No 237

House of Representatives

Supplementary Order Paper

Tuesday, 14 May 2013

Patents Bill

Proposed amendments to SOP No 120

Hon Craig Foss, in Committee, to move the following amendments:

Clause 2
Replace the item relating to *clause 2(3)* (on page 1) with:

In *clause 2(3)*, replace "31 December 2012" (line 30 on page 14) with "the first anniversary of the date on which this Act receives the Royal assent".

New clause 10A
In the item relating to *new clause 10A* (on page 1), replace that clause with:

10A Computer programs

(1) A computer program is not an invention and not a manner of manufacture for the purposes of this Act.

(2) **Subsection (1)** prevents anything from being an invention or a manner of manufacture for the purposes of this Act only to the extent that a claim in a patent or an application relates to a computer program as such.

(3) A claim in a patent or an application relates to a computer program as such if the actual contribution made by the alleged invention lies solely in it being a computer program.

Examples

A process that may be an invention

A claim in an application provides for a better method of washing clothes when using an existing washing machine. That method is implemented through a computer program on a computer chip that is inserted into the washing machine. The computer program controls the operation of the washing machine. The washing machine is not materially altered in any way to perform the invention.

Examples—*continued*

The Commissioner considers that the actual contribution is a new and improved way of operating a washing machine that gets clothes cleaner and uses less electricity.

While the only thing that is different about the washing machine is the computer program, the actual contribution lies in the way in which the washing machine works (rather than in the computer program per se). The computer program is only the way in which that new method, with its resulting contribution, is implemented.

The actual contribution does not lie solely in it being a computer program. Accordingly, the claim involves an invention that may be patented (namely, the washing machine when using the new method of washing clothes).

A process that is not an invention

An inventor has developed a process for automatically completing the legal documents necessary to register an entity.

The claimed process involves a computer asking questions of a user. The answers are stored in a database and the information is processed using a computer program to produce the required legal documents, which are then sent to the user.

The hardware used is conventional. The only novel aspect is the computer program.

The Commissioner considers that the actual contribution of the claim lies solely in it being a computer program. The mere execution of a method within a computer does not allow the method to be patented. Accordingly, the process is not an invention for the purposes of the Act.

(4) The Commissioner or the court (as the case may be) must, in identifying the actual contribution made by the alleged invention, consider the following:

(a) the substance of the claim (rather than its form and the contribution alleged by the applicant) and the actual contribution it makes:

(b) what problem or other issue is to be solved or addressed:

(c) how the relevant product or process solves or addresses the problem or other issue:

(d) the advantages or benefits of solving or addressing the problem or other issue in that manner:

(e) any other matters the Commissioner or the court thinks relevant.

(5) To avoid doubt, a patent must not be granted for anything that is not an invention and not a manner of manufacture under this section.

Clause 165B

After the item relating to *clause 165A(4)* (on page 6), insert the following item:

Clause 165B

In *clause 165B(6)*, replace "not a regulation for the purposes of the Regulations (Disallowance) Act 1989 and the Acts and Regulations Publication Act 1989 or for any other purpose" (lines 26 to 29 on page 118) with "neither a legislative instrument nor a disallowable instrument for the purposes of the Legislation Act 2012 and does not have to be presented to the House of Representatives under section 41 of that Act".

Clause 264

After the item relating to *clause 264(2)* (on page 7), insert:

After *clause 264(2)* (after line 15 on page 139), insert:

(3) However, this section does not limit the rights of appeal under sections 7 and 8 of the Supreme Court Act 2003.

Schedule 2, Part 2

After the item relating to the Patents, Designs, and Trade Marks Convention Order 2000 (page 19), insert:

In *Schedule 2*, *Part 2*, omit the item relating to regulation 8(a) of the Trade Marks Regulations 2003 (lines 27 and 28 on page 178).

Explanatory note

This Supplementary Order Paper makes adjustments to Supplementary Order Paper No 120 (which contains proposed amendments to the Patents Bill).

The main adjustment relates to the proposed amendment to replace the exclusion in *clause 15(3A)* (which relates to computer programs) with *new clause 10A*. This Supplementary Order Paper replaces the *new clause 10A* that was included in Supplementary Order Paper No 120.

Rather than excluding a computer program from being a patentable invention, *new clause 10A* clarifies that a computer program is not an invention nor a manner of manufacture for the purposes of the Bill (and that this prevents anything from being an invention or manner of manufacture only to the extent that a patent or an application relates to a computer program as such). This approach is considered to be more consistent with New Zealand's international obligations (the TRIPS agreement, in particular, contains restrictions on the ability to exclude inventions from patentability). This approach is also more consistent with English precedent and makes it clear that where the actual contribution of an invention lies solely in it being a computer program, it is ineligible for patent protection.

This Supplementary Order Paper makes the following changes to *new clause 10A*:

- *new subclause (1)* now refers to a computer program not being a manner of manufacture (as well as not being an invention). The reference to a manner of manufacture reflects the wording in *clause 13(a)* of the Bill:
- *new subclause (3)* clarifies that a patent or an application relates to a computer program as such if the actual contribution made by the alleged invention lies solely in it being a computer program. The effect of this approach is that it will not be possible to obtain a patent for an invention that involves or makes use of the computer program if the sole inventive feature is that it is a computer program. It will still be possible for a patent to be granted for an invention that makes use of or comprises a computer program, including an invention involving embedded computer programs, if the actual contribution lies outside the computer or which, if it affects the computer itself, is not dependent on the type of data being processed or the particular application being used. The provision does not include any consideration of whether the claim has a technical character or effect:
- *new subclause (5)* clarifies that a patent must not be granted for a computer program that is not an invention or a manner of manufacture under *clause 10A*. This means that there is no doubt that the Commissioner can examine a patent application, and a person can oppose the grant of or seek to revoke a patent, on this ground. This change is consequential on the shift of the computer program ground from the exclusions from patentability in *clause 15(3A)* to *clause 10A* by Supplementary Order Paper No 120.

Other adjustments in this Supplementary Order Paper will amend the Patents Bill by—

- amending the date by which various provisions of the Patents Bill will automatically come into force (if not already brought into force by Order in Council) under *clause 2(3)* of the Patents Bill. The new date is the first anniversary of the date on which the Bill receives the Royal assent. This replaces the date of 31 December 2013 in Supplementary Order Paper No 120; and
- updating the Bill as a result of the enactment of the Legislation Act 2012 and amendments to the Trade Marks Regulations 2003; and
- ensuring that rights to appeal to the Supreme Court against decisions of the High Court or Court of Appeal (with leave of the Supreme Court) are not limited by *clause 264*.

Wellington, New Zealand:
Published under the authority of the House of Representatives—2013