



TELSTRA CORPORATION LIMITED

Response to IP Australia's Paper "Patentable Subject Matter – *Consultation on an objects clause and an exclusion from patentability*"

September 2013

INTRODUCTION

Telstra Corporation Limited ('Telstra') welcomes the opportunity to respond to IP Australia's Paper 'Patentable Subject Matter'.

Telstra is Australia's leading telecommunications and information services company, providing fixed line, mobiles, broadband, information, transaction, search and pay TV services. Telstra has an established patent portfolio in Australia and overseas and is both a licensor and licensee of patented technology.

Telstra acknowledges the importance of the patent system to encourage innovation by providing inventors with a temporary exclusive right to the patented invention, in exchange for sharing the details of the invention with the public. Telstra also recognises the important economic and social concerns regarding the scope of inventions that should be patentable.

Telstra understand that consultation for the remaining accepted ACIP recommendations will take place at a later date.

ISSUES FOR COMMENT

Telstra supports IP Australia's proposals, and considers that they represent a sensible and balanced approach. We will comment on each of the three proposals.

Q. 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.**

Telstra accepts that any Objects Clause setting out the underlying purpose of a piece of legislation may provide some assistance to clarify the general principles against which to interpret the detailed legislative provisions.

The Paper proposes two alternative Objects Clauses:

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.¹

This first option is ACIP's recommended wording for the Objects Clause, modifying TRIPS description of the objectives of the intellectual property system.²

¹ From Advisory Council on Intellectual Property ('ACIP'), *Patentable Subject Matter (2010)*, page 3, paragraph 2.

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.

This wording is proposed by IP Australia in order to address the fact that Option 1 is silent with respect to the interests of patent applicants and does not focus on the national interest of the patent system by promoting innovation and the dissemination of technology.

Telstra agrees with IP Australia's view that Option 2 retains ACIP's approach, whilst additionally addressing the interests of patent applicants as well as patent owners, and explicitly recognising the economic and social welfare concerns of patent law.

Recommendation: Telstra prefers Option 2 for the Objects clause.

Q. 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.**

IP Australia proposes accepting ACIP recommendation regarding the introduction of an explicit exclusion from patentability for inventions where society would have a moral objection to commercialisation of the invention.

In particular, ACIP's report recommends the following exclusion:³

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

Telstra considers that this is a reasonable proposal. It agrees that focusing on the commercialisation of the invention rather than the invention itself is a sensible focus for patentability exclusion. In addition, Telstra agrees that the proposed wording is preferable to specific listed exclusions, because specific listed exclusions lack flexibility to adapt to evolving societal values. Tying the exclusion to the 'ordinary reasonable and fully informed member of the Australian public' may facilitate keeping the law in step with community morals, going into the future.

² See Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Article 7, 'Objectives'.

³ Advisory Council on Intellectual Property ('ACIP'), *Patentable Subject Matter* (2010), page 17, paragraph 1.



Recommendation: Telstra supports ACIP's proposed wording **for** the patentability exclusion.

Q. 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 explains that patent examiners will be expected to **apply** the patentability exclusion during examination, but that they may not be equipped to consider **whether** the commercialisation of an invention would be offensive to the Australian public. It is proposed that **the** Commissioner be provided with an explicit power to seek advice.

ACIP recommended:⁴

that the Commissioner be given the power to seek non-binding advice, and have the discretion to decide the most appropriate way to do this.

In Telstra's opinion, if the proposed patentability exclusion were adopted, it would be very important for the Commissioner to be able to seek independent advice on ethical matters to assist with the application of the patentability exclusion.

Recommendation: Telstra supports amending the Patents Act to provide the Commissioner with powers to seek advice on ethical matters.

⁴ Advisory Council on Intellectual Property ('ACIP'), *Patentable Subject Matter* (2010), page 19, final paragraph.