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Mr Jeff Roberts
The Secretary
Advisory Council on Intellectual Property
PO Box 200
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Dear Mr Roberts

ACIP Review on the Implications of the exclusion of plant and animal subject matter for an Innovation Patent

The Chief Executive of CSIRO has asked me to respond to the letter from Mr Owen Malone Chairman of ACIP asking for CSIRO to provide comment on matters that were raised in the paper "ACIP consideration of excluding plant and animal subject matter from Innovation Patents".

The Innovation Patent system may have advantages for Australia through the encouragement of minor innovations. It is also commonly used as a tactical instrument in litigation (and perhaps also for fund-raising, where promoters wish to say they "have a patent" – even through the patent may be of very dubious value). On the other hand, there are substantial costs to the nation in having large numbers of invalid patents on the register. The cost of assessing and challenging invalid, granted patents are borne by the competitors of patent owners and ultimately by the community. In the case of minor "inventions", these costs would commonly outweigh the value of the innovation. Therefore, a balance must be struck between the interests of patent owners and the community. Where a simple system such as the PBR scheme for plants already exists, this would appear to tip the balance away from making Innovation Patents available. In the case of animals, there does not appear to be any compelling case one way or the other.

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?

Currently available rights for plant subject matter, being both the Standard Patent and PBR system, provide adequate protection for plant subject matter and both systems are utilised by CSIRO.

CSIRO generally seeks PBR registration for plant innovations and this preference is likely to continue even if the current exclusion of plants and animals in relation to Innovation Patents were to be removed.

CSIRO has not been affected by any perceived "gap" in IP protection for inventions with a lower level of threshold that involve plant and animal subject matter.

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.

The innovation patent does not currently allow for the granting of patents for plants and animals and biological processes for their generation. As previously stated this has not been of concern to CSIRO due to the forms of IP protection sought by CSIRO.

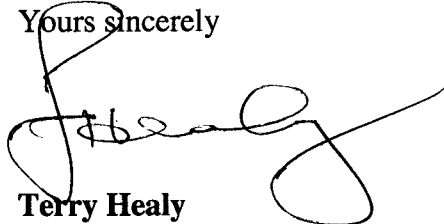
What, if any, are the national benefits of excluding plant and animal subject matter from the innovation patent?

Please see my comments above as to the adequacy of the current systems of IP protection for both plant and animal subject matter. Inclusion of plant and animal subject matter into the Innovation Patent system is only likely to increase the number of invalid patents. This would be contrary to the national benefit of Australia.

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

See comments above.

Yours sincerely



**Terry Healy
General Counsel
CSIRO**