

Submission on consultation document: *Implementation of the Trans-Pacific Partnership Intellectual Property Chapter*

Your name and organisation

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Responses to consultation document questions

1	Have the overarching objectives been framed correctly for this policy process? If not, what would be more appropriate objectives? FPH agrees with the overarching objectives of the TPP implementation, and emphasises the need to minimise the impact of changes, and to maintain an appropriate balance and provide certainty for third parties.
Technological protection measures	
2	Do you agree with the exceptions or limitations proposed for TPMs? What would be the impacts of not providing these exceptions? Please be specific in your answers.
3	Do you agree that the exceptions proposed for TPMs should apply to both prohibitions (i.e. circumventing a TPM and the provision of devices or services that enable circumvention)? Why / why not?
4	Do you agree that, if our proposals are implemented, the current exception allowing a qualified person to circumvent a TPM that protects against copyright infringement to exercise a permitted act under Part 3 would no longer be required? Why / why not?
5	Are there any other exceptions or limitations to the TPM prohibitions that should be included in the Copyright Act? Please explain why any additional exceptions would be necessary.
6	Would there be a likely adverse impact on non-infringing uses in general if the exception for any other purpose that does not infringe copyright was not provided for? Please be specific in your answers.

7

Should there be a regulation-making power to enable the exception for any other purpose that does not infringe copyright to be clarified, and if so, what criteria should be considered?

Patent term extension for delays in patent grant

8

Do you agree with the proposals for patent term extensions for unreasonable grant delays? Why / why not?

FPH agrees with the proposals for patent term extensions for unreasonable grant delays, subject to minor clarification.

The present patent term of twenty years from the filing date of the patent application, without the possibility for term extension, has the significant advantage of providing certainty to both patentees and third parties.

The Patents Act 2013 prescribes strict time limits for the examination and acceptance of patent applications following a request for examination by the patentee. By worldwide standards, patent applications in New Zealand are examined very promptly. Furthermore, a patent applicant in New Zealand is entitled to the same rights and privileges as if the patent had been granted on the date of publication of the patent application (Section 81, Patents Act 2013), except those rights cannot be enforced until the patent is in fact granted. There are provisions available to applicants to advance the examination of their application, if necessary (Regulation 77, Patents Regulations 2014).

The period of the exclusive rights enjoyed by a patentee in New Zealand is therefore not affected by any delays in examination. An infringer will be liable for any infringing activity while the application remains pending, provided only that they infringe both the granted patent and the published claims. If the applicant wishes to enforce those patent rights, it is open to them to request advancement of examination to minimise any delays.

Patent term extensions are also contrary to the considerations of at least Articles 18.4(c) (fostering competition and open and efficient markets) and 18.15(1) (emphasising the importance of a rich and accessible public domain).

FPH therefore urges limiting both the eligibility and duration of patent term extensions to the fullest extent possible in New Zealand. Some minor clarifications to the proposals are required to achieve this.

Eligibility for extensions

FPH agrees, subject to minor clarifications, with the proposal to limit eligibility for extensions in requiring that *all* of the following three criteria are met:

1. An application for extension is made within the prescribed time limit;
2. The period between the filing date of the complete specification, and the grant of the patent is more than five years; *and*
3. The period between the filing date of the request for examination and the grant of the patent is more than three years.

In particular, FPH agrees with the adoption of the high-end five and three year time limits specified by the TPPA. However, FPH has the following observations and suggestions on the above.

Firstly, the discussion paper is silent on the prescribed time limit within which an application must be made for an extension of term for unreasonable grant delay. FPH

urges adoption of a period not exceeding three months from acceptance of the patent application for making this application. Such a period would provide ample time for the applicant to assess their eligibility, and meets the objectives of providing certainty and maintaining an appropriate balance between rights holders and users whilst enabling New Zealand to meet the TPP obligations.

Secondly, FPH urges a clarification to the eligibility requirements in the case of divisional applications. It has become a common practice among some patent applicants in New Zealand to repeatedly file a new divisional application as the parent application nears acceptance. It is therefore common for divisional applications to remain pending well beyond five years from the initial filing date of the parent application, to which divisional applications are invariably antedated. FPH therefore strongly urge clarifying that the five year time limit applies from the *actual* date on which a divisional application is filed, as opposed to the antedated filing date. Similarly, it should be clarified that the three year time limit applies from the date of requesting examination of the divisional application itself.

When considering whether there has been “unreasonable delay” in the grant of a patent, FPH agrees that the Commissioner of Patents should be required to disregard *all* three of the periods of time specified by Article 18.46(4) the TPPA. That is:

1. Periods of time that do not occur during the processing of, or the examination of, the patent application;
2. Periods of time that are not attributable to the actions of the Commissioner of Patents; *and*
3. Periods of time that are attributable to the actions of the applicant.

It is proposed that the Commissioner of Patents would develop and publish a list of time periods falling within the above exclusions. FPH notes that such a list would not have the force of law and may therefore be subject to change and/or challenge. FPH suggests instead amending the Patent Regulations 2014 to clarify the periods of time which should be disregarded.

Regardless, FPH urges clarification that extensions of term will not include at least the following:

- The entirety of the delay attributed to any pre-grant opposition proceedings initiated by third parties. The Ministry of Foreign Affairs and Trade (MFAT) has previously indicated that “delays attributable to applicants and third parties do not require an extension,”¹ and FPH urges clarification of this in any statutory amendments. Opposition proceedings can delay the grant of a patent by several years or longer, and it is clearly not in the public interest to extend the term of a contentious patent by such a period and/or discourage oppositions with the prospect of a term extension.
- Any delay attributable to pre-grant re-examination proceedings initiated by the applicant or third parties.
- The three-month pre-grant opposition period required by Regulation 93(1).

Calculation of Length of Extension

FPH agrees that the extension should be the *smaller* of the excess of five years from the filing date or three years from requesting examination, less any periods that are to be

¹ Trans-Pacific Partnership Intellectual Property Fact Sheet, Ministry of Foreign Affairs and Trade, at 3.

disregarded, provided that, in the case of a divisional application, the filing date refers to the *actual* filing date of the divisional application (as discussed above).

The length of any patent term adjustment for *unreasonable* delay can only be fairly determined with reference to time periods which are considered *reasonable*. The five and three year deadlines specified by the TPPA achieve this, and there is no reason why New Zealand should adopt shorter periods of “reasonable” delay.

9

Do you think that there should be a limit on the maximum length of extension available for grant delays? If so, what should it be?

FPH submits that there *should* be a limit on the maximum length of extension available for grant delays, and suggests a maximum extension of term of no more than one year.

Such a time limit on patent term extensions provides at least some degree of certainty to third parties, and fulfils the Ministry’s stated objectives of minimising the impact of changes to intellectual property settings to maintain an appropriate balance between rights holders and users, and providing certainty and minimising compliance costs whilst enabling New Zealand to meet the TPP obligations.

Furthermore, while examination of New Zealand patent applications has traditionally been very prompt by world standards and few, if any, past applications would have met the proposed eligibility criteria, under the proposed Single Examination Procedure (SEP) the examination of at least some New Zealand patent applications will be performed by IP Australia, and the Commissioner of Patents will have little, if any, control over unreasonable delays. Adoption of a maximum extension of term will therefore retain at least some control over patent term extensions in New Zealand.

10

Do you consider that third parties should be able to oppose decisions to extend patents on the ground of unreasonable delays in grant?

FPH agrees that, under the proposed eligibility criteria, the Commissioner of Patents has very little discretion in deciding *whether* or not a patent is eligible for an extension.

However, the proposal overlooks the potential for errors in calculating the *duration* of a patent term extension. Under the proposal, a third party would be required to incur the cost of appealing to the High Court to gain certainty as to the term of the patent.

FPH therefore urges adoption of at least a procedure for third parties to request that the Commissioner review the *duration* of any patent term extension.

Patent term extension for pharmaceuticals

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Do you agree with the proposed definition of “unreasonable curtailment” for pharmaceutical patent term extensions? If not, what other definition should be used?

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Do you agree that the definition of “unreasonable curtailment” should apply different time periods for small molecule pharmaceuticals and biologics? If so, what could these time periods be? If you consider that only one time period should apply to both, what should this be?

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Do you agree with the proposed method of calculating the length of extensions for

pharmaceutical patents?

14 The proposed method of calculating extensions for pharmaceutical patents includes a maximum extension of two years. Do you agree with this? If not, what do you think the maximum extension should be?

15 Do you agree or disagree that only patents for pharmaceutical substances *per se* and for biologics should be eligible for extension? Why?

16 Do you think the Australian definition of “pharmaceutical substance” should be adopted? Why / why not?

17 Do you agree that patent rights during the extended term should be limited in the manner proposed?

18 Do you agree that third parties should be able to oppose decisions to extend patents for pharmaceuticals through the Commissioner of Patents? Why / why not?

Performers' rights

19 Do you agree that a performer's moral rights should apply to both the aural and visual aspects of their live performance and of any communication of the live performance to the public? Why / why not?

20 Should performers' moral rights apply to the communication or distribution of any recording (i.e. both sound recordings and films) made from their performances, rather than just sound recordings as required by WPPT? Why / why not?

21 Do you agree or disagree with any of the exceptions or limitations proposed for a performer's right to be identified? Why?

22 Are there any other exceptions or limitations to a performer's right to be identified that should be included in the Copyright Act? If so, can you please explain why they would be necessary.

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Do you agree or disagree with providing for any of the exceptions or limitations proposed for a performer's right to object to derogatory treatment? Why?

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Are there any other exceptions or limitations to a performer's right to object to derogatory treatment that should be included in the Copyright Act? If so, please explain why they would be necessary.

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Should the new property rights for performers be extended to apply to the recording of visual performances in films? Why / why not? (Please set out the likely impacts on performers and producers, and any others involved in the creation, use or consumption of films.)

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Do you agree or disagree with any of the exceptions or limitations proposed above? Why?

27

Are there any other exceptions or limitations to the new performers' property rights that should be included in the Copyright Act? If so, can you please explain why they would be necessary.

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Do you agree or disagree with any of the proposals above? Why?

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Are there any other amendments that need to be made to the Copyright Act, and in particular to Part 9, to clarify the new performers' property rights? If so, can you please explain why they would be necessary.

Border protection measures

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Do you agree that Article 4 of European Union Council Regulation (EC) No 3295/94 is an appropriate model for implementing *ex officio* powers into the border protection measures set out in the Copyright Act 1994 and Trade Marks Act 2001? If not, please explain why not and outline an alternative approach to implementing *ex officio* powers.

31

Do you agree that the detention period of three business days following notification to the rights holder is appropriate? Can you outline the impact on both the right holders and any importer/exporter where you consider the period should be shorter or longer than three business days?

Other comments

According to Article 18.10, Chapter 18 of the TPPA shall apply to pre-existing intellectual property rights with retrospective effect. However, notwithstanding Article 18.10 of the TPPA, Article 18.46 concerning patent term extension for unreasonable delay applies only to patent applications filed after the latter of the date of entry into force of the Agreement in New Zealand, or two years from the signing of the agreement.² FPH urges that this is clarified in any amendments to the Patents Act 2013, and submits that this should exclude divisional applications antedated to an earlier date.

² TPPA, Footnote 39.