

Dear IP Australia

Civil Liberties Australia thanks IP Australia for the opportunity to comment on the proposed Objects Clause for the Australian Patents Act.

BACKGROUND: Civil Liberties Australia (CLA) is a national organisation based in Canberra. CLA stands for people's rights and advocates in favour of policies that advance human rights and civil liberties. CLA is non-party political and independent of other organisations. It is funded by its members and donations and does not receive funding from other sources. CLA monitors police and security forces, and the actions and inaction of politicians. It reviews proposed legislation to make it better, and keeps watch on government departments and agencies.

Several inquiries have supported the introduction of a statement of objectives for the *Patents Act 1990*. Suffice to say, CLA believes it is time to get on with it!

Patents are a social contract between the Government, Community and Inventor. They are a time-limited reward (monopoly privilege) conferred by the Government on an inventor in recognition of their novel and inventive contribution. In exchange the inventor promises to make the details of their invention public and to 'work' the invention locally.

This foundational principle should be recognised in any statement of objects.

Likewise, the rights of the community should not be forgotten.

Any statement of objects should consider:

1. The impact of the proposed monopoly on competition (this could be a reformulation of the anti-competitive conduct ground for the grant of a compulsory licence);
2. The impact of patent monopolies on the delivery of affordable healthcare and social welfare programs, including aid; and
3. The promotion of science and innovation via the transfer of ideas and technical know-how into the public domain.

Finally, the objectives clause(s) should reflect all of Australia's international treaty obligations including:

- The Agreement on *Trade –Related Aspects of Intellectual Property* (TRIPS), but also:
  - the 2003 WTO Ministerial Council Decision on the implementation of Paragraph 6 of the *Doha Declaration*; and
  - the 2005 *Protocol Amending the TRIPS Agreement*.
- The 2001 *Doha Declaration on TRIPS and Public Health*
- The Australian-US Free Trade Agreement

- Articles 11, 12, 13 and 15 of the *International Convention on Economic, Social and Cultural Rights*.
- Articles 17(1), 19(2) and the second sentence of Article 7 of the *International Convention on Civil and Political Rights*.
- The UNESCO *Universal Declaration on the Human Genome and Human Rights*.

Below, we set out our specific concerns with the proposed Options outlined in the Consultation Paper. We do not believe either option meets the principles we have outlined above.

One of CLA's Directors has also previously written on the need to reform our patent law to better reflect Australia's international humanitarian obligations. I have attached his paper in the *Australian Journal of Law and Medicine* as a PDF.

### **Objects Clause**

Fundamentally, Civil Liberties Australia believes any objects clause should emphasis the obligations on patent holders (such as the requirements to disseminate the technology through complete, public, and honest patent specifications and to 'work' the invention locally) and the interests of Australian society to both access new technology and to contribute to the overall, international good.

We are not comfortable with either Option 1 or Option 2 as currently proposed. Nor does CLA believe the definition from World Trade Organization (WTO) fully captures the objectives of the Australian patent system. CLA recommends that IP Australia reconsider whether a single paragraph, rather than short list of important matters, is the appropriate way to capture and reflect the objects of the *Patents Act*.

The proposed ACIP Objects Clause ("Option 1") is not, as the paper suggests a "simplified alternative" to the WTO's objects clause. It is simply an alternative that, in our opinion, presents the patent system as a parochial tool confined to Australian [manufacturing] interests, and a zero-sum game of setting off the interests of users and Australian society against patentees. Such an inward looking focus runs counter to the policy direction being suggested by the Productivity Commission in its report into Compulsory Licensing Practises in Australia.

The proposed Option 1 Objects Clause, as opposed to the WTO's suggestion, does not promote the goal of the patent system: to advance science and the 'useful arts' and to promote the dissemination of knowledge. We recognise that Option 2 does include such language, although it stills sets up a zero-sum game of competing interests.

Options 1 and 2 also do not mention that patent monopolies should be 'time limited'. We recommend that any Objects Clause include reference to the time limited nature of patent rights as this would assist a Court determining whether a patentee (or applicant) was, for example, negotiating, or bringing a legal suit in good faith or was engaging in 'evergreening' tactics.

Nor does the Option 1 Objects Clause cover issues such as social welfare – e.g. what should, ethically, be patented – preferring to place economic benefits to society above such considerations. Such an Objects Clause would provide little direction to a Australian Court ruling on a patent derived from an act of domestic or international 'biopiracy', where broader (and possibly non-Australian) interests should be considered.

Such an invention might be challenged on the grounds that the exploitation of the invention would be, for example, "wholly offensive to the ordinary, reasonable and fully informed member of the Australian public."<sup>1</sup> A reasonable and informed member of the public would be opposed to commercialisation of a product based on a "discovery" procured through fraud, theft or violation of foreign laws mandating fair remuneration or benefit-sharing prior to the exploitation of genetic resources (see for example the *Nagoya Protocol to the Convention on Biological Diversity*).

With IP Australia's own figures showing that only around 10% of Australian Patent applications are filed by Australians, it is important that the international nature of the modern IP system is reflected in any Objects Clause. Consequently, international agreements such as the *Doha Declaration on TRIPS and Public Health*, including the use of compulsory licences for the export of generic or patented goods to least-developed or developing countries must be reflected in the Objects Clause.

Finally, nothing in the Objects Clause should be taken to implicitly or explicitly limit the ability of an Australian government (State or Commonwealth) from exercising its rights as the grantee of the patent monopoly to use the invention to address an urgent or serious public issue – for example a public health emergency. In a similar vein, nothing should be included that would artificially increase the economic value of a patent, such that it would become prohibitively expensive for a government to compulsorily acquire an invention to address a public need.

Ultimately, the principle that IP Australia should adopt in the development of an Objects Clause is "First, do no harm". Nothing should be proposed that undermines the true goals of the patent system: the promotion of science, economic development and the dissemination of technology in an ethical manner, through the use of time limited monopolies.

Second, any proposed Objects Clause should be subject to further consultation, not just with ACIP but the community generally.

### **Patentability Exclusion**

Civil Liberties Australia supports efforts to adopt plain English where appropriate in legislation. As such, the use of "wholly offensive [to a reasonable and fully informed member of the public]" has merit. CLA would be concerned, however, if this imposed a higher threshold than already exists.

---

<sup>1</sup> Although, as we discuss below, we have concerns with the use of the qualifier "fully" in 'fully informed'.

Indeed, we question the need to refer to a "*fully* informed" member of the public and would recommend that an "informed" member of the public would suffice as an acceptable standard. To add a qualifier ("*fully*") needless complicates the provision and could open the Patent Commissioner to challenges based on what threshold of informedness constitutes "*fully*" informed.

While we note the recommendation to remove the current s50(1)(a) we believe it is premature to remove a long-standing protection before a new, replacement provision has had an opportunity to 'bed down'. CLA would absolutely oppose any moves to remove other existing exclusions, for example s18(2) and s18(3).

As such, we believe that:

1. IP Australia should obtain (or release if already available) legal advice on whether the proposed exclusion would impose a higher burden on the Patents Commissioner or a challenger to a patent than the phrase "against morality" or "*ordre public*".
2. IP Australia should amend ACIP proposed exclusion clause to remove the word "*fully*";
3. IP Australia should retain the existing s50(1)(a) until no earlier than 5 years after the introduction of the new language, at which time a review could be conducted on the impact of the change; and
4. Australia should retain the current exclusions in s18(2) and s18(3).

### **Seeking Ethical Advice**

Civil Liberties Australia supports efforts to recognise the ethical implications of patents, not simply their economic value. It is, however, uncertain how (or from whom) ethical advice should be sought or what impact it will have. That said, we are not opposed to innovation in administration.

It is presumed that ethical advice would be focused on providing a response to the question: "*would the commercial exploitation of the invention be wholly offensive to a reasonable and [fully] informed member of the public*". Flowing from this are several assumptions:

- A panel assembled to consider the question must include lay-members drawn from the community – possibly as a majority;
- A "[*fully*] informed person" is not the same as the inventor or a person "skilled in the relevant art in the light of the common general knowledge";
- The "*wholly offensive*" exploitation must be apparent on the face of the patent specification (i.e. not hypothetical) or reasonably drawn from it;
- It would not be sufficient for the Patent Commissioner to simply consult an 'ethics body', for example the National Health and Medical Research Council, unless the question was referred to a Principal Committee with community representation or a Working Committee specifically established under s39 of the *NHMRC Act*, again with community representation (The NHMRC/ARC run Australian Research Integrity Committee could provide a possible model).

- No single ethical model should be mandated but reasons must be provided to the applicant that reference prevailing community or professional standards or international norms.
- The assessment of the ethical body should be accepted by the Patent Commissioner unless she/he believes otherwise. That belief should be explained in writing and made available on request to Parliament, or any person seeking to challenge the Patent.

Limitations with this scheme include the ability to challenge any assessment of "wholly offensive". There is also the question of how often the Patent Commissioner would actually seek advice and whether they would have an exclusive power to seek advice, or whether a challenger to the patent or court could request a review.

Notwithstanding these difficulties we would support efforts by IP Australia to draft proposed legislation which gave affect to this recommendation.

Thank you again for considering our submission.

Kind regards

Dr Kris Klugman OAM  
President  
Civil Liberties Australia

*Lead author: Tim Vines (Vice President)*

**Attachment A** - Vines T, Crow K & Faunce T, 'Balancing Public Health and Intellectual Monopoly Privileges: Recent Australian Intellectual Property Amendments' (2012) 20 *Journal of Law and Medicine* 280.

**CLA** Civil Liberties Australia Inc. A04043  
Box 7438 Fisher ACT Australia  
Email: [secretary \[at\] cla.asn.au](mailto:secretary[at]cla.asn.au)  
Web: [www.cla.asn.au](http://www.cla.asn.au)