

Mr Jeff Roberts  
The Secretary  
Advisory Council on Intellectual Property  
PO Box 200  
WODEN ACT 2606

Dear Mr Roberts

**Innovation Patent - Exclusion of plant and animal subject matter**

Thank you for the letter (of the Chair of the Advisory Council on Intellectual Property (ACIP) of 2 July) seeking the views of Biotechnology Australia (BA) about the exclusion of plant and animal subject matter from the recently introduced innovation patent framework.

As you are probably aware, BA is the agency responsible for coordinating government policy on biotechnology issues impacting on the Industry Tourism and Resources, Health and Ageing, Agriculture Fisheries and Forestry, Education Science and Training and the Environment portfolios. The views expressed here however, represent the Department of Industry Tourism and Resources only. A submission incorporating the views of BA will be provided following consultations with our partner agencies.

An assessment of the implications of the exclusion of plants and animals from the innovation patent system is timely and such an examination needs to determine whether the exclusion is in Australia's national interest.

The comments on the specific questions you raised are as follows:

***1. Is the current "gap" in IP protection for inventions with a lower level of threshold, that involve plant and animal subject matter, seen as an existing or potential problem?***

The exclusion of plant and animal subject matter from the innovation patent legislation can be seen as a problem because the exclusion denies effective protection to inventions not catered to by the standard patent and Plant Breeders' Rights (PBR) systems (inventions involving a degree of innovation, but not adequate to meet the requirements of tests for standard patents) in the areas of breeding improved plant and animal varieties.

While the PBR system currently provides protection for discoveries and plant variety developments devoid of innovation, there is no parallel facility to cover similar developments relating to animal breeding. The current international research and commercial activity in both these areas involve genetic manipulation and other advanced techniques, yielding technology developments involving varying levels of innovation that may qualify for protection under the innovation patent system.

Excluding the plant and animal subject matter from such protection denies the Australian researchers and industry the protection of methodologies and plant and animal varieties resulting from these activities with potential for significant economic loss.

BA considers that this particular restriction on the IP protection of plants and animals cannot be justified in view of the fact that the threshold issue of patentability of plants and animals is not questioned and that standard patents can be obtained in these subject areas. There does not seem any justification for the narrowing of Australia's traditionally broad view on the range of patentable subject matter.

***2. Given the existence of the standard patent system and the PBR system, is there a need for those involved with plant and animal subject matter R&D in Australia to be able to protect their research with the innovation patent?***

While the PBR system and the patent system may address the protection of inventions on either extreme of the innovation spectrum, the issue of concern relates to the protection of IP rights of 'incremental' inventions in the areas of plant and animal breeding that may not qualify for standard patent protection.

Providing effective IP protection to such inventions is vitally important from the point of view of the Australian researchers and industry since potentially, full IP protection of long established varieties (protected under the PBR system) could be obtained by other parties after marginal improvements to methods of varietal development.

Article 27.3(b) of the TRIPS agreement clearly foresees the coexistence of a mixture of patents and an effective *sui generis* system for the protection of new plant varieties and therefore, these systems need not be mutually exclusive.

***3. What, if any, are the national benefits of excluding plant and animal subject matter from the innovation patent?***

BA is of the view that there are no national benefits to be achieved by excluding plant and animal subject matter from the innovation patent system.

Maximising the national benefits from an Innovation Patent system (that includes protection for plant and animal subject matter) however, may require addressing the current concerns regarding the rights granted under the IP system to cover the use of a grower's crop for breeding purposes and retention by growers of seed for future crop production.

***4. What impact would the innovation patent have on non IP right holders were it to include plant and animal subject matter?***

As pointed out above, the coexistence of the innovation patent and the PBR systems will offer an opportunity to plant breeders to choose the appropriate system. The availability of the innovation patent alternative is unlikely to have any deleterious effect on the PBR system or the PBR rights holders since the choice of the appropriate system would be based on the perceived level of novelty of the subject matter.

We would be delighted to participate in any future discussions on this matter as requested.

Yours sincerely



Kerri Hartland  
Executive General Manager  
Biotechnology Australia

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