



Law Council  
OF AUSTRALIA

**Via email: [sean.applegate@ipaaustralia.gov.au](mailto:sean.applegate@ipaaustralia.gov.au)**

Mr Sean Applegate  
The Advisory Council on Intellectual Property  
P O Box 200  
Woden ACT 2602

Dear Mr Applegate,

**ACIP Public Inquiry – Patents and Experimental Use**

I have pleasure in enclosing a submission which has been prepared by the Intellectual Property Committee of the Business Law Section of the Law Council of Australia in response to the Advisory Council on Intellectual Property's Public Inquiry into Patents and Experimental Use.

I confirm that the submission has been endorsed by the Business Law Section but, owing to time constraints, has not been considered by the Council of the Law Council of Australia.

Yours sincerely,



Peter Webb  
**Secretary-General**

18 May 2004

Enc.

c.c. Dr Rod Crawford, ACIP

## **Law Council of Australia (*the Law Council*)**

### **Intellectual Property Committee of the Law Council (*the Committee*)**

#### **Submission to the Advisory Council on Intellectual Property (*ACIP*) in relation to its Issues Paper (*the Paper*) on Patents and Experimental Use dated February 2004**

- 1. Summary of the Committee's position**
- 1.1 The main issue raised by the Paper is whether there should be an experimental use exception in an Australian patent law.
- 1.2 The Committee submits that there should be such an exception. The exception should apply to uses involved in evaluating the subject of a patent for one or both of two purposes generally – first, inquiring into the scope or infringement or validity of the patent and secondly, in relation to progressing technology subject to limitations described in Section 4 and 5 below.
- 1.3 The Paper refers to the possibility that the absence of an experimental use exception prevents research being carried out for fear of infringement. However, there is no proof that that is the case.
- 1.4 Information gathered by ACIP from responses to the Paper may provide more information which could help in defining the experimental use exception required.
- 1.5 The Committee points out that in the laws of countries where an experimental use exception is established, the exception is very narrow. Any 'commercial' purpose or outcome is not experimental use because commercial use is the established sole right of the patentee.
- 1.6 The trouble with 'commercial' purpose or outcome being used as the boundary of experimental use that is excepted is that it is usually possible to find a 'commercial' element in any testing that would be done by a third party. For example, a person testing the boundaries of infringement or the validity of the subject, would often be doing that to see if the patent could be avoided in some way which was in the end related to a business activity that that person wished to pursue. Further, the person making the use involved in such testing would usually be paid to do it.
- 1.7 For this reason, the Committee is inclined not to promote 'commercial' element as the boundary because it would frequently defeat exception of uses which should be allowed for the limited purposes to which we have referred 1.2 above.
- 1.8 The expression of the definition of the experimental use exception which the Committee would support awaits further consideration by us of the data which ACIP may obtain in response to the Paper, particularly from researchers who claim to be adversely affected by the current uncertainty.
- 2. The existence of an experimental use exception under Australian Patent Law**

There is no court decision in Australia which establishes that there is an experimental use exception as part of Australian law. Absent such a decision, there are reasonable

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arguments both ways as to whether such an exception is part of the common law applicable in Australia. That position is unsatisfactory whether considered from the position of patentees or third parties.

**3. Proof of the need for an experimental use exception**

3.1 It is not desirable to change the law unless there is a demonstrable need for change. The Committee considers that there is such a need for change as to experimental use because it is undesirable that the status of 'experimental use' in Australia, be uncertain.

3.2 The Committee does not itself have information and does not consider that the Paper provides proof that the uncertainty is in any way holding back proper assessment of the subjects of patents by researchers or any other third party. That lack of information applies both to uses which are related to assessment of patent issues and uses relating to making advances in technology involving patented subjects, alike.

**4. What activity should be covered by the exception of 'experimental use'**

4.1 The Committee reserves its position on this topic because it is possible if ACIP would allow us to consider information obtained by ACIP in response to the Paper that we would be in a better position to define the exception.

4.2 Presently, we consider the following subjects should be within the exception. In the following, 'the subject' means the claimed invention which is the subject of a patent.

- Uses to better understand whether and if so, how the subject works.
- Uses to determine properties of the subject not disclosed by the patent.
- Uses to better determine the limits of the subject.
- Uses to determine whether another subject will or will not infringe the subject, or to determine the validity of the subject, or both.
- Uses to determine whether an improvement of the subject or other such advance in technology, can be made.

**5. Amendment of the *Patents Act 1990* to effect an experimental use exception**

5.1 The Committee considers it to be premature to consider any particular drafting to amend the *Patents Act*.

5.2 However, the Committee is mindful that a limit must be expressed on the liberties which would apparently be granted by the uses proposed to be excepted, as stated above.

5.3 That limit should be that even if a use would otherwise be within the subjects of exception as stated in 4.2 above, that use will not be excepted from infringement if that use in any way directly and adversely affects the patentee's exclusive right to exploit the subject matter of the patent or is used in any way that directly and adversely affects the patentee's exercise of that right.