



**The Institute of  
Patent and Trade Mark  
Attorneys of Australia**

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*30 September, 2002*

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

**Re: Issues Paper – Consideration of excluding plant and animal subject matter  
from Innovation Patent**

Dear Jeff,

We represent the Institute of Patent and Trade Mark Attorneys of Australia (IPTA) and are pleased to provide a response to the abovementioned Issues Paper.

IPTA represents substantially all active patent attorneys in Australia and has a unique understanding of client's expectations of the patent system.

**Background**

According to IP Australia statistics the Innovation Patent has been more successful than anticipated. Up until 30 June 2002 there were 1203 applications received. The majority of the Innovation Patents received were from the intended sectors of the community i.e. individuals and small to medium enterprises (SMEs). 90% of the applicants were Australian residents, with 70% being individuals. The applications were filed in a variety of technology areas with 65% being filed in mechanical/electrical fields, 20% in electronics/software/computing fields and only 6% in the biotechnology/chemical fields. No statistics were given as to the number of applications which were rejected under the initial formality examination for exclusion of plant and animal subject matter. It is likely that this number would be extremely low, as the exclusion of such subject matter from protection under an Innovation Patent would be known to such sophisticated users and seeking protection under the Innovation Patent system would thus not be contemplated.

**Issues**

- 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?**

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Yes. As discussed in the Issues Paper it was always the Government's intention to provide the same protection for subject matter under an Innovation Patent as was available for a standard patent. Although the exclusion of plant and animal subject matter from the innovation patent system leaves an option open for plant and animal breeders to obtain patent protection in respect of inventions covering plant and animal subject matter through the standard patent process, or alternatively for plant breeders to claim rights under the Plant Breeders Rights (PBR) legislation, this was never the intention. Notwithstanding this, however, it is our view that there is no logical reason why plant and animal subject matter should be excluded from the scope of protection available under an innovation patent where such protection is available through the normal standard patent process. It was only as the result of a last-minute amendment to the *Patents Amendment (Innovation Patent) Bill* before it went into Parliament, as a result of political pressure, so as to enable the legislation to proceed through Parliament unopposed that the Bill was amended by the Government to exclude plant and animal subject matter. Thus, our view is that plant and animal subject matter was not excluded from the innovation patent system through any logical process, rather it was introduced as a matter of political expediency. In addition, this subject matter was excluded without any consultation whatsoever with relevant interested parties. Accordingly, there is an illogical gap in protection available to patent applicants which should be rectified.

- 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?**

Yes. An applicant should have the freedom of choice as to which system(s) suit their needs. An applicant should be able to select whether they want patent protection for 8 years through the Innovation Patent, patent protection for 20 years through a standard patent or protection under PBR. The availability of protection for plant and animal subject matter using the innovation patent system could be of particular importance in the case where the subject matter has a relatively low inventive step and, accordingly, may not qualify for patent protection under the normal standard patent system. As outlined in the Issues Paper, a major difference between the patent system and PBR is that plant breeder's rights do not extend to the use of a grower's crop (that is, the grower does not have to pay a royalty on the crop produced), nor does it extend to the use of the variety in plant breeding or retention by growers of seed for the production of another crop on their land. A patent (standard or innovation), on the other hand, can cover the commercial use of that variety of seed in subsequent crops for the life of the patent. The inclusion of the innovation patent system to protect plant and animal subject matter would enable an applicant to obtain prompt grant of a patent and where certification occurs, allow a patentee to take an infringement action much earlier.

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

None. Since patent protection is available under the normal standard patent system in respect of plant and animal subject matter, we do not believe that there are any identifiable benefits which arise from the present exclusion of plant and animal subject matter from the innovation patent system. In contrast, it does restrict the options available for obtaining effective patent protection in respect of inventions which relate to this subject matter, particularly in the genetic engineering field.

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

Since plant and animal subject matter can be patented under the normal standard patent system, we do not believe that there would be any significant adverse impact on non IP right holders if the innovation patent system was to be amended so as to include plant and animal subject matter.

In conclusion, IPTA believes that the IP system in Australia can only benefit from the inclusion of plant and animal subject matter for an Innovation Patent.

Please do not hesitate to contact us if seminars or consultative meetings to discuss this issue are to be undertaken.

Yours sincerely



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**President**

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