

Government Response to the Advisory Council on Intellectual Property's "Report on a Review of the Patenting of Business Methods"

1. No changes should be made to Australian legislation regarding the issue of patentable subject matter.

Accepted. However, the recommendations of the Australian Law Reform Commission Report *Genes and Ingenuity: Gene Patenting and Human Health* (ALRC 99) include a review of the manner of manufacture test; a test that is fundamental for determining patentable subject matter. The Government is considering the ALRC recommendations.

2. IP Australia should monitor the number and significance of business system patents in Australia and make a brief annual report to ACIP for the next 5 years, or until ACIP considers this no longer necessary. ACIP should use this information to assess whether circumstances have arisen which necessitate further action on this issue.

Accepted. IP Australia has already commenced work in monitoring business system patents. The Government notes however that, to date there has not been sufficient classifiers under the patent classification system for business methods per se making their identification and monitoring difficult. This is being addressed in the new version of the patent classification system due to come into force on 1 January 2006.

3. ACIP encourages IP Australia to make further use of non-patent literature during the examination process, including investigating more cooperation with other IP offices and local industry.

Accepted. IP Australia has improved its non-patent literature searching techniques, particularly in regard to internet citations, and will continue to investigate further improvements. WIPO is to introduce a Search Guidance IP Digital Library as a training/reference source for patent examiners. It will identify the most useful databases for search in various fields of technology, particularly newly emerging technologies and non-patent literature databases.

IP Australia is involved in benchmarking its patent searching and examination practices with a number of intellectual property offices, through which best practices in this area will be identified and shared.

In 2005 IP Australia will be introducing Technology Workshops for local industry and the legal profession to work through controversial areas such as genetics and business methods.

4. IP Australia should further enhance business training for patent examiners who assess business system applications.

Accepted. IP Australia already has a development program in place for patent examiners to ensure their skills in the various technologies are up to date. This program provides a range of activities which include post graduate studies, internal and external training programs conducted by industry specialists or tertiary institutions, participation in conferences and seminars, industry visits and a range of other appropriate learning mechanisms. This program is being refined to better address the training needs in areas like business systems, however the Government notes that there are particular difficulties in providing efficient training in what is a wide field of innovation.

5. IP Australia should investigate conducting an education program for SMEs on the IP issues of business systems and electronic commerce in collaboration with the National Office for the Information Economy.

Accepted. IP Australia has existing programs for SMEs, such as the IP Portal, IP Toolbox, fact sheets, and publications such as Smart Start, and has agreed to incorporate into these programs information on business systems and electronic commerce. Similarly, the Office for the Information Economy (OIE) has agreed to incorporate these issues into appropriate OIE education programs.

6. IP Australia and the IP profession should actively encourage debate on controversial IP issues in the media.

Accepted in principle. The Government considers that, as part of normal consultation processes, IP Australia should engage in discussions with stakeholders in industry on controversial issues. However, as the issues are often very complex and technical, the general media may not always be appropriate for initially discussing these issues. IP Australia should consider using other fora or mechanisms for this. The Government believes that IP Australia and the IP profession should continue to respond to media issues as appropriate.

7. IP Australia should, through its publications and website, raise public awareness of the ability to submit relevant citations under Sections 27 and 28 of the *Patents Act 1990* for specific patent applications.

Accepted. IP Australia will consider enacting this recommendation as part of introducing more prominent and comprehensive information relating to the interests of the general public, such as the options available to those who wish to question the validity of a patent.

8. ACIP encourages IP Australia to make the abstracts of all Australian patent applications and grants searchable by text and International Patent Classification on the IP Australia website as soon as possible, beginning with business systems. Preferably this would extend to full text searching of the complete specifications at a later stage.

Accepted. IP Australia is currently conducting a review of its public patent databases which encompasses these goals.

9. IP Australia should provide on its website search engines an easy to follow process for checking all new patent applications and grants in the International Patent Classification business system class G06F 17/60, and the equivalent class in future editions of the IPC.

Accepted. As for Recommendation 8.

10. IP Australia should investigate an improved local classification system for business systems, having particular regard to the European Patent Office's European Classification.

Not Accepted. The Government believes that investigating an improved local classification system is not warranted as a revision of the International Patent Classification (IPC) will be introduced in 2006. This new version will better deal with new patent subject matters. Though the revised IPC will not be as detailed as the European Classification system, it will be an improvement on the current edition of the IPC. Furthermore, with the introduction of the revision, all records will be re-indexed into the new IPC and this should greatly assist searchers.

11. When next reviewing its fees and charges IP Australia should consider further increasing response fees due on applicant responses received more than 12 months after an examiner's first report.

Accepted in principle. IP Australia is committed to a comprehensive fee review by the end of 2005-2006. The review will take this recommendation into consideration, bearing in mind other Government policy objectives (eg. cost recovery principles.)