



Lessons of the non-existent non-statutory exemption

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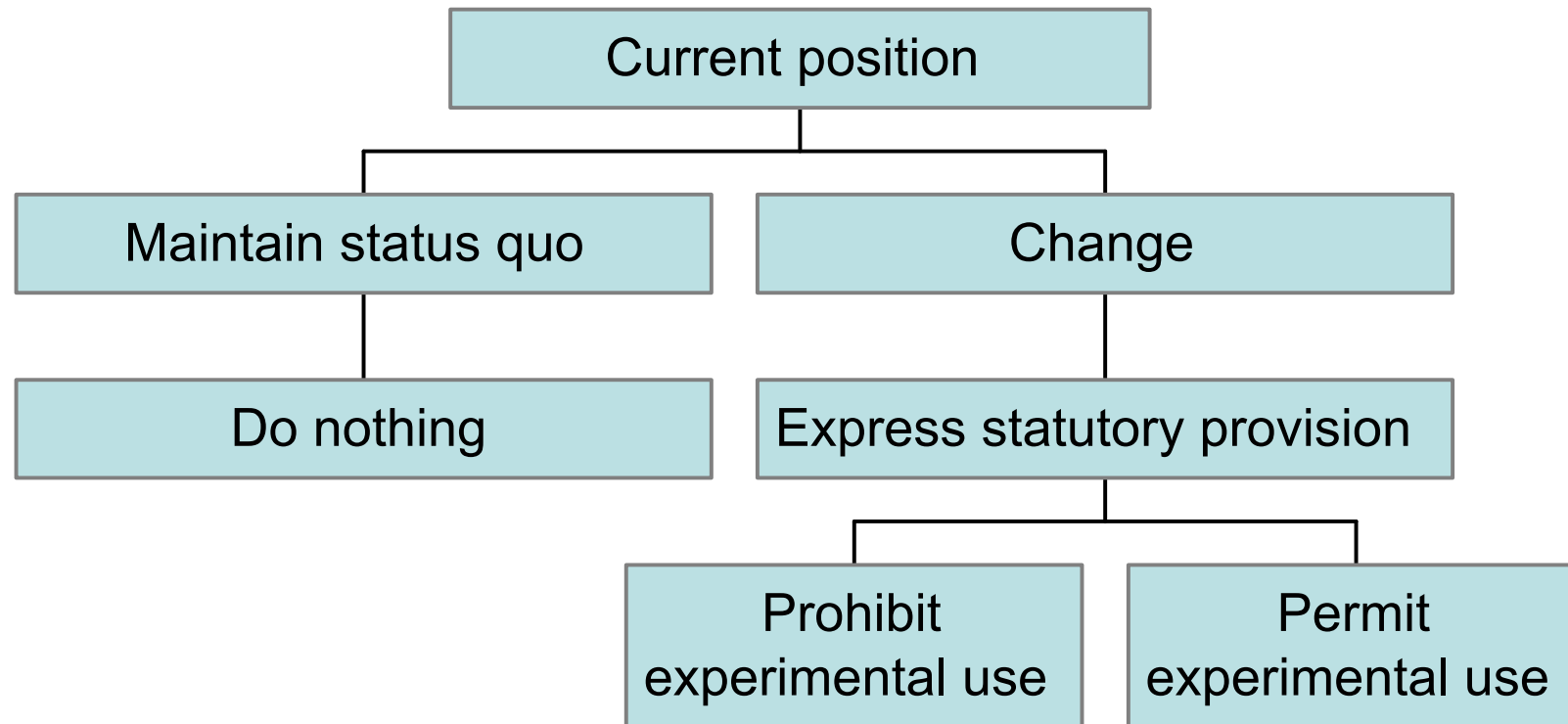
Position in Australia

- ◆ No statutory exemption
- ◆ Not certain there is a non-statutory exemption
- ◆ No evidence of any negative impact on researchers
- ◆ But absence of evidence of a problem is not evidence of absence of a problem



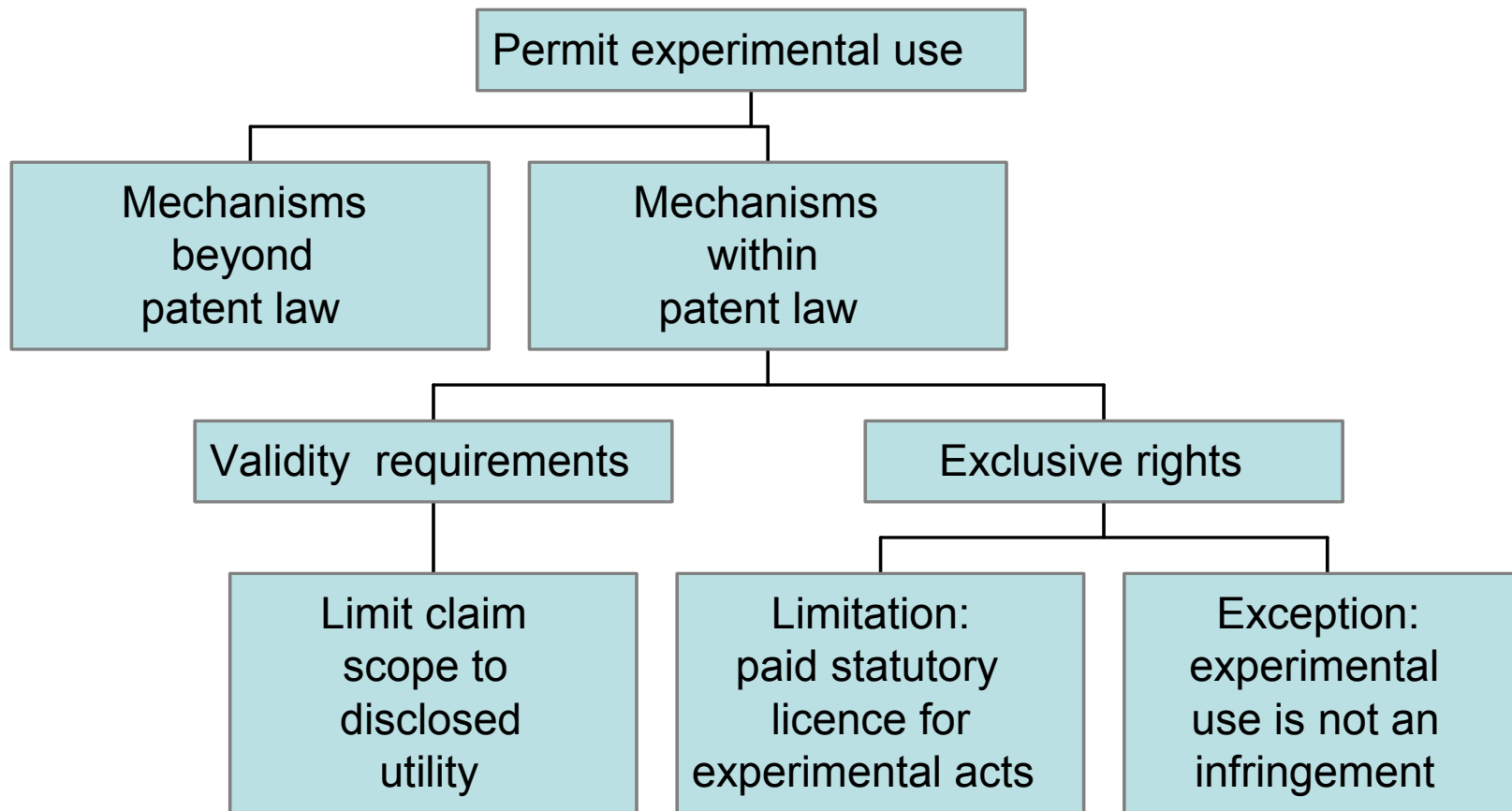


Options for Reform



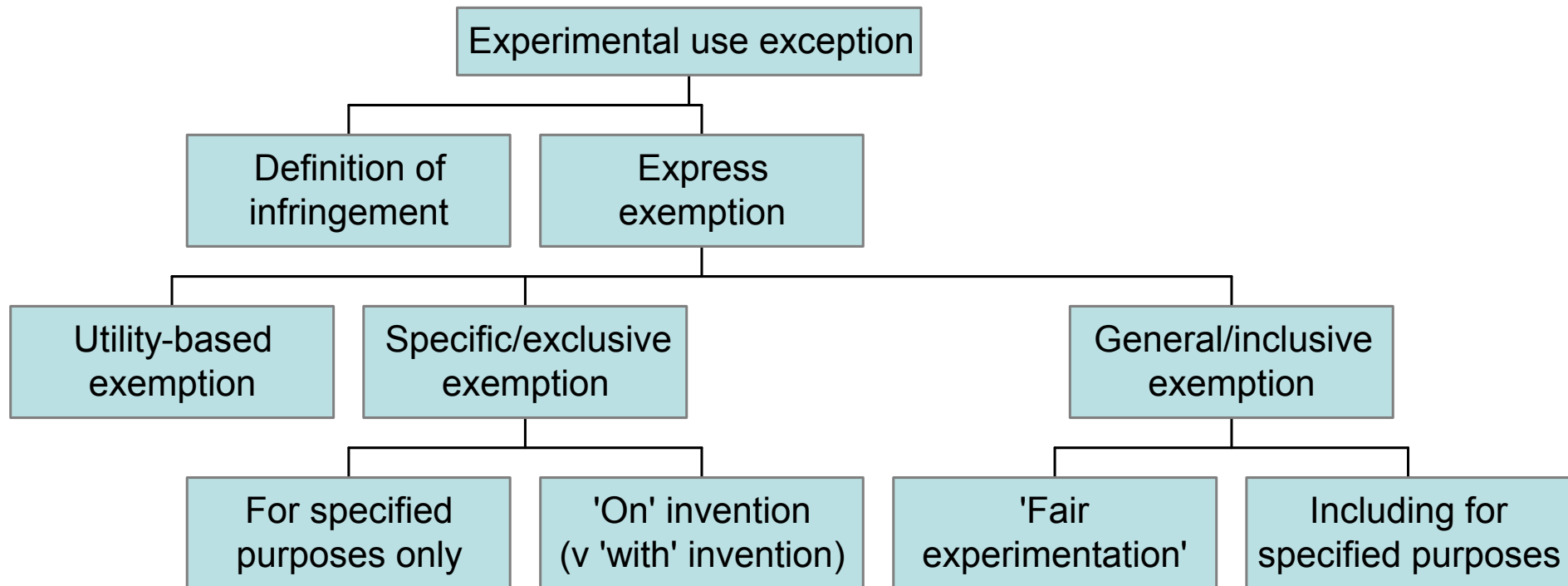


Options for Permitting Experimental Use





Experimental Use Exception Options





Criteria for Judging the Effectiveness of Patent Research Exemptions

- ◆ Economic
 - maximises non-injurious spill-overs while minimising impact on incentive to invest
- ◆ Legal
 - in harmony with exemptions in other countries
 - balances certainty and flexibility
 - complies with TRIPS





Requirements of TRIPS Art. 30

- ◆ Exceptions must:
 - be limited
 - not unreasonably conflict with normal exploitation of patent
 - not unreasonably prejudice legitimate interests of patent owner
 - taking account of legitimate interests of third parties





Effectiveness of Various Reform Options

	Claim Scope Limitation	Statutory Licence	Specific / Excl. Exemption	General / Incl. Exemption
Optimised	~	~	?	?
Harmonised	N	N	~	Y
Balanced	Y	N	~	Y
Compliant	?	?	Y	~





Compliance of an Inclusive Exemption

- ◆ Limited: Yes
 - limited to experimental acts, not all acts
- ◆ Not conflict with normal exploitation: Depends
 - yes, if invention is not a research tool
 - no, if invention is a research tool
- ◆ Not prejudice legitimate interests: Yes
 - WTO Panel reasoning in *Canadian Stockpiling Case*





Australian Proposal

- ◆ The rights of a patentee are not infringed by acts done for experimental purposes relating to the subject matter of the invention that do not unreasonably conflict with the normal exploitation of a patent. Acts done for experimental purposes relating to the subject matter of the invention include:
 - determining how the invention works
 - determining the scope of the invention
 - determining the validity of the claims
 - seeking an improvement to the invention





Features of Proposed AU Exemption

- ◆ EU-style wording
 - “experimental purposes relating to the subject matter of the invention”
- ◆ TRIPS 2nd limb qualification
 - “that do not unreasonably conflict with the normal exploitation of a patent”
- ◆ Inclusive list of experimental purposes

