MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

7 November 2016

John Landells
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Sent via email to jlandells@fbrice.com.au

Dear John

Subject: Advice to IPTA on Divisional Patents in New Zealand

I refer to your email of 4 October 2016, and to Andrew Brown QC's advice to IPTA relating to the interpretation and application of regulation 52(3), New Zealand Patents Regulations 2014 ("the regulations").

IPONZ has considered Mr Brown QC's advice regarding the question of whether or not a strict interpretation of the Patents Act 2013 and the Regulations would permit addressing defects present in a divisional application at the time of filing of the application to be addressed during examination.

Although IPONZ has, and will continue to address matters under regulation 52(3) as part of the examination process rather than at filing, IPONZ nevertheless considers that Mr Brown QC's interpretation that defects at filing of a divisional application cannot be dealt with during examination is an arguable one.

Therefore we consider it desirable to take steps to clarify the position. The two main options we have identified to address the matter are:

- Clarify the law to reflect that claim overlap between a parent and divisional application is not prejudicial to the validity of filing of a divisional application; or
- Seek a declaratory judgement where the Court would decide the correct interpretation of the law.

IPONZ considers that legislative amendment is the most appropriate approach to resolving this matter. IPONZ would be pleased to include the views of IPTA, FB Rice and will also seek the views of other parties such as the New Zealand Institute of Patent Attorney and the New Zealand Law Society, in considering amendment to the regulations to address this matter.

There may be an opportunity to seek Cabinet approval for changes to the regulations in the near future, in connection with other policy approvals which are proposed. If this is the case, then it is possible that amended regulations may be in place by mid-2017, subject to Government priorities.

Regarding your question on perfecting double patenting at the filing date of the divisional application – IPONZ is of the view that the claims of both the parent and divisional application at the time of filing the divisional application are relevant for the consideration of regulation 52(3). However, with regard to avoiding double patenting arising following filing of the divisional application, IPONZ will continue to consider the claims of both the parent and divisional applications as proposed by the applicant at the time of examination of the relevant application.

In the meantime, and until appropriate amendments have been made to the regulations, applicants could consider ensuring that there is no overlap between the substance of claimed subject matter of both a parent and a divisional application at the time of filing divisional applications. Some applicants have adopted a number of risk mitigation strategies to avoid a divisional application being treated as improperly filed. IPONZ notes that the practice of some applicants of removing all claims from the parent application or claiming subject matter not found in the originally filed specification of the parent application risks that the response may be considered to be non-substantive (section 67(6)) in the opinion of the Commissioner. If this occurs, then the corresponding application may be treated as abandoned (section 68).

Applicants may wish to consider filing a divisional application with a claim or claims directed to subject matter not found in the parent claims at the time of filing the divisional. This would be a useful approach to reducing the risk that a divisional application is deemed not to have met the filing requirements. It is appreciated that specific instructions will generally be required from the applicant for a representative to take this course of action.

It is also noted by IPONZ that some applicants are opting to file amended claims on a parent application immediately prior to filing of a divisional application, then filing further amended claims at a time following filing of the divisional. It is often the case that the first set of proposed amendments do nothing or very little to advance the parent application towards acceptance. This strategy appears to achieve much the same effect as the approach of filing a divisional application containing claims directed to different subject matter of the parent application. However, this latter approach potentially adds to applicant costs (official and professional) proposing two amendments, responding to two examination reports, and reduces the available time to progress the application to acceptance. Similarly, amending the parent application as outlined above adds significantly to the examination effort required by IPONZ though examination of two separate sets of voluntary amendments and issuing two examination reports.

As you will appreciate, IPONZ has taken a purposive approach to the application of regulation 52(3). It is not the view of IPONZ that perfection of double patenting was intended to be a filing

requirement of divisional applications. If, as noted above, a strict interpretation of the text of regulation 52(3) is taken by, for example, the Court, then it would appear that some divisional applications may be at risk of being found to be invalid if challenged.

I trust that the foregoing addresses the concerns identified in your email of 4 October 2016. IPONZ will look to seek clarification of the legislation on this matter as soon as practicable, and would be keen to include you and others (as noted above) on the nature and extent of suitable clarifications.

If you have any further questions on this matter, then please do not hesitate to contact me.

Kind regards,

Mark Pritchard

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