Time for a Change

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It has been a very long time in the making, but the new law governing patents in New Zealand is finally about to come into force.[1] The present New Zealand Patents Act (the law relating to patents) is 60 years old. You could argue it is even older because it was based on the 1949 British Patents Act.

Discussions about updating the New Zealand law started in 1990. A bill was first introduced into Parliament back in 2009. It has been a long and at times tortured path through Parliament, but the Patents Bill finally received royal ascent in September 2013 and will come into force in September 2014. Here we discuss a few of the changes that may (or may not) affect you.

Raising the Standard

In the main the changes to the law are aimed at raising the standard of granted patents in New Zealand. One of the biggest changes is that the Intellectual Property Office of New Zealand (IPONZ) patent examiners will now be able to examine whether an invention includes an inventive step, i.e. whether or not it is obvious. Presently a patent office examiner cannot refuse to accept a patent application on the basis that the subject matter is not inventive. This is an odd quirk of the present system since a granted patent is not valid if it can be proven that its subject matter is not inventive. However, going to court to prove this is expensive and therefore is often not contemplated unless there is a significant monetary drive to do so. The examination process is aimed at reducing this problem, but will never entirely replace the need or desire to challenge some patents.

More Options for Challenging a Patent

At the moment, a patent application in New Zealand is only published once it has been through examination and been accepted by IPONZ. At this stage any *interested party* can oppose the grant of the patent. However, this can be a relatively long and expensive process (though much less so than a Court challenge).

As part of the new law, patents application will be published 18 months after they have been first filed. There is also specific provision that anyone can submit information to the Patent Office regarding the novelty or inventiveness of a pending patent application once the application has been published. This gives the opportunity for experts in a field to review and comment on patent applications should they wish to do so, opening up more opportunity for the public to have a say in which patents are accepted by IPONZ.

There are also new provisions for anyone to request that an accepted patent application or granted patent is re-examined by the Patent Office. The upside and also downside of this option is that beyond providing a reason for the request, for example information on what was already known prior to the patent application being filed, the requestor takes no further part in the re-examination. This makes this option relatively cheap, but also means there is no right of reply to any arguments the applicant makes in support of the application.

Exclusions from what is Patentable

The new law will introduce specific exclusions to patentability for certain subject matter. The exclusion that has received the most media attention relates to computer programs. It is worth noting that patents will likely still be available for inventions that make use of a computer program to achieve a *physical* result. When the new law comes into force there are likely to be challenges in the Courts concerning where the boundaries lie.

Most of the other exclusions merely confirm what is in practice already presently excluded from patentability in New Zealand. Presently methods of medical and surgical treatment of humans, and human beings and biological processes for their generation, are excluded from patentability. This is on the basis that they are either *contrary to morality* or simply not being included in the definition of what is *an invention.* Court decisions over the years have defined what is *contrary to morality* and what is *an invention*. However, this has been the subject of periodic challenges. The new law codifies these exclusions and may limit the ability to challenge them.

It seems unlikely it will be 60 years before the next Law Change

You may be aware of the TPP (Trans-Pacific Partnership) negotiations which are presently taking place (at least at the time of writing this article). Some of the proposals being forwarded, particularly by the United States, would reverse some of the provisions about to be brought into law in New Zealand. For example, the United States is proposing that patents for methods of medical and surgical treatment should be allowable in all countries signing up to the agreement, as is presently the case in the United States.[2] There are also many other changes to patent law being proposed which are not part of the law about to come into force.

It may be that after 60 years of the same law, we are about to go into an age of swift and repeated patent law reform. This seems to reflect the increasing importance of patent law as part of innovation and commercialisation.

If you have any queries regarding intellectual property related matters (including patents, trademarks, copyright or licensing), please contact:

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References

1. New Zealand Patents Act 2013.
2. Secret TPP treaty: Advanced Intellectual Property chapter for all 12 nations with negotiating positions, WikiLeaks release: November 13 2013.

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