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Comments from the Ludwig Institute for Cancer Research Melbourne Branch

BRUSSELS

Need for Explicit Experimental Use Exemption in Australia

LAUSANNE

The underlying benefits of a patent system are always cited as being a granted limited monopoly in exchange for full disclosure of the information, ie the invention, to stimulate innovation. It is difficult to see how this exchange can take place without an explicit experimental research use exemption. Indeed, an experimental research exemption would maintain and further strengthen the patent system by providing for increased innovation and testing of published applications and granted patents.

LONDON

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There is a balance between disclosure of an invention and the right to profit from the invention or to exclude others from its use. The requirement of providing a full disclosure of an invention in a patent filing would be rendered meaningless if a patent holder could completely bar the “use” of the information contained in the patent.

NEW YORK

SAN DIEGO

In effect, an experimental research use exemption is presently practiced in Australia and it is clear that most scientists, and even the broader public, believe this to be an “allowed activity”. There now appears to be some erosion of this occurring due to the lack of an explicit statutory basis for the exemption. Enforcing this lack amounts to the taking of an existing right and this should only be done with great caution and with the consideration of the interests of all parties, including the interest that the Government has in assuring a flourishing research and patenting environment. In particular, removing the exemption as presently practiced would have a potentially damaging effect on the strength of the patent system and also could drive noncommercial research elsewhere.

SÃO PAULO

STOCKHOLM

UPPSALA

Curtailing the experimental use exemption could stifle innovation and slow the advance of technology. The practical effect of barring research would be to allow a patent holder to stop not only commercial competition, as is a proper right under the patent system, but also all research that might lead to such competition, as well as barring improvement, challenge or avoidance of a patented invention. It is also clearly not reasonable nor practical to place a burden of trawling through patent literature prior to embarking on a project to ensure a freedom to operate for non-commercial activities on scientists. In addition, the implementation of “research licenses” to allow the use of patented material for “research” opens the possibility of increased costs in a sector that is already experiencing some difficulty in maintaining adequate funding as well as to patentee’s gaining inappropriate control over projects or their outcomes.

ZÜRICH

It is worth noting that a patent holder may benefit from research based on their invention by others discovering new uses for the subject matter of the original patent, for example. Regardless of whether the new use is subsequently patented, a license would be required to be taken from the original patent holder in order to practice this new use. This would provide the patent holder with value that



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otherwise may not have eventuated, thereby enhancing the investment made by seeking the original patent. There is a societal benefit inherent in such activity as well, by providing new or improved uses that otherwise might be lost or at best delayed until the expiration of the patent.

In summary, while commercial use would clearly be unfair to a patent holder, noncommercial use for the purposes of experimentation, on balance, aids innovation and strengthens the Australian patent system. The Ludwig Institute believes that these are compelling reasons for ensuring a research use exemption under the Australian Patent Act and providing such a statutory basis should enhance the Australian patent system and competitiveness in the global research environment.

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