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**By email**  
[ip.policy@mbie.govt.nz](mailto:ip.policy@mbie.govt.nz)

Business Law  
Building, Resources and Markets  
Ministry of Business, Innovation & Employment  
PO Box 1473  
Wellington 6140

Dear MBIE

**Re:** Submission in response to document issued by the MBIE regarding possible changes to transitional provisions for divisional applications under Section 258 of the New Zealand Patents Act 2013

We refer to the document issued by the Ministry of Business Innovation and Employment (MBIE) regarding possible changes to transitional provisions for divisional applications under Section 258 of the New Zealand Patents Act 2013, and on behalf of the Institute of Patent and Trade Mark Attorneys of Australia (IPTA) provide the following submissions.

### **About IPTA**

IPTA is a voluntary organization representing registered patent attorneys, registered trade marks attorneys and student members in the process of qualifying for registration as a patent or trade marks attorney in Australia. The membership of IPTA includes over 87% of registered patent attorneys located in Australia and it is believed that its members make up more than 90% of registered patent attorneys in active practice in Australia. The membership of IPTA includes registered patent attorneys in private practice as well as patent attorneys working in industry, universities, research institutes and others that practice as barristers. IPTA members represent large local and foreign corporations, SMEs, universities, research institutes and individual inventors. Many of IPTA's registered patent attorneys are also registered as patent attorneys in New Zealand (approximately 500) under the Trans-Tasman Mutual Recognition Arrangement (TTMRA).

IPTA members work with New Zealand and Australian clients to assist them in developing strategies for protecting and enforcing their intellectual property rights in New Zealand, Australia and overseas, and also represent overseas individuals and companies in their efforts to obtain and enforce their intellectual property rights in Australia and New Zealand. IPTA members routinely act for businesses, entities and individuals seeking to obtain and enforce patent rights and third parties wishing to avoid and challenge enforcement and grant of patent rights, which in many circumstances are the same entities seeking to obtain and enforce patent rights. In view of this it is considered that IPTA provides a balanced position on how proposed changes to divisional applications may impact both patent applicants and third parties.

## **QUESTION 1**

MBIE has provided the following Question 1 for response:

*Under section 258 of the 2013 Act, applications divided from patent applications made before the entry into force of the 2013 Act are examined under the 1953 Act. The Ministry considers that this approach may be adversely affecting third parties, including local businesses. Do you agree? If not, please explain why.*

IPTA clearly recognises that the grant of any patent rights does affect third parties, although this is of course balanced out by the patent system as a whole through encouraging innovation and requiring public disclosure of inventions to those innovators pursuing patent rights. It is worth noting that many “third parties”, including local businesses, are also patent applicants and beneficiaries of the patent system in New Zealand and overseas. It is also considered that any change in practice for divisional applications presents a significantly greater adverse impact on patent applicants than on third parties, and third parties should not be unduly elevated in status to the detriment of patent applicants. IPTA appreciates that a balanced and pragmatic approach may be required in considering changes to the current divisional practice, although any impact on patent applicants needs to be carefully considered.

Reference is made to a WIPO report from 2008

([http://www.wipo.int/ipstats/en/statistics/patents/wipo\\_pub\\_931.html#i1](http://www.wipo.int/ipstats/en/statistics/patents/wipo_pub_931.html#i1)), which indicates that New Zealanders are significant innovators and beneficiaries of the patent system. New Zealand has a relatively high number of resident filings per head of population, particularly when compared to overall GDP and R&D expenditure. It is worth noting that some statistics are also provided on oppositions/invalidity proceedings before major patent offices (i.e. USPTO, EPO, JPO, CIPO), and requests to oppose or invalidate appear to represent less than about 1% of patents granted in those jurisdictions. A general review of statistics from IPONZ (<https://www.iponz.govt.nz/about-iponz/facts-and-figures/#raw>) and patent decisions (<http://www.nzlii.org/nz/cases/NZIPOPAT/>) indicates that in a given year approximately 6500 patent applications may be filed in New Zealand with third parties initiating approximately 20-30 patent opposition challenges. The numbers of patent oppositions can be considered to provide an indication regarding impact of patent applications on third parties, and it appears that this impact is relatively low at less than about 0.5% per patent filing. In other words, since the vast majority (99.5%) of patent filings are not challenged by third parties, a change to the divisional filing practice for old Act cases appears much more likely to have a greater impact on patent applicants than third parties. In addition, it is expected that a significant proportion of the 0.5% of patent applications which are currently challenged by third parties, would still be challenged if old Act divisionals were examined and granted under the new Act. Many third party challenges to patent applications are in specific commercially competitive industry areas, and we anticipate that the majority of challenges in such industry areas will continue. Challenges or appeals to the High Court are also cost prohibitive, although in relation to patents, such court actions are very rare with only a few occurring in any given 10 year timeframe. This supports IPTA’s position that although the impact to third parties is a factor for consideration, the impact of any proposed changes on patent applicants should be a particular focus, and IPTA considers it is important not to unduly elevate the significance of third parties over that of patent applicants.

It is appreciated that the Patents Act 1953 (“old Act”) provides a lower patentability standard than that of the Patents Act 2013 (“new Act”), although the old Act has been in force and implemented without significant difficulty for over 60 years. As mentioned above, there has been a relatively low enforcement level and relatively low negative impact on local businesses, and it is considered that if there had truly been a significant problem with divisional practice, it would not have been allowed to continue for such a long period.

Furthermore, there is a very strong argument that it would be unjust to retrospectively apply higher specification support requirements to patent specifications that were prepared and filed on the basis of the lower standards of the old Act, in particular for the life sciences technologies where such differences in support standards have significantly greater impact. In some cases, this may result in situations where a patent application that would have been found valid under the old Act, for which it was drafted, is found invalid under the new Act. IPTA reiterates that there needs to be careful consideration of the significant impact on patent applicants who in many cases could not have anticipated the change in the law at the filing date of their applications.

The MBIE document also refers to the impact on third parties for old Act cases not being examined for inventive step (obviousness). However, inventive step is a ground that is available to third parties under opposition or post-grant revocation. Post-grant revocation before the Intellectual Property Office of New Zealand (IPONZ) is now available at any time after grant, in addition to the courts. This applies to old Act patents with the availability of all revocation grounds including inventive step applied at its normal standard. Therefore, additional options are already available to third parties, and actions before the Patent Office provide a relatively cost-effective mechanism (compared to pursuing an action before the courts) for challenging acceptance and grant of old Act cases. Other options are of course available to third parties, including negotiating a licence, and the above-mentioned small number of invalidly accepted patents, which appear to be rarely enforced in New Zealand, may not present any significant impact to third parties.

IPTA believes that IP rights operate to encourage genuinely innovative and creative output that would not have otherwise occurred. For example, the availability of patent protection provides innovative firms with the confidence to invest in their technologies and develop them to a point where they can be commercially exploited. For many inventions, the cost of developing the invention to a commercial stage, including overcoming and addressing any regulatory barriers, complying with statutory requirements in New Zealand and overseas, addressing safety issues, overcoming any manufacturing difficulties, are so great that many companies would not be prepared to invest in these activities unless they could obtain appropriate exclusive rights in the marketplace to prevent free-riding on their efforts. Without the availability of mechanisms for protecting such IP rights, many of these inventions would remain at the conceptual stage, providing no benefit to the innovators and certainly no benefit to New Zealand or the New Zealand public through the availability of the inventions. IPTA wishes to reiterate that it is not only third parties that will be affected by a change in divisional practice, and the impact of changes on patent applicants should not be overlooked. It is important for MBIE to not unduly elevate the impact of third parties over that of patent applicants. The added costs and difficulty to patent applicants needs to be given full and careful consideration.

Whilst the existence of third party patents can be of concern to local businesses wishing to develop their own technology, many such local businesses are also beneficiaries of the patent system, where patents provide significant assets to those businesses. For many local business including SMEs or start-ups infringement of third party patents is not their major concern. At the beginning of the development of new technology, particularly for pharmaceuticals or biologics, there are years of negative cash flow until the “valley of death” is finally crossed. During this time, there is no profit and therefore, there is little incentive for a third party patent holder to sue the start-up. Later, when the start-up has a significant client base and a working technology, it is rare that the best commercial decision for a third party patent holder is a law suit. Instead, there may be opportunities for licensing, or acquisition of the local business by the third party patent holder. Therefore, the question of whether a start-up company’s technology infringes a patent is usually not the main concern. Instead, the main purpose of a patent or patent application for local businesses is to serve as an asset, which can be used in negotiations. Changes to the divisional

practice may adversely impact on the patent assets of local business, and this needs to be an important factor for MBIE's consideration.

## **QUESTION 2**

MBIE has provided the following Question 2 for response:

*The Ministry has identified three options (including no change) for dealing with the potential problems identified in relation to section 258 of the 2013 Act. Are there any other options you think should be considered? If so, please describe them.*

Unless problems associated with new Act divisional applications are addressed, IPTA considers that Option 1 (no change) provides the only rational and fair option available. It is considered that any implementation of Option 3 must first address the problems associated with all new Act divisional applications, namely removal of the 5 year cap for requesting examination that unduly restricts the genuine practice of patent applicants in pursuing patent protection, addressing poisonous priority (whole of contents novelty self-collision between parent/divisional) by introducing anti-collision provisions and allowing partial/multiple priorities for individual claims, and addressing strict interpretation around double patenting (any overlap in claim scope between parent/divisional) that is contrary to original policy intent including any interpretation that the perfection of double patenting at the time of filing a divisional application may present an invalid filing if later challenged by a third party.

Option 2 does not meet International obligations and unduly harms the rights of patent applicants, and IPTA is firmly opposed to such an option.

IPTA therefore considers that other than Option 1, a modified Option 3 could be considered but only if the above mentioned problems for all new Act divisional applications are also addressed concurrently with the implementation of Option 3.

## **QUESTION 3**

MBIE has provided the following Question 3 for response:

*MBIE's preferred option is Option 3. Do you agree that this is the best option? If not, which option do you prefer? Please explain why.*

As mentioned above, unless problems associated with new Act divisional applications are addressed, IPTA considers that Option 1 (no change) provides the only rational and fair option available. Any implementation of Option 3 must first address the problems associated with all new Act divisional applications, which are commented on in further detail as follows.

IPTA has identified the following four significant problems associated with all new Act divisional applications that it considers needs to be addressed (regardless of the proposed change in the divisional filing practice of old Act cases):

- i. **5 year bar for requesting examination** under regulation 71 of the *Patents Regulations 2014* unduly restricts the genuine practice of patent applicants and should be removed;
- ii. **poisonous priority** (whole of contents novelty self-collision between parent/divisional) should be addressed by introducing anti-collision provisions and allowing partial/multiple priorities for individual claims;
- iii. **strictness of double patenting** (any overlap in claim scope between parent/divisional), which is contrary to original policy intent; and
- iv. **perfection of double patenting at the time of filing** a divisional application to be clarified in the regulations as not being a filing requirement.

Further comments and details regarding the above problems are provided below in response to Question 5.

#### **QUESTION 4**

MBIE has provided the following Question 4 for response:

*What should the specified date be after which the restrictions on filing 1953 Act divisional applications set out in options 2 or 3 will apply? Please explain why you think this date should be adopted.*

IPTA considers that if Option 3 is adopted (which it is opposed to unless the above problems regarding divisional applications are addressed) then sufficient time needs to be provided to complete current prosecution of pending applications while allowing a decision to be made regarding the filing of a divisional application. A delay of about 18 months as the specified date would be the minimum time to provide the patent applicant with the option to pursue acceptance of the pending application in its total allowed timeframe (essentially a minimum of 18 months under Section 19 of the Patents Act 1953) during which the patent applicant can consider its divisional filing options in view of the examination of the pending application, as it is currently entitled under the Patents Act 1953. Any “specified delay” that is less than 18 months would not only apply a retrospective new patentability threshold on the patent applicants, but would also unduly restrict the ability to fairly complete the prosecution of its current pending applications.

#### **QUESTION 5**

MBIE has provided the following Question 1 for response:

*Are there any problems in relation to divisional patent applications other than in section 258 of the 2013 Act that you consider should be addressed by MBIE? If so, please describe the issue and why you consider them to be a problem?*

As mentioned above, IPTA has identified the following three significant problems associated with all new Act divisional applications that it considers needs to be addressed (regardless of the proposed change in the divisional filing practice of old Act cases):

- i. **5 year bar for requesting examination** under regulation 71 of the *Patents Regulations 2014* unduly restricts the genuine practice of patent applicants and should be removed;
- ii. **poisonous priority** (whole of contents novelty self-collision between parent/divisional) should be addressed by introducing anti-collision provisions and allowing partial/multiple priorities for individual claims;
- iii. **strictness of double patenting** (any overlap in claim scope between parent/divisional), which is contrary to original policy intent; and
- iv. **perfection of double patenting at the time of filing** a divisional application (any overlap in claim scope between parent/divisional) to be clarified in the regulations as not being a filing requirement.

#### **i. BAR ON REQUESTING EXAMINATION**

IPTA considers the 5 year bar for requesting examination (REX) under regulation 71 of the Patents Regulations 2014 unduly restricts the genuine and legitimate practice of patent applicants and should be removed for all divisional applications filed under the new Act.

The removal of the examination limitation on new Act divisional applications would also remove the legal oddity that enables a divisional application to be filed but not for examination to be requested, which essentially provides a form of zombie divisional oddity that does not in any other country.

IPTA considers that as required under International obligations, it has been a long established and legitimate practice in New Zealand, and essentially in all other countries, to provide the flexibility of filing a divisional application so that the patent applicant can maintain rights over the subject matter of its application whilst particular claims are being examined and pursued for grant. Reference to “daisy-chained” divisional applications by MBIE at paragraph 35 in the consultation document appears to place such a practice in a pejorative sense. Patent specifications may legitimately describe one or more inventions, and the practice of filing divisional applications is routinely permitted at least at some stage during prosecution of a parent application in all other main jurisdictions. Examination including new prior art may impact such that unity is lost for even a “single invention” specification, and the new prior art may then impact to split that single invention into multiple inventions that should be legitimately allowed to be pursued in a divisional application without an indiscriminate time restriction. New prior art can be identified and cited by the Examiner at any stage during examination, and therefore an indiscriminate bar to filing divisional applications in these circumstances where unity is at issue jeopardises the fundamental right of the patent applicant for which the patent system has been established. The filing of divisional applications provides a legitimate and genuine practice to protect the rights of a patent applicant when publicly disclosing the invention and pursuing examination and grant of an invention, the patentability thresholds of which have been significantly raised under the new Act. We would also highlight that, for many local businesses and start-ups who are seeking patent protection for their technology, availability of funds is a significant issue. It is clearly undesirable that, as a result of the current system, such applicants may either have to incur additional costs at an early stage to gain protection for all aspects of their technology by filing multiple divisional applications to anticipate potential examination objections (which may or may not arise), or otherwise have to give up the prospect of being able to obtain protection for inventions. Although a few patent applicants may maintain a divisional application pending for other strategic reasons, such a minority practice by a few should not outweigh a legitimate and essential divisional filing practice required by all other genuine innovators and patent applicants.

## ii. **POISONOUS PRIORITY (SELF-COLLISION)**

Poisonous priority (whole of contents novelty self-collision between parent/divisional) needs to be addressed, for example by introducing anti-collision provisions and allowing partial/multiple priorities for individual claims.

A self-collision (poisonous priority) problem can exist when filing divisional applications under the Patents Act 2013. Self-collision arises between parent and divisional applications where the parent specification presents a whole of contents novelty document against the divisional claims (and the divisional specification can also present a whole of contents novelty document against the parent claims). This is particularly problematic where subject matter has been added into the complete specification that was not present in the original provisional specification. This problem arises because New Zealand requires that each claim can only have a single priority date, and consequently any added subject matter in the claim in question that loses priority then becomes exposed to the impact of the whole of contents novelty from the parent/divisional specification. A divisional application operating under the new Act, where the parent application operates under the old Act, may also result in priority dates for the claims between the parent and divisional being different. Consequently, divisional applications filed under Option 3 can also lead to self-collision (poisonous priority) problems that unfairly impact on the patent applicant, and for which Option 1 would avoid.

### Test for priority under the Patents Act 1953

In accordance with Section 11, for the claims of a patent to have a valid priority date under the *Patents Act 1953*, they must be fairly based on disclosures in the document from which priority is claimed (i.e. the provisional or basic application).

The relevant test under New Zealand practice to determine whether the claims in a complete specification are fairly based on the provisional specification (i.e. external fair basis) under the *Patents Act 1953* was established in *Mond Nickel Co Ltd's Application [1956] RPC 189*. Specifically, Mond Nickel established a three-stage test for priority assessment:

- Is the alleged invention as claimed broadly described in the provisional specification?
- Is there anything in the provisional specification that is inconsistent with the alleged invention as claimed?
- Does the claim include, as a characteristic of the invention, a feature on which the provisional specification is wholly silent?

It was subsequently clarified in *Imperial Chemical Industries Ltd's Patent Application [1960] RPC 223* that the term "broadly described" means "in a general sense".

### Test for priority under the Patents Act 2013

The *Patents Act 2013* introduced a new "support" test for priority to replace the previous fair basis test under the *Patents Act 1953*; that is, the priority date of a claim under the *Patents Act 2013* is the filing date of the patent application that disclosed the matter that supports the claim (Sections 57-62).

Additionally, under Sections 57-62 the *Patents Act 2013* appears to require that an individual claim can have a single priority date only. As such, for applications claiming priority from two or more basic applications, and where the earlier application fails to disclose the matter that supports a given claim, then it appears that the claim in question will assume the priority date of the later application.

While the stricter support test for priority is intended to align New Zealand practice more closely with the standards currently applied in other jurisdictions, the new standard is yet to be the subject of judicial review and as such, it remains to be seen how this test will be applied by the New Zealand Courts.

### Poisonous priority under the Patents Act 2013

The term, "poisonous priority", is a relatively recent term used to describe the situation where a claim in a patent or application is found to be anticipated by the application from which it claims priority or, in the case of a divisional application, where a parent application is found to be anticipated by its divisional or vice versa.

Under the *Patents Act 2013* it appears that an individual claim can only have a single priority date, and that date will be the date upon which all of the subject matter within the claim was first disclosed. Accordingly, in the case of multiple or partial priorities, the priority date of the claim will be the later of the various dates. New Zealand has also adopted a "whole of contents" approach to the assessment of novelty to replace the prior claiming approach of the previous *Patents Act 1953*. The result is that the filing of a divisional application can immediately create novelty destroying prior art for any claim in the parent patent which relies on multiple or partial priorities. Similarly, any claim in a divisional application which relies on multiple or partial priorities can be anticipated by the parent patent.

Option 3 will lead to patents and applications in the same family being subject to different tests for priority entitlement (i.e. fair basis vs support) and the same subject matter (for the purpose of identifying whole of contents prior art) may be entitled to different priority dates. This will seriously complicate any attempt to overcome the poisonous priority problem, since allowing claims to derive priority from more than one source will only intensify the problem.

Notwithstanding the above comments regarding Option 3, it is considered by IPTA important to also introduce additional protection against self-collision for parent applications and their divisionals. Any consideration otherwise would be unfortunate, since it is anticipated that the Enlarged Board of Appeal of the EPO will soon confirm (before the end of November 2016) that Article 88(2) second sentence of the EPC (the provision that allows a claim to have more than one priority date) provides a complete solution to poisonous priority in a whole of contents novelty regime.

### iii. STRICTNESS OF DOUBLE PATENTING

IPTA understands that the policy intention for the *Patents Act 2013* was never to establish a double patenting standard at such a strict level as to require no overlap whatsoever between the claims of a parent application and its divisional application. The words “substantially the same” in r52(3) are at issue. IPTA understands that in proposing amendments to r23 of the *Patents Regulations 1954* for the *Patent Regulations 2014*, the Cabinet Paper prepared by MBIE expressed the intention that the regulation should be updated to reflect the Whitehead decision which held that amendment should only be required where one set of claims fell wholly within the scope of the other. However, the wording of r52 as enacted does not reflect this intention nor achieve what Cabinet intended. The use of the words “substantially the same” in r52(3) seems to directly contradict the intended application of the Whitehead decision.

IPTA considers that such a strict interpretation of double patenting unfairly restricts the legitimate practice of genuine innovators seeking patent protection, and is contrary to the original intention of the Cabinet. IPTA considers that this issue should be addressed in its own right such that the regulations are amended and clarified to properly represent the original policy intent. This further highlights the problems faced by patent applicants with new Act divisionals and why Option 3 would further unfairly impact on patent applicants by retrospectively applying such a fundamentally different divisional filing practice on many levels for new Act divisionals.

It is also noted that FICPI passed a Resolution of the Executive Committee, Barcelona, Spain, on 2-5 November 2014, that the International Federation of Intellectual Property Attorneys,

**Recognising** that a fundamental principle underlying the patent system is that an applicant receives a time limited monopoly for the full scope of an invention as disclosed and claimed in one or more patent applications in exchange for disclosing the invention;

**Observing** that for various legitimate reasons an applicant may wish to pursue two or more patent applications for different variants or embodiments of an invention, for example by filing the applications simultaneously or by filing one or more applications divided or otherwise derived from their previously filed parent application, and the claims of these two or more applications may at least partially overlap in scope, and/or may relate to similar or related subject matter that is not considered to be patentably distinct;

**Noting** on the other hand that, in some jurisdictions, the patent authorities (patent office and/or courts) raise “double patenting” objections where co-pending applications and/or patents filed by the same applicant contain claims having at least partially overlapping scopes or relating to subject matter that is not patentably distinct, with the objective of avoiding a perceived possible harm to the public or third parties, which it is believed could result from granting the applicant multiple patents claiming similar or related inventions;



**Observing** that, in direct conflict with the fundamental principle underlying the patent system mentioned above, double patenting rejections may have the detrimental result that an applicant does not receive patent protection for certain variants or embodiments of the invention even though such variants or embodiments have been disclosed to the public in at least one of the patent applications, or the scope of protection obtained by an applicant might not be commensurate with the applicant's full contribution to the art;

**Believing** that such resulting detriment to applicants significantly outweighs any perceived possible harm to the public or third parties which may result if multiple patents are granted to the same applicant;

**Further noting** that the removal of the basis for such a double patenting objection by amending the claims to remove overlap between one patent application and another, or to render the claims of one patentably distinct with respect to the other, can often be difficult or impossible, and, if attempted, can leave substantial gaps in protection provided by the resultant amended claims;

**Urges**, in jurisdictions including specific provisions that prohibit double patenting:

- (1) that laws should be reviewed and, if necessary, amended in order to limit such provisions only to claims that have identical scope in co-pending applications and/or patents that have been filed by the same applicants, with the same effective filing date; or
- (2) if other types of double patenting objections must continue to be raised, including in circumstances where the claims of the two patents or applications are not patentably distinct or where claims simply overlap, that laws should be reviewed and, if necessary, amended so that an applicant or patentee can overcome the objection by a simple mechanism, such as offering to maintain common ownership between the two patents, without requiring amendment of the claims;

**Also urges**, in jurisdictions that do not include specific provisions to prohibit double patenting, but where double patenting objections are nonetheless raised:

- (1) that the patent authorities refrain from issuing double patenting rejections, and
- (2) that the patent authorities take steps to ensure that patents are not invalidated based on double patenting.

#### iv. PERFECTION OF DOUBLE PATENTING AT DIVISIONAL FILING

There appears to be a lack of clarity in the regulations regarding a possible requirement that double patenting (any overlap in claim scope between parent/divisional) must be perfected at the time of filing a divisional application.

The provisions in issue are s34(1) Patents Act 2013 and r52(3) Patents Regulations 2014:

##### 34 Divisional applications

- (1) If a patent application has been made (but has not become void or been abandoned) (the **parent application**), the applicant may, in the prescribed manner, make a fresh patent application for any part of the subject matter of the parent application (the **divisional application**).

##### 52 Divisional applications

- (1) If an applicant makes a divisional application under section 34 of the Act, the applicant must state that the application is a divisional application within the meaning of section 34 and give the application number of the parent application.
- (2) A request for the Commissioner to direct that the divisional application or a complete specification for that application (or both) be given an earlier filing date must—
  - (a) be made at the time the divisional application is filed; and
  - (b) specify the earlier filing date that is requested for the divisional application or complete specification (or both).
- (3) The prescribed manner in which an application may be made for the purpose of section 34(1) of the Act is as follows:
  - (a) the divisional application must not include a claim or claims for substantially the same matter as claimed in the parent application; and
  - (b) the parent application must not include a claim or claims for substantially the same matter as claimed in the divisional application.

The meaning and use in the *Patents Act 2013* and *Patent Regulations 2014* of “prescribed manner” and “proper form” are also at issue. The use of “prescribed manner” is arguably used in the context of it being mandatory and not “optional” in relation to any a filing requirement, such as any overlap in substantially the same subject matter claimed between a divisional application and its parent at the specific time of filing the divisional application.

Regulation 19 also provides the following requirement for “proper form”:

**19 Document filed when received in proper form**

- (1) A document is filed when it is received in proper form.
- (2) A document is in proper form only if—
  - (a) it is legible; and
  - (b) it complies with the requirements of the Act and these regulations; and
  - (c) it is accompanied by the prescribed fee or penalty, if any.

Regulation 19 appears to be a strict provision that makes it clear that a document is only “filed” when it is received in “proper form”. Regulation 19(2)(b) also specifies that a document is only in “proper form” if “it complies with the requirements of the Act and these Regulations”. In other words, arguably only if it is in the prescribed manner.

There also does not appear to be any discretion to consider documents filed even if not “in proper form”. This is unlike New Zealand’s High Court Rules, where a failure to comply with the requirements of the rules specifically does not nullify “any step taken in the proceeding” or “any document” (r 1.5).

It is therefore possible that the courts might interpret the above provisions to require double patenting to be perfected at the time of filing a divisional application, and addressing any overlap in scope between the divisional and parent claims during examination might not be sufficient to avoid the divisional application later being held to have been invalidly filed and effectively void if challenged by a third party.

In view of the above, IPTA therefore considers that the Act and Regulations should be clarified to ensure the above possible interpretation would not have any prospects of success if raised under challenge by a third party to an accepted divisional application filed under the *Patents Act 2013*.

**CONCLUSION**

Unless problems associated with new Act divisional applications are addressed, IPTA considers that Option 1 (no change) provides the only rational and fair option available. Any implementation of Option 3 must first address the problems associated with all new Act divisional applications, which include the 5 year bar for requesting examination under regulation 71 of the *Patents Regulations 2014*, poisonous priority (whole of contents novelty self-collision between parent/divisional), clarifying that perfection of double patenting (no overlap in claim scope between parent/divisional) is not a requirement at the time of filing, and aligning the double patenting requirement to that of the original intention of the Cabinet.

IPTA thanks the MBIE for this opportunity to comment on the document. If the MBIE has any questions in relation to the observations and comments above, please contact the undersigned.

Yours faithfully

Redacted - Privacy

**John Landells**

IPTA Council Member

Institute of Patent & Trade Mark Attorneys of Australia

cc: [mail@ipta.org.au](mailto:mail@ipta.org.au)