IP Australia
Patentable Subject Matter
Consultation on an objects clause and an exclusion from patentability

The Intellectual Property Committee of the Law Council of Australia's Business Law Section (IPC) makes this submission in response to 'Patentable Subject Matter – Consultation on an objects clause and an exclusion from patentability July 2013'.

1 Do you have a preference for either of the two options proposed for the Objects Clause?

The IPC does not support the insertion of an objects clause in the Patents Act 1990 (Cth) (Patents Act). An objects clause is neither necessary nor helpful in this case.

As a general principle the IPC considers that operative provisions should be drafted clearly and that it should not be necessary to rely on objects clauses to direct the construction of the provisions. It may be that there are cases where new laws in unfamiliar territory may be assisted by an objects clause, but that is clearly not the case here.

In this case, given that:

(a) many of the provisions in the Patents Act have been in force for many years and are the subject of well established authority; and

(b) the recently adopted provisions in the Raising the Bar Act were drafted after extensive consultation with the aim of achieving a calculated balance,

there appears to be no need for such a clause here, and such a clause is likely only to create scope for dispute.

Further, if it were adopted, the proposed clause appears to be contrary to international requirements. In particular, the proposed clause speaks of balancing the competing interests of patent applicants and patent owners, the users of technology, and Australian society as a whole.

Article 17.1(6) of the Australia United States Free Trade Agreement provides that:

In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals of the other Party treatment no less favourable than it accords to its own nationals with regard to the protection and enjoyment of such intellectual property rights and any benefits derived from such rights.

It is difficult to discern what purpose or effect the word 'Australian' has in the objects provision if it is not intended that a court give Australian interests priority over the interests of other nationals, contrary to the agreement.

Australians should be entitled to expect that local interests will not receive priority when they seek to obtain or enforce patents in other countries and should afford the same treatment to nationals of other countries here.
Do you agree with the wording proposed by ACIP for the patentability exclusion?

The IPC considers that a patentability exclusion proposed is impractical and is likely to increase the complexity and cost of the patent system.

The IPC considers that issues concerning the exploitation of inventions are better dealt with through those sections of the Patents Act that concern exploitation, for example, Crown Use, through competition law and other specific laws.

Examples of conduct which may be regarded by at least some informed people as being wholly offensive include human cloning, use of dangerous, poisonous or environmentally damaging substances, use of genetically modified plants, animals and foods, use of technologies causing global warming, abortion, contraception, use of weapons generally or of specific kinds or in particular circumstances, use of alcohol, tobacco or recreational drugs, or the hurting or killing of animals.

When matters of this kind are not already governed by specific laws, there is likely to be a divergence of (more or less) reasonable opinion as to whether such commercial exploitation is wholly offensive.

The proposed clause is likely to encourage sectional interest groups to oppose patents, and to place the Commissioner or the Court in the invidious position of attempting to determine which view to prefer. The proposed consultation mechanism appears to recognise the problem but does not provide a workable solution for the reasons outlined under that heading below.

It is submitted that it is inappropriate to make the Patents Office a forum for determination of matters of this kind.

This is not assisted by the proposed wording which assumes there is only one reasonable fully informed view on these questions, when it is plain from the examples above that, often, there is not. Which view is to be preferred?

If the legislation is intended to exclude only those inventions the exploitation of which is wholly offensive to ALL reasonable and well informed persons, then it should be redrafted to make that clear.

Similarly, is the requirement met if an invention could be exploited in a way that is wholly offensive, or only if its exploitation is inevitably wholly offensive? If it is the latter that should also be made clear.

There are additional problems.

It is unclear at what point in time the offensiveness of the commercial exploitation of the invention is to be considered. Community standards change. What may be wholly offensive at one date or in one historical context may not be at another.

One of the examples that was raised in the context of the review that led to this proposal was the case where it was asserted the commercial exploitation of a genetic test was said to be offensive because the patentee charged excessive prices, making the test unaffordable to those needing the test. Is that sort of case intended to be covered? Will an invention be invalidated if the patentee proposes to continue commercially exploiting the invention, and in a manner which is not considered wholly offensive?

Finally, given that there is currently a review of patentable subject matter underway, this issue should be considered holistically as part of that review, given the potential for overlap. ACIP's Final Report on Patentable Subject Matter, states that the predominant justification for the 'not
generally inconvenient’ test under section 18(1)(a) is an ethical one.\(^1\) However, ACIP also noted that the operation of the ‘generally inconvenient’ test, and whether that proviso has the ability to consider ethical issues, is not settled in Australia.\(^2\) To the best of the knowledge of members of the IPC, few, if any patents, are rejected on ethical grounds under that test.

The IPC considers that a general exclusion from patentability be considered in the context of reforming the definition of ‘invention’ under the Patents Act and the manner of new manufacture test, and that piecemeal reform regarding this issue is undesirable.

The IPC considers that if the ‘ordre public’ exclusion is to be incorporated in patent legislation the Parliament is the proper place to determine, by specific provision, what patents are to refused on ordre public grounds. An example of how this would be done is the specific exclusion of patenting of human beings (although not in that case strictly on ordre public grounds).

3 Do you agree with amending the Patents Act to explicitly provide the Commissioner of Patents with powers to seek advice on ethical matters?

It is understandable that the Commissioner does not want to make such decisions unaided. However, the problem with any test involving personal views of this kind is that the answer received is likely to be dictated by the choice of the person consulted. A religious leader is likely to give a different answer from a leading scientist, who in turn may have different view from a political activist or an industrialist. How is the Commissioner to determine who to consult? How wide should the consultation be? How does the Commissioner decide which view to accept? Accordingly, in light of these obvious difficulties, the IPC considers that the proposal to provide the Commissioner with powers to seek advice on ethical matters is unlikely to operate effectively.
