THE AUSTRALIAN FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS
FICPI AUSTRALIA

27 September 2013

Ms Terry Moore
IP Australia
PO Box 200
WODEN ACT 2606

Email: consultation@ipaustralia.gov.au

Dear Ms Moore

Re: IP Australia consultation: Patentable Subject Matter

On behalf of FICPI Australia, we make the following comments in relation to the recent consultation paper entitled "Patentable Subject Matter". Before addressing the two specific issues raised in the consultation paper, we observe that Australia has not encountered anything like the same judicial difficulties as have recently occurred in other countries of the world on the question of subject matter. The landmark decision NRDC v Commissioner of Patents (1959) 102 CLR 252 provided a foundation for the law on subject matter, which has enabled Australia to avoid some of the artificial distinctions found in this area of law in other countries. This greater certainty under Australian law, in the opinion of FICPI Australia, has reduced conflict and litigation and we strongly support the retention of the current tests for assessing what subject matter can be the subject of a valid patent in Australia.

The specific proposals:

(a) Objects Clause

Notwithstanding our observations above, FICPI Australia does support the introduction of an Objects Clause into the Patents Act 1990. In circumstances where there is ambiguity or uncertainty in interpreting legislation an Objects Clause can provide assistance. As such, we consider that an Objects Clause would be a useful addition to the current Act.

Of the two options set out in the consultation paper, FICPI Australia prefers the second, principally as it properly identifies the interests of patent applicants as well as patent owners. In option 2, however, we would prefer to see the removal of the word "competing". Whilst the interests of various stakeholders can at times be "competing", they can often be complementary. If the objects clause simply states that the purpose of the legislation includes "balancing the interests of patent applicants and patent owners, the users of technology, and Australia society as a whole", the crucial element of recognising the need to balance the interests of the various stakeholders remains clear without loading

WEBSITE: www.ficpi.org.au

PRESIDENT:
GREG CHAMBERS
C/-Phillips Ormonde Fitzpatrick
23rd Floor
367 Collins Street
Melbourne 3000
Australia

Telephone
(03) 9614 1944
International
+613 9614 1944
Facsimile
(03) 9614 1867
International Facsimile
+613 9614 1867
E-Mail
greg.chambers@pof.com.au

SECRETARY:
STEPHEN KROUZECKY
C/- Krouzer IP
Suite 18, Jasmine Court
1, Beahan Place
Cherrybrook NSW 2126
Australia

Telephone
(02) 9980 8890
International
+612 9980 8890
E-Mail
krouzer@internode.on.net

TREASURER:
CHARLES BERMAN
C/- FB Rice
Level 23
44 Market Street
Sydney NSW 2000
Australia

Telephone
(02) 8231 1000
International
+612 8231 1000
Facsimile
(02) 8231 1099
International Facsimile
+612 8231 1099
E-Mail
charlesberman@fbrice.com.au

it with a values-assessment, which may or may not be relevant in any particular case.

(b) Patentability Exclusion

Whilst FICPI Australia is sympathetic with IP Australia's aim of introducing a patentability exclusion for inventions, the commercial use of which would be immoral or "wholly offensive", we do not consider such an exclusion to be practically workable. Nor do we see a current need for such an exclusion. FICPI Australia is concerned that the introduction of a non-specific, values based exclusion is likely to lead to difficult and expensive disputes. FICPI Australia notes that the grant of a patent does not confer the right to use an invention – simply the right to prevent others from using an invention.

In the background to the consultation paper there is reference to social concerns centred on the patenting of isolated gene sequences, and the impact of such patents on access to affordable health care. We note that the proposed exclusion does not address this issue. The most vocal concerns in this area in recent times have been expressed in terms of the ownership of particular gene sequences by one patent holder. Indeed, many in the community welcome commercial exploitation of such inventions, but would prefer to have them more broadly available and at cheaper prices. Such ends can be achieved through compulsory licensing, and other existing mechanisms considered appropriate in individual cases. The proposed exclusion does not address this issue.

One difficulty with the proposed exclusion is that social values change over time. It may be that ordinary, reasonable and fully informed members of the Australian public a decade ago would have found it wholly offensive to sell genetically-modified foodstuffs. Over time, and with experience in use, those fears and objections have in a large part fallen away. Under the proposed test, a patent application for such an invention might have been refused if considered some years back. It might have been refused, yet during the usual term of a patent, attitudes have changed, so that the commercialisation of that technology would be acceptable to members of the public now. However, by the time the commercialisation opportunities arose, the prospect of securing valid patent rights would have been lost if the proposed exclusion had been applied at the time of application.

It is also the case that social values can change quickly. The debate regarding gay marriage in recent years shows how quickly public views can change on ethical and moral issues. It may well be that it is currently acceptable to the ordinary reasonable and fully informed member of the Australian public that RU486, the abortion pill, should be available for commercial exploitation. However, there are many social critics to the sale of this product. It is certainly not possible to rule out a change in public views about RU486 such that the ordinary, reasonable and fully informed member of the Australian public would object to its further sale. If the proposed exclusion was to apply to Australian patents, we could well find validly granted patents subsequently open to revocation (provided the revocation action was timed to coincide with the changed public perception).

For the Commissioner to make a judgment, it is anticipated that assistance could be secured by seeking non-binding advice, presumably from an expert panel. This prospect bristles with difficulties. For every ordinary reasonable and fully informed member of the Australian public holding one view, you can almost always find another such person holding a contrary view. Further,

in revocation proceedings, one might legitimately have concerns in having competing ethicists debating the morality of the use of a particular invention, in defending or attacking certain patent rights.

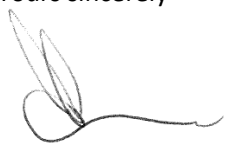
It has been suggested that “landmines” might be technology falling within the mooted exclusion. Weapons of this type, however, are not available for general commercial exploitation. They are purchased by governments for arming a defence force and there are no doubt difficult waters to be traversed when considering any weapon designed to kill another person. However, in the end, FICPI Australia believes these issues are much better addressed by other laws. If the commercial exploitation of a product is wholly offensive to the ordinary reasonable and fully informed member of the Australian public, then other laws should prevent such products being used or sold.

If the patenting of immoral inventions was repeatedly causing a concern for the commissioner, then it might warrant some additional powers. However, at present, we submit section 50 of the Act adequately addresses the issue. Even if s.50 was repealed, a patentable invention under Australian law is any manner of new manufacture, the subject of letters patent and grant of privilege within section 6 of the Statute of Monopolies. Section 6 of the Statute of Monopolies expressly excludes manufactures which are “contrary to the law or mischievous to the state”.

We trust that these submissions will assist IP Australia and the Australian government in its review of patentable subject matter. Should there be anything in these submissions that requires expansion or clarification, we would be more than happy to speak or meet with those involved in the review.

Thank you for providing us with the opportunity to make these submissions.

Yours sincerely



Greg Chambers
President
FICPI Australia