information to experts as to the law relevant to the common general knowledge in the form set out in the schedule to [*Novartis AG v Pharmacor Pty Limited \(No 3\) \[2024\] FCA 1307*](#). A form of standard instructions that may be provided to experts is provided separately with these Standard Directions.

6. Evidence in reply

If leave is obtained to file evidence in reply at the pre-trial directions, affidavit evidence in reply be by [date to be set by the Court] and limited to [X] pages in length.

7. Trial

The trial will be listed for [date on or around 12 to 18 months after the case management hearing] with a time estimate of [number of days].

Commentary:

The Standard Directions set the trial date for 12 to 18 months after the case management hearing, unless exceptional circumstances apply. This effectively 'back-stops' the pre-trial process and allows other deadlines to be calculated by reference to the trial date.

8. Summary assessment of interlocutory costs payable forthwith

- (a) If either party files an interlocutory application in these proceedings, at least one full business day prior to the hearing of that application each party must file and serve a statement of costs that it claims for that application in the form annexed to these directions.
- (b) Upon deciding the application, the Court may make a specified sum costs order having regard to the statement of costs prepared by each party, to be paid within 14 days of the order being made.

Note:

The Court may direct the parties to prepare and file statements of costs that they each claim in relation to any interlocutory matter which the Court is asked to determine whether that matter is the subject of a formal application or not, and make appropriate directions for the filing and service of statements of costs following determination of that matter.

Commentary:

Interlocutory costs orders payable forthwith encourage parties to either resolve or narrow interlocutory disputes due to the immediacy of costs (in contrast to costs of an interlocutory application being taxed or assessed at the conclusion of the proceedings). This also encourages practitioners to be transparent with clients about the costs of interlocutory applications. Each party's cost summary could be prepared using a standard form, to reduce time spent on this issue by both the Court and the parties. A copy of a draft template is provided separately with these Standard Directions.

The summary assessment procedure is influenced by the practice in the United Kingdom (UK) of making costs orders payable forthwith at the conclusion of an interlocutory hearing. The UK summary assessment procedure was introduced in 1999 following the Woolfe Report into access to justice. The effectiveness of summary assessments was considered 10 years after its introduction in the Jackson Review. A paper outlining the rationale and basis for proposing that a similar procedure be adopted in the Federal Court, and some of the advantages and disadvantages of the UK experience (together with relevant extracts of the Woolfe Report and Jackson Review), can be found on the Federal Court website.