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IP Australia

Utility Model Systems: Reasons for and against establishment of a Utility Model System

Regional Seminar on the Legislative, Economic and Policy Aspects of the Utility Models Protection System, Kuala Lumpur September 3 and 4, 2012

PATENTS

TRADE MARKS

DESIGNS

PLANT BREEDER'S RIGHTS

P

TM

D

PBR

Robust intellectual property rights delivered efficiently



- Australia first established a second tier system in 1979 with the introduction of the Petty Patent system
- Several reviews of the system led to changes and eventual replacement of the Petty Patent system with the Innovation Patent system.
- A review of the Innovation Patent system was carried out in 2006.
- Another review commenced in 2011 and is currently underway.



Development of a second tier patent system in Australia

- In the 1960's the Patent Office was under considerable pressure due to an increasing number of applications.
- A proposal was put forward in the late 1960s for a utility model system that allowed for registration without examination.
- It was considered that this would **ease pressure due to unexamined requests.**



- The need for a second tier patent system was considered as part of a 1973 review of Designs Law.
- One of the primary considerations was whether there was a need for a form of protection for **lesser technological developments** which have merit but were not entitled to Designs protection or were **not inventive enough to qualify for patent protection**.
- The review concluded that all inventions that merited protection could achieve it, but there was a need for a **quicker form of patent protection**.



Review of the Petty Patent system

- Advantages
 - The majority of users were local individuals or companies.
 - The majority of inventions were from technologies having a short commercial lifespan.
 - Quick grant process.
 - Lower office fees.



- Disadvantages
 - Was supposed to be granted without examination, but in practice was examined.
 - Drafting a single claim was said to be more onerous for attorneys and therefore drafting costs were similar to standard applications (but the system later changed to allow more claims)
 - A single claim was also considered harder to enforce.
 - A 6-year term was considered too short.
 - The level of inventiveness was the same as for standard patents therefore was of limited use to innovations which were an incremental advance over the prior art



Innovation patents

- Advantages
 - Addressed most of the disadvantages of the petty system
 - Had a reduced level of inventiveness so were of more use to SMEs.
 - Quick grant process
 - Low cost
 - Only examined at request of the patentee or an interested third party
 - Court cases show that it is a highly enforceable right.



The ACIP Review

- Issues raised by ACIP
 - Innovation patents are relatively strong and court cases have indicated that the level of inventiveness required is lower than originally anticipated
 - Companies are using the system to protect inventions that are better suited to the standard application system.
 - No substantive examination, so a degree of uncertainty about the scope of the patent.
 - Competitors may incur costs of advice as to the likely scope of claims.
 - Potential for ‘evergreening’ patents by filing Innovation patents for inventions that possess only a minor improvement over the existing product.
 - Potential for ‘thickets’ around a successful patent
 - Potential for divisional Innovation patents to be filed that target a potential infringer



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Thank you



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