

## Innovation Patent System

The new Innovation Patent System came into force on 24 May 2001, replacing the Petty Patent System. It is therefore possible to: file innovation patent applications claiming priority from Australian and foreign applications filed on or after 24 May 2000; convert from a petty patent application pending on or after 24 May 2001; and file divisional innovation patent applications from pending standard patent applications from 24 May 2001. Innovation patent applications can also be filed in the first instance from this date.

### Main Features

The main features of an Innovation Patent are:

- an eight year term, renewable each year from the second anniversary;
- a maximum of five claims, with no restrictions on whether some or all claims are independent;
- a lower level of inventiveness than for a standard patent: inventions will only be required to have an "innovative step" rather than an "inventive step";
- no pre-grant substantive examination, therefore automatic grant after formalities are met;
- plants and animals and processes for the generation of plants and animals are not protectable by innovation patents;
- the requirement to have the patent certified (examined) before it can be enforced; and
- opposition provisions are available for third parties to oppose an innovation patent that has been certified by the Commissioner.

### Innovative Step Test

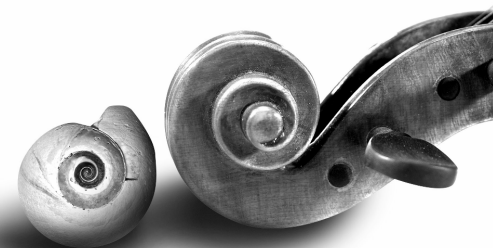
Possibly the most important feature of the innovation patent is the new test for "innovative step". Unlike a standard patent, an innovation patent need not involve an inventive step. Instead, it must involve an innovative step.

An invention is taken to involve an innovative step unless the invention would - to a person skilled in the relevant art - vary from prior art only in ways that make no substantial contribution to the working of the invention. The test for innovative step requires that any variation must be of practical significance to the way the invention works. In other words, it is the legislator's intention that the test for innovative step will require a lesser inventive contribution than that required to meet the inventive step test of standard patents.

For example, a common technique to make a bottle easier to open is to provide ridges on the bottle cap to make it easier to grip. While it may be obvious that additional ridges around the middle of a bottle itself would also assist grip, their provision (if assumed to be new) could be worthy subject matter for an innovation patent because they would contribute to the opening of the bottle. Thus, a claim for a bottle with additional mid ridges may well have an innovative step over what was previously known and therefore be a suitable claim for an innovation patent, though not a standard patent.

### Dual Protection

It will be possible to obtain both a standard patent and an innovation patent provided they do not claim exactly the same invention. In addition to the protection they could obtain by way of a standard patent, a patent applicant could obtain broader protection in the short term by way of an innovation patent because of the lower level of inventiveness required.



## Object of New System

The Government hopes that the innovation patent will be attractive to business because it will be granted automatically, providing it meets formality requirements. The patentee will only have to go to the expense of having the application certified (examined) to obtain a Certificate of Examination if they intend to enforce the innovation patent.

While the legislative intent behind the new system is to benefit Australian small-to-medium enterprises which are perceived to have more "lower-level" inventions and smaller IP budgets, it is clear that there is opportunity for larger companies and foreign entities to exploit the new system as well. It is also hoped that the Innovation Patent System will bridge the gap between Registered Design protection and Standard Patent protection, possibly sitting somewhere in the middle.

## Strategies

Innovation patents may prove particularly attractive to, for example, the IT industry where there are often concerns that IT and business method inventions lack the "inventive step" required for a standard patent. The IT industry is unlikely to be deterred by the shorter term of the innovation patent, as IT products typically have a shorter market life.

The activities of clients' competitors may need to be monitored more closely under the new system, as it may be easier to obtain valid innovation patents, possibly for minor variations on current. Strategies also need to be developed for dealing with "junk" innovation patents, as it will be possible to obtain an uncertified innovation patent for non-innovative technology.

One strategy is to initiate the certification process for the "junk" patent as a third party. Where a third party initiates the certification process, the patentee would have to meet 50% of the official fee. It is hoped that the new Innovation Patent System will allow for the patenting of innovations previously not protectable in Australia by either a standard or petty patent, but it remains to be seen how Innovation Patents are treated by the Courts.

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[www.griffithhack.com.au](http://www.griffithhack.com.au)**

