

25 September 2013

**By E-mail ONLY**  
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Terry Moore  
IP Australia  
PO Box 200  
Woden, ACT 2606

Dear Terry,

Re: **Consultation Paper entitled "Patentable subject matter – Consultation on an objects clause and an exclusion from patentability"**

We refer to the Consultation Paper entitled "Patentable subject matter – Consultation on an objects clause and an exclusion from patentability" released for public comment in July 2013.

IPTA is the peak professional body representing Patent and Trade Marks Attorneys registered in Australia, both in private and corporate practice. Although membership of IPTA is voluntary, over 90% of Patent Attorneys registered in Australia are members either as Fellows, or as Ordinary Members. Most members are also registered Trade Marks Attorneys in Australia. Many of the Patent Attorney members are also registered New Zealand Patent Attorneys. Accordingly, it is considered that the views of IPTA are representative of the views of a large proportion of Patent and Trade Marks Attorneys registered in Australia.

IPTA members act for a wide range of innovators and commercial entities, both from Australia and abroad, so members have a good understanding of the needs of innovators seeking intellectual property protection and the issues around commercialization of technologies and bringing new products to market.

IPTA appreciates the opportunity to participate in the consultation process and offers the following submissions.

### **Objects Clause**

IPTA is aware that the Advisory Council on Intellectual Property (**ACIP**) in its 2010 report in relation to Patentable Subject Matter recommended including an objects clause in the *Patents Act 1990 (the Act)*. As pointed out in this Consultation Paper, ACIP believed that the introduction of such an objects clause "would clarify the interaction between the patent system and competition policy". In effect, the objects clause proposed by ACIP was based largely on the statement of objectives which appears in the The Agreement on Trade Related Aspects of Intellectual Property Rights (**TRIPS agreement**).

IPTA agrees with ACIP that any statement explaining the objectiveness of patent legislation must be technology neutral, and must be worded in a way that includes sufficient flexibility to deal with new technologies and issues as they arise in the future.

While IPTA does not accept that an objects clause is necessary for clarifying the interaction between the patent system and competition policy, IPTA does not have any strong objections to the inclusion in the Act of an objects clause which is technology neutral, and which is sufficiently flexible to deal with future issues.

In comparing the objectives set out in the TRIPS agreement with the objects clause proposed by ACIP, and the alternate wording presented as option 2, a different emphasis is immediately apparent. While the TRIPS statement of objects focuses on the advantages and benefits to be obtained through promotion of innovation, technology transfer and dissemination, and advantages to producers and users of technological knowledge, the objects clause proposed by ACIP emphasises the "competing interests" of the various stakeholders who benefit from the promotion of technological innovation.

While ACIP had the objective of clarifying the interaction between the patent system and competition policy, it is not correct that the interests of patent rights holders, users of technology and Australian society as whole, are necessarily competing interests. In fact, in many cases the interests of the various stakeholders can be complementary. The TRIPS agreement avoids characterising the interests as competing or complementary, emphasising that the intellectual property system can provide advantages for all. For this reason IPTA believes that the relationships between the interests of intellectual property right holders, users of technology and society as a whole are more correctly and clearly articulated in the TRIPS statement of objectives than in the ACIP statement. IPTA also notes that the statement of purposes set out in the recently passed New Zealand *Patents Act 2013* makes no reference to "competing interests" and is more in line with the TRIPS statement than the ACIP statement.

In order to more clearly and correctly relate the interests of the various stakeholders, and to move away from the idea that the interests of patent rights holders, technology users and Australian society are always competing, IPTA recommends removing the word "competing" from the proposed objects clauses. Alternatively the word "competing" could be replaced with a word or words which better define the working relationship between the various interests, such as the words "complementary or competing".

With this form of change IPTA could support either option proposed in the Consultation Paper. IPTA has a preference for Option 2 because it makes reference to patent applicants who also have a clear interest in the patent system.

### **Patentability Exclusion**

IPTA is aware that ACIP and the Australian Law Reform Commission (ALRC) have recommended introducing into the Act an exclusion from patentability for inventions where society would have a moral objection to the commercialisation of the invention. While IPTA agrees that it is not appropriate to single out specific technology areas for exclusion from patentability, IPTA remains unconvinced that there is a need for the introduction of any further exclusions from patentability. IPTA also believes that it will be very difficult to

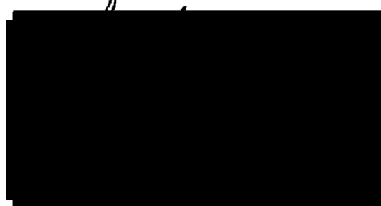
implement such an exclusion due to the clear difficulties associated with making the assessment. IPTA also feels that the other areas of law are more appropriate for ensuring that inventions are not practiced which would be wholly offensive to the ordinary reasonable and fully informed member of the Australian public. Despite these misgivings, IPTA does not strongly object to the inclusion of a general and technology neutral exclusion which would allow the Commissioner of Patents to refuse to accept a patent application for an invention, the exploitation of which would be wholly offensive to the ordinary reasonable and fully informed member of the Australian public. If such an inclusion was to be introduced, IPTA suggests that Subsection 50(1)(a) of the Act could be amended to give effect to this recommendation, effectively replacing the current exclusion.

IPTA is aware that, although the Act includes Subsection 50(1)(a), the Commissioner's power to refuse to accept a request in a specification under this provision has seldom been exercised. One of the reasons for this may be the difficulty that the Commissioner faces in deciding whether or not the use of an invention would be contrary to law.

IPTA notes that if such an exclusion was included in the Act, it is appropriate for the Commissioner to seek assistance when applying it, provided there is an avenue of appeal for the patent applicant against a decision to apply the exclusion. Where such assistance is sought, it will be important for the Commissioner to disclose the names and qualifications of anyone consulted to inform the Commissioner's view as to the reaction of the ordinary reasonable and fully informed member of the Australian public to the commercial application of the invention. Care will also need to be taken to ensure that consideration is restricted to the commercial exploitation of the invention, and not to other matters which may be relevant in the development and testing of the invention.

In order to ensure that the provision is not open to abuse, and that the provision does not introduce a *de facto* opposition process based on grounds not available under Section 59, it will be important to ensure that the application of the section is limited to interactions between the applicant and the Commissioner. There should be no opportunity for third parties to make submissions to the Commissioner in relation to exercise of the discretion under the provision, and the Commissioner should be precluded from applying the new Section 50A to revoke acceptance so that the exclusion can be applied.

IPTA appreciates the opportunity to comment on the Consultation Paper and would be pleased to answer any questions in relation to these submissions.



Convenor - Legislation Committee  
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