

**NHMRC***National Health &
Medical Research Council***Contact for this correspondence:**

Name: Jenni Paradowski
E-mail: jenni.paradowski@nhmrc.gov.au
Telephone: (02) 6289 9103
Facsimile: (02) 6289 9517
In reply please quote: 2001/051379

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

Dear Mr Roberts

Innovation Patents – exclusion of plant and animal subject matter

I am writing to you on behalf of the Industry Committee of the National Health and Medical Research Council (NHMRC) with regard to the ACIP consideration of the current exclusion of plant and animal subject matter from innovation patents. Thank you for allowing an extension of the deadline for this submission.

General comments on Innovation Patents

The Australian innovation patent is a low cost method for obtaining a modest level of IP protection in Australia. The benefits of this protection though are restricted to Australia and as such are of limited use for much of NHMRC-funded intellectual property that targets international markets. The current restrictions are therefore of limited relevance to medical researchers. Indeed, inappropriate use of the innovation system may actually destroy the potential economic value of medical research IP.

Life science and medical research commercialisation occurs almost exclusively in a global marketplace. The Australian innovation patents have such a low standard on 'inventiveness' that they would not meet the base criteria in Europe, the US or Japan. Furthermore, investors, potential licensees and foreign patent offices have little experience with innovation patents and so the innovation patents have limited value for establishing commercial transactions (the only real purpose of patents).

Innovation patents in the life sciences may devalue an Australian researchers' patent position because an innovation patent could represent a 'prior art disclosure' for subsequent filings and as such might cause a traditional (standard) patent in Australia, the US or Europe to be rejected.

While IP Australia should be congratulated for establishing an accessible system for small inventors interested in securing the Australian economic rights for discoveries, NHMRC grant recipients should in general be discouraged from using the system because of the potential damage it represents for establishing a serious international patent position.

Specific issues related to the exclusion of plant and animal subject matter

Whilst the NHMRC does not generally believe that the innovation patent will be useful for most NHMRC-funded researchers, the issue of the exclusion of plant and animal subject matter is, however, of considerable importance.

The NHMRC believes that there should be no difference in subject matter between the innovation patent and the standard patent. We are unaware of any cogent arguments to exclude plant and animal subjects from innovation patents but include them in standard patents and are concerned that the exclusion may ultimately have a negative impact on standard patents. Such an extension of the exclusion to standard patents would have a large negative impact on the health and medical research community in Australia because animal models play a large part in the discovery of novel therapeutic strategies.

Responses to specific questions raised in the issues paper

Question 1 – The "gap" in IP protection for plant and animal subject matter is definitely a potential problem, although the usefulness of the innovation patent for medical research discoveries remains questionable.

Question 2 – Although in most cases the standard patent would appear to be a more appropriate system for protection of IP in relation to plant and animal subject matter, there is still a need for the innovation patent to cover these areas. As there is no equivalent of the Plant Breeders' Rights system for animal subject matter this is an area of particular concern to the NHMRC.

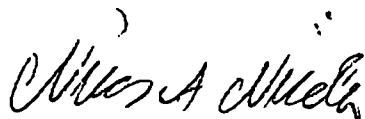
Question 3 – The NHMRC does not perceive any overall national benefits of excluding plant and animal subject matter from innovation patents. While the patent system can exclude some organizations from benefiting from new developments, its purpose is to encourage innovation by offering a potential monopoly in return for public disclosure of the invention. In this way the nation's innovation system can ultimately benefit from this new knowledge by adding to it, which would not be the case if it remained a commercial secret. We strongly support the appropriateness of inclusion of plant and animal subject matter in the innovation patent system.

Question 4 – The inclusion of plant and animal subject matter would have the same impact on non-IP holders as other subject matter included in innovation patents (see above Q3). This is an acceptable outcome from the NHMRC's perspective.

Thank you for the opportunity to participate in this consultation. We would appreciate being kept informed of any further developments through the NHMRC secretariat at the following address:

Ms Jenni Paradowski
Assistant Director, Research Policy Section
National Health and Medical Research Council
GPO Box 9848
CANBERRA ACT 2601

Yours sincerely



Professor Nicos A Nicola
Chair, Industry Committee

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