



13 September 2013

Mr Terry Moore  
IP Australia  
PO Box 200  
Woden ACT 2606

By Email: [consultation@ipaustralia.gov.au](mailto:consultation@ipaustralia.gov.au)

Dear Mr Moore,

**Re: Patentable Subject Matter – Consultation on an objects clause and an exclusion from patentability**

Following several reviews inquiring into the issue of patentable subject matter, the Government has implemented a number of recommendations. However, the Advisory Council on Intellectual Property (ACIP) has made some recommendations which have been accepted but not yet implemented. IP Australia has released a consultation paper entitled '*Patentable Subject Matter – Consultation on an objects clause and an exclusion from patentability*', seeking to deal with two of these ACIP accepted recommendations:

- Introduce an Objects Clause; and
- Introduce an exclusion from patentability for an invention the commercial exploitation of which would be wholly offensive to a reasonable and informed member of the public.

The purpose of the paper is to encourage discussion and seek views on the proposed amendments.

The Law Institute of Victoria (LIV) supports the initiative of clarifying the scope of patentable subject matter in the context of economic and social concerns. The LIV agrees with IP Australia's comments regarding the importance of any amendments to the Patents Act being technology neutral and flexible, in order to facilitate the law keeping up with evolving technology and social values. The LIV welcomes the opportunity to participate in this consultation.

**PROPOSALS**

**Question 1: Do you have a preference for either of the two options proposed for the Objects Clause? If so, please explain the reasons for your preference. If you disagree with the wording of both of these options, please explain which elements you disagree with and why.**

IP Australia explains the purpose of an Object Clause as setting out the underlying purpose of a piece of legislation, to assist Courts and others in interpreting legislation where there is ambiguity or uncertainty.

The paper sets out two proposed Object Clauses for insertion into the *Patents Act 1990* (the Patent Act).

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## Option 1

*... the purpose of the legislation as being to provide an environment that promotes Australia's national interest and enhances the well-being of Australians by balancing the competing interests of patent rights holders, the users of technology, and Australian society as a whole.*

## Option 2

*the purpose of the patent system is to provide an environment that enhances the well-being of Australians by promoting innovation and the dissemination of technology and by balancing the competing interests of patent applicants and patent owners, the users of technology, and Australian society as a whole.*

The first option comes from ACIP's Patentable Subject Matter report<sup>1</sup>, and is based on the World Trade Organization Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) description of the objectives of intellectual property systems.

Option 2 is proposed by IP Australia in order to address the interests of patent applicants and the role of the patent system in promoting national interest through stimulating innovation and the dissemination of technology.

The LIV has no objections to the introduction of an Objects Clause in the Patents Act. The LIV prefers the wording in Option 2, as it retains ACIP's approach whilst addressing the additional issues raised.

**Question 2: Do you agree with the wording proposed by ACIP for the patentability exclusion? If you disagree with the wording, please explain which elements you disagree with and why.**

Both ACIP and the Australian Law Reform Commission (ALRC) have recommended the introduction of an explicit exclusion from patentability for inventions where society would have a moral objection to commercialisation of the invention.

ACIP has recommended<sup>2</sup> that the current exclusion in section 50 be replaced with the following exclusion:

*... exclusion for an invention the commercial exploitation of which would be wholly offensive to the ordinary reasonable and fully informed member of the Australian public.*

The paper discusses the benefit of a model which ties patentable subject matter to the moral standards of the Australian public, as opposed to listing specific exclusions. In particular, it argues that the proposed model promotes flexibility to adapt to changing technology and society values. The LIV agrees with this position. If changes are going to be made to the Patents Act, they should allow the law to adapt with evolving community morals, minimising the need for constant legislative change.

The LIV also agrees that the standards of 'wholly offensive' and 'ordinary reasonable and fully informed member of the Australian public' are sensible.

The LIV therefore supports the wording for this proposed patentability exclusion.

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<sup>1</sup> (2010), page 5, 'Recommendation 2'.

<sup>2</sup> *Patentable Subject Matter* (2012), page 17, paragraph 1.

**Question 3: Do you agree with amending the Patent Act to explicitly provide the Commissioner of Patents with powers to seek advice on ethical matters. If you disagree please explain why.**

The paper proposes that the Patents Act be amended to provide the Patent Commissioner with explicit powers to seek advice on ethical matters. This is justified on the basis that examiners may not be experienced or equipped to determine whether the commercialisation of an invention would be offensive to the Australian public.

The LIV considers that if the patentability exclusion proposed above is enacted, then the Commissioner should be empowered to seek non-binding advice to assist application of the exclusion.

If you would like to discuss any of the matters raised in this submission please do not hesitate to contact me or Angela Gidley, Commercial Law Section Lawyer, on 03 9607 9382.

Yours faithfully,

**Reynah Tang**  
President  
Law Institute of Victoria