



28 September 2015

To: IP Australia

By email: consultation@ipaustralia.gov.au

Dear Sir/Madam,

Submission in Response to Consultation Paper: ACIP's recommendation on the Innovation Patent System

The Plastics and Chemicals Industries Association (PACIA) is the peak national body representing the business of chemistry in Australia.

Our members include chemicals manufacturers, raw material suppliers, plastics fabricators and compounders, importers and distributors, logistics and supply chain partners, chemicals and plastics recyclers, and service providers to the sector. These businesses range from small family-owned companies and innovative medium-sized enterprises, to leading national and multinational enterprises.

The chemistry industry – comprising the chemicals and plastics sectors - is the second largest manufacturing sector in Australia:

- supplies 109 of Australia's 111 industries – about 805 of the sector's outputs are inputs to other sectors of the economy;
- contributes \$11.6 billion to Australia's gross domestic product;
- comprises 5,500 small medium and large businesses nationally; and
- directly employs more than 60,000 people.

The local chemistry industry is not only important in its own right, but has a multiplier effect on productivity and cost saving benefits to the broader economy. Each job in the chemicals and plastics sector creates five more in related supply chains. The industry's central role in multiple supply chains provides benefits that exceed the directly attributable benefit of the industry.

PACIA members are users of the innovation patent system. The innovation patent system provides an effective second tier patent regime that supports particular forms of innovation with a reduced period of protection. As such, it enables innovators to protect incremental innovation that may not be patentable subject matter for a full 20-year patent application. The 8 year time period of protection afforded innovations under the innovation patent system also more closely reflects product life cycles in various industries.

PACIA understands the the principal target of the innovation patent system was small and medium enterprises (SMEs), but that the system has also been used by larger enterprises to support product innovation. PACIA believes that innovation by SMEs and larger enterprises benefits Australia and needs to be encouraged. The importance of innovation has gained renewed focus in recent weeks by the new Prime Minister and the new ministry.

On this basis, PACIA does not support the recommendations from the Advisory Council on Intellectual Property that the government consider abolishing the innovation patent system. PACIA supports retention of the innovation patent system. PACIA would nevertheless support any additional mechanisms that would foster and encourage a culture of innovation in Australia.

If you have any questions concerning this submission, please contact me on 03 9611 5411

Yours faithfully

Bernard Lee
Director – Policy and Regulation