Dear Ms Bailey

**NZIPA submissions to IP Australia on Public Consultation: Amending the inventive step requirements for Australian patents**

**Introduction**

These submissions have been prepared by the New Zealand Institute of Patent Attorneys Inc. (NZIPA).

The NZIPA was established in 1912. It is an incorporated body representing most Patent Attorneys registered under the New Zealand Patents Act, and who are resident and practising in New Zealand.

The current membership of NZIPA comprises 158 Fellows, 1 Honorary, 36 Students, 17 Non-resident, 15 Associates and 6 Retired.
PART 1: INVENTIVE STEP

There is a proposal to raise the threshold for inventive step to meet the highest threshold set by any country with which Australia conducts substantial technology trade. The Productivity Commission (PC) recommends matching the threshold used by the European Patent Office (EPO).

IP Australia presents four options for amending Australia’s inventive step threshold. These four options are:

- Option IS-1 – Implement the PC recommendation
- Option IS-2 – Implement IS-1 with clarification of prior art base and interpretation
- Option IS-3 – Implement IS-2 with amendments to codify that the Commissioner must determine if an invention is a solution to a technical problem
- Option IS-4 – Enshrine the EPO problem-and-solution approach in the Patents Act

Each of the options above involves amendments to legislation. Amendments to legislation inevitably result in unintended consequences. We are not convinced that the perceived harm identified with the existing legislation by the PC outweighs the potential harm arising from the unintended consequences of legislative amendment.

We are not strongly in favour of any of the options presented. However, Option IS-2 appears to be the option that would minimise the potential for unintended consequences.

We agree with the observation in the Consultation paper on Option IS-1 that ‘removal of an explicit definition of “prior art base” in the Act could result in additional uncertainty around its scope for the purposes of assessing inventive step’.

The main driver for Option IS-3 appears to be a concern that there is ‘room for Australian prosecution outcomes to be different from the EPO’. The intention is to provide ‘clearer and more predictable outcomes for examination, while allowing the courts to diverge if they consider the EPO’s approach is not appropriate in a particular case’.

There is a risk here that the assessment of inventive step by IP Australia during examination will be different to assessment of inventive step by the courts. The term ‘allowing the courts to diverge’ acknowledges that there will be uncertainty caused by this potential for two different standards. It would be burdensome for applicants, and not in the public interest, to cause applicants to seek assessment of inventive step by the courts instead of IP Australia.
We do not agree with IS-4 that seeks to enshrine the problem solution approach in Australian legislation.

We agree with the comments in the Consultation paper regarding IS-2 that there should be some ‘adaptability for the Commissioner to use other tests where the EPO problem-and-solution approach is not considered appropriate’. We suggest that guidelines as to what other tests should be applied, and when, would be useful.

**PART 2: TECHNICAL FEATURES**

The consultation document records that, in contrast to the EPO approach, ‘there is no requirement for the applicant to explicitly set out the “technical features” of the claimed invention that distinguish it from the closest prior art’.

The PC considered three options to improve the information available to examiners when making assessments of inventive step.

We can appreciate the need for EPO examiners to require applicants, in some cases, to identify the technical features of a patent claim. European patent applications are filed in huge volumes in one of three official languages. There is a potential for European patent examiners to be examining patent applications that are written in a language that is not the examiner’s native language.

Australian examiners already have a well-developed ‘manner of manufacture’ test with which to identify whether or not an alleged invention is patentable subject matter. Alleged inventions that lack any technical features fail the manner of manufacture test. Therefore non-technical inventions would not need assessment for inventive step.

Furthermore, Australian examiners would normally have available to them the examination results of a corresponding EPO application. In this way the Australian examiner can seek guidance from correspondence on file with the corresponding EPO application.

We believe that there is already sufficient information available to examiners when making assessment of inventive step.
We don’t support any of the three proposals set out in the consultation paper. We believe any requirement for applicants to set out the technical features of the claimed invention would unnecessarily add time and cost to the patent application process in Australia.

In most cases, satisfying an objection that the application does not set out the technical features of the claimed invention would be addressed by minor, administrative amendments rather than substantive amendments that aid in the examiner’s understanding of the invention.

**PART 3: TRANSITIONAL ARRANGEMENTS**

We prefer Option TA-3 over the other two options. The proposed changes, if any, should only apply to patent applications with filing dates on or after the date of commencement. Sufficient notice as to when these changes will take effect should also be provided.

Yours faithfully,

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Dear Ms Bailey

NZIPA submissions to IP Australia on Public Consultation: Introducing an objects clause into the Patents Act 1990

Introduction

These submissions have been prepared by the New Zealand Institute of Patent Attorneys Inc. (NZIPA).

The NZIPA was established in 1912. It is an incorporated body representing most Patent Attorneys registered under the New Zealand Patents Act, and who are resident and practising in New Zealand.

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INTRODUCING AN OBJECTS CLAUSE

The Consultation paper seeks input on two different options for an options clause. An objects clause is said to provide ‘additional clarity and guidance to the community on the purpose of legislation, assists the courts in interpreting the legislation, and can be used to resolve uncertainty and ambiguity’.

The paper also notes that IP Australia has already received feedback that ‘an objects clause is neither necessary nor helpful’. We agree with that view. We don’t think it is necessary to introduce an objects clause into the Act.

The New Zealand Parliament passed the New Zealand Patents Act 2013 which came into effect on 13 September 2014.

The explanatory note to the Patents Bill 2008 asserted that 90% of New Zealand patents are granted to overseas owners and that ‘much of the financial and social benefits of these patents may flow overseas’.

The New Zealand Bill as originally drafted was silent on promoting innovation and economic growth. This prompted one submitter to the Parliamentary select committee to question why the explanatory note to the Bill set out a fundamental policy objective that was not reflected in the Bill itself. The Bill was subsequently amended to recite the promotion of innovation and economic growth.

The consultation paper notes that ‘the New Zealand objects clause emphasises the Act should provide for an efficient and effective system that balances the interests of patent owners and society’. The actual wording of the clause is that the New Zealand Act ‘promotes innovation and economic growth while providing an appropriate balance between the interests of inventors and patent owners and the interests of society as a whole’.

The remainder of the New Zealand objects clause is largely directed to New Zealand specific policy objectives that are not relevant to Australia. These include addressing the perceived problem that 90% of New Zealand patents are granted to overseas owners, the concerns of Maori, and regulation of the New Zealand patent attorney profession by Australia.

As noted in the consultation paper, to date there has been no court decision in New Zealand referring to the objects clause. We are also unaware of any IPONZ decision or examiner’s comment that refers to the objects clause.
The generality of the wording of an objects clause introduces a lack of clarity as to how it should be interpreted, which is contrary to public interest.

We suggest that, if an objects clause is to be introduced (which we reiterate it should not, in our view), IP Australia adopts a version of section 3(a) of the New Zealand Patents Act 2013. Suitable wording is as follows:

'The purposes of this Act are to provide an efficient and effective patent system that promotes innovation and economic growth while providing an appropriate balance between the interests of inventors and patent owners and the interests of society as a whole; and complies with Australia’s international obligations'.

Yours faithfully,

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Dear Ms Bailey

NZIPA submissions to IP Australia on Public Consultation: Introducing divisional applications for international trade marks

Introduction

These submissions have been prepared by the New Zealand Institute of Patent Attorneys Inc. (NZIPA).

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Part 1: Introduction of division of International Registrations, and alignment of the process for domestic divisional applications

TM1.1 Is there anything in the Part 1 proposal that you believe might be unworkable? If so, please suggest improvements.

No.

TM1.2 Can you foresee any scenarios that would be problematic under the Part 1 proposal?

No.

TM1.3 Where do you see benefits and costs for users of the trade mark system as a whole arising in this process?

The ability of trade mark owners to divide an international registration will lead to multi-class applications as a whole not be delayed due to an objection that relates to only one or some of the classes. This obviously means that the owner will enjoy the rights of registration sooner and remove a level of uncertainty for them.

Harmonisation of the domestic divisional process with the proposed international registration divisional process, and alignment with practices of other like-minded trade marks offices, is beneficial to the trade mark owners who are treated equally whether they have filed an international registration or national application.

TM1.4 Do you have any other general observations to add?

The level of fee proposed by WIPO is reasonable.

The public consultation document does not disclose how the divided Australian designation will be numbered. The divided designation should be numbered on the same basis as an application divided from a domestic application.

Alignment of the basis on which IP Australia’s fees are calculated with that charged by WIPO would be appropriate.
Part 2: Mergers

IP Australia is interested in receiving feedback on the option of a divisional trade mark being merged back with its parent, as follows:

TM2.1 If there was an option to merge a divisional application back with its parent would you use it? Why or why not?

Yes. The merger of a divisional application would have the effect of re-creating a single multi-class application as filed. This will ensure trade mark owners retains the benefits of multi-class filings such as more stream lined portfolio management.

TM2.2 Do you have any other general observations to add?

We would recommend that IP Australia provide for the merger of a divisional application back with its parent.

Yours faithfully,

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