



**Ministry of Business,  
Innovation & Employment**

---

# **Proposals for Regulations to be made under the Patents Act 2013**

---

Discussion Document

11 December 2013

### ***Request for comments***

IPONZ seeks written submissions by email to be sent to [patentsubmissions@mbie.govt.nz](mailto:patentsubmissions@mbie.govt.nz) or posted to:

Mark Pritchard  
PO Box 9241  
Marion Square  
Wellington 6141  
New Zealand  
DDI: (04) 978 3665

If you would like to meet directly with officials then please make your request at an early date. Submissions should be provided by **24 January 2014**.

### ***Posting and Release of Submissions***

Except for material that may be defamatory, the IPONZ intends to post all written submissions on its website at [www.mbie.govt.nz](http://www.mbie.govt.nz). The IPONZ will consider you to have consented to posting by making a submission, unless you clearly specify otherwise in your submission.

Submissions are also subject to the Official Information Act 1982. Please set out clearly with your submission if you have any objection to the release of any information in the submission, and in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information. The IPONZ will take such objections into account when responding to requests under the Official Information Act 1982.

Any personal information you supply to the IPONZ in the course of making a submission will be used by the IPONZ only in conjunction with the matters covered by this document. Please clearly indicate in your submission if you do not wish your name to be included in any summary of submissions that the IPONZ may publish.

### ***Permission to reproduce***

The copyright owner authorises reproduction of this work, in whole or in part, so long as no charge is made for the supply of copies, and the integrity and attribution of the work as a publication of the IPONZ is not interfered with in any way.

### ***Important Notice***

The opinions and proposals contained in this document are those of IPONZ of Business, Innovation and Employment and do not reflect government policy.

The IPONZ does not accept any responsibility or liability whatsoever whether in contract, tort (including negligence), equity or otherwise for any action taken as a result of reading, or reliance placed on the IPONZ because of having read, any part, or all, of the information in the discussion paper or for any error, inadequacy, deficiency, flaw in or omission from the discussion paper.

## Contents

<b>1. Purpose</b>	<b>5</b>
Background	5
Objective of the discussion document	5
Definitions	5
<b>2. Fees</b>	<b>6</b>
Introduction	6
The case for the proposed fee structure	7
Increased costs resulting from the Patents Act	7
Forecast reduction in patent application volumes	8
Impact on IPONZ Financial Position of no changes to fees	8
Impact on Memorandum Account balance of no fees changes	9
IPONZ efforts to reduce costs	10
Impact on Memorandum Account balance of the proposed fee changes	11
Approach to fees review	12
Proposed fees	14
Provisional, Complete and Treaty Application Fees	14
Examination Fee and Re-examination Fee	14
Annual Renewal Fee	15
Amendment Requests	15
Restorations	16
Challenges to the grant and validity of a patent	16
Questions	17
<b>3. Examination request</b>	<b>18</b>
Introduction	18
Request deadline	19
Prescribed period to request examination following a direction from the Commissioner	20
Prescribed grounds for requesting or directing examination	20
Questions	21
<b>4. Third party assertions and re-examination</b>	<b>22</b>
Introduction	22
Third party assertions	22
Notifying the Commissioner	22
Questions	23
Procedure for informing the applicant or patentee of a third party assertion	23
Questions	24
Re-examination	24
Introduction	24
Notification of a request for re-examination	24
How the notification will be made	24
Requesting re-examination	24
Amending the notification	25
Manner of making and amending a request for re-examination	25
Questions	25
Report on re-examination	26
Questions	26
Revocation – re-examination after grant	26
<b>5. Time period for placing an application in order for acceptance</b>	<b>27</b>
Introduction	27
Questions	27
<b>6. Address requirements</b>	<b>28</b>
Service of notices - address for service	28



<i>Questions</i> .....	28
Communication address .....	28
<i>Questions</i> .....	28
Single Address for service in New Zealand or Australia .....	29
<i>Questions</i> .....	29
<b>7. Proceedings under the Act .....</b>	<b>30</b>
Commissioner may require parties to attend case management conference .....	30
Parties must comply with Commissioner's directions at case management conference.....	30
Commissioner may halt proceeding.....	31
Commissioner may require production of documents.....	31
Commissioner may consolidate proceedings.....	32
Commissioner may extend time.....	32
Party filing evidence must copy submissions to opposite party .....	32
Evidence out of time .....	32
Evidence from another proceeding .....	34
Commissioner may require parties to use best endeavours to reach confidentiality agreement.....	34
Refusal of applications for revocation of patent .....	34
<i>Questions</i> .....	35
<b>8. Electronic case management system .....</b>	<b>36</b>
<i>Questions</i> .....	36
PCT Applications .....	36
<b>9. Single Economic Market Patent Outcomes .....</b>	<b>38</b>
Single Application Process .....	38
Benefits .....	39
Single Examination Process .....	39
Benefits .....	40
<i>Questions</i> .....	40
<b>10. Patent Regulations 1954 - some proposed changes .....</b>	<b>41</b>
<i>TABLE 1 Patent regulations 1954 – some proposed changes</i> .....	41
<i>Questions</i> .....	45
<b>11. Summary List of Questions .....</b>	<b>46</b>
<b>Appendix One.....</b>	<b>48</b>
Simplified patent process flowchart .....	48

# 1. Purpose

## Background

### Objective of the discussion document

1. The purpose of this discussion document is to consult with users of the patent system and the public in order to determine the most effective and useful means of implementing the Patents Act 2013.
2. The proposals have been prepared by the Intellectual Property Office of New Zealand (“IPONZ”), a business unit of the Ministry of Business, Innovation and Employment (“the Ministry”). The proposals have been reviewed by officials from IPONZ, the Ministry, the Ministry of Foreign Affairs and Trade (MFAT), the Ministry of Justice (Justice) and The Treasury.
3. Some of the newly introduced features of the Patents Act 2013, such as the ability for applicants to request examination and for the Commissioner to re-examine applications, have been modelled upon the corresponding provisions of Australian patent law. As a consequence a number of the proposed regulations discussed in this document (excluding the fees) are informed by the corresponding Australian regulations. Alignment of regulations with the corresponding Australian provision represents a further step towards the government’s objective of creating a single economic market with Australia, in particular the aim of achieving a single New Zealand and Australia application process and a single examiner process.
4. The document outlines some of the problems and options that have been considered in formulating the proposed regulations and seeks your input on the options and the likely costs or other impacts of the proposals. Your feedback will contribute to the preparation of the Regulatory Impact Statement that will be prepared for any policy recommendations to help the government decision-makers in arriving at their decision.

## Definitions

5. In this document references to:
  - the “Act” are to be read as references to the Patents Act 2013;
  - section numbers are to be read as references to section numbers from the Act unless otherwise stated;
  - the “Regulations” are to be read as references to regulations proposed to implement the Patents Act 2013;
  - the “1953 Act” are to be read as references to the Patents Act 1953; and
  - the “1954 Regulations” are to be read as references to the Patents Regulations 1954.
  - “Treaty applications” are to be read as references to applications made under the Patent Cooperation Treaty (PCT)<sup>1</sup>.
  - “Convention applications” are to be read as references to applications claiming benefit of priority under the Paris Convention for the Protection of Industrial Property<sup>2</sup>.
6. All fees quoted are GST exclusive.

---

<sup>1</sup> See: [www.wipo.int/pct/en/texts/articles/atoc.html](http://www.wipo.int/pct/en/texts/articles/atoc.html)

<sup>2</sup> See: [www.wipo.int/treaties/en/ip/paris/](http://www.wipo.int/treaties/en/ip/paris/)

## 2. Fees

### Introduction

7. IPONZ has conducted a thorough review - in association with Deloitte – to understand fully the future costs and funding requirements for IPONZ in delivering services under the Act, noting that IPONZ is required to recover only those costs incurred in providing the patent services required under the Act. The review looked at the expenditure and revenue of IPONZ to identify the necessary fee structures and fee amounts to be charged under the Patents Act and resulted in a set of proposed fees which are set at a level that will enable IPONZ to continue to operate in a financially responsible manner.
8. The Patents Act imposes additional obligations on IPONZ to provide new services and allows for a number of additional charging points when compared with the 1953 Act. In order to recover the costs of providing patent services IPONZ proposes to increase some of the fees for existing patent services and to introduce new fees for some existing services it provides for which no fees are currently set. IPONZ also proposes to introduce fees for new services and processes which have been introduced under the Patents Act.
9. It is further proposed to change the current renewal fee structure from once every 4th, 7th, 10th and 13th year after grant, to an annual renewal fee chargeable from year 4 (4<sup>th</sup> anniversary of the filing date of the complete specification) and stepping up to higher fees in years 10 and 15. The proposed schedule of fees is set out in the table below:

<b>Proposed Item with Fee</b>	<b>Current Fee</b>	<b>New Fee</b>
Patent Application accompanied by a provisional application	\$50.00	\$100.00
Patent application accompanied by a complete specification*	\$250	\$250.00
Request for examination & Re-examination	No fee, as the 1953 Act does not require a separate request for examination	\$500.00
Voluntary Amendment of a specification	\$60.00	\$150.00
Restoration Request	No fee	\$100.00
Amendment after acceptance	\$60.00	\$150.00
Request for a hearing	\$750.00	\$850.00
Notice of opposition	\$300.00	\$350.00
Revocation Request	No fee	\$350.00
Annual Maintenance or Renewal Years 4-9		\$100.00
Annual Renewal Years 10-14		\$200.00
Annual Renewal Years 15-20		\$350.00

Maintenance & renewal late fee	No fee	\$50.00
--------------------------------	--------	---------

\*Includes Treaty applications and convention applications

10. The current fees prescribed under the 1954 Regulations were set in 1999, and most of the proposed fees for which there is an existing fee broadly reflect what those fees would be if they had been adjusted for inflation over the intervening 14 years. Since that time, IPONZ has improved its services to clients year-on-year, and has introduced new online systems that give clients significantly greater control over their intellectual property. As part of those changes, it has significantly reduced its internal costs by reducing back-office administration and allowing greater attention in front-office, high-quality examination services.

## The case for the proposed fee structure

### Increased costs resulting from the Patents Act

11. The Patents Act will align New Zealand patent law with other similar international jurisdictions (including Australia) by strengthening the criteria for granting a patent, by introducing the requirement that inventions be examined for absolute novelty and inventive step to ensure that patents are only granted for genuine innovations.
12. Assessing whether an invention is patentable under the Patents Act will require a significantly higher level of resources to examine patent applications than was required under the 1953 Act. Additionally the Patents Act also provides third parties with more opportunities to challenge decisions to grant patents.
13. In response to these strengthened standards IPONZ proposes to increase the number of patent examiners and resources available for patent examination as well as continuing to support, maintain and conduct routine enhancements to its IT systems. In addition, costs of using international patent searching tools, required in order to examine against the strengthened standards under the Act, are forecast to increase.
14. These changes are forecast to increase total direct expenses for patent services by 16%. The increased costs mentioned above breakdown as follows:

Patent Staff costs	Increasing from \$2.1 million in the 2013 financial year to \$2.8 million in the 2014-2017 financial years
IT Software and International patent searching costs	Increasing from \$1.71 million in the 2013 financial year to a peak of \$3.13 million in the 2015 financial year and then dropping back to \$2.29 million in the 2017 financial year. These figures incorporate an increase in costs for international patent searching going from \$200,000 in the 2013 financial year to \$750,000 in the 2015-2017 financial years

## Forecast reduction in patent application volumes

15. In addition to the forecast increased costs, IPONZ has also experienced declining volumes of patent applications due to the global recession. Overall, the number of patent applications is expected to continue to decline over the next 5 years which will further reduce IPONZ's income from patents if the current fees are retained.
16. Patents are the largest driver of IPONZ revenues with patent application and renewals fees representing 57 % of total revenue in the 2012 financial year. Overall patent applications are projected to decrease as follows:

IPONZ Forecast Volumes	13/14	14/ 15	15/16	16/17	17/18
Total Complete and PCT Applications	6100	4850	4850	4900	4950

17. Patent volumes are correlated to the state of the economy both domestically and globally and this forecast decrease is considered to be conservative and realistic in the current economic climate. The international nature of IPONZ's business means that even as the New Zealand economy rebounds, continued weakness in overseas economies, including Europe, means that volumes are likely to stay depressed for some years to come.
18. The majority of patent applications received are from foreign Patent Cooperation Treaty (PCT) applicants who have chosen to have their patent protected in New Zealand. However, due to the global financial crisis and resulting economic decline the number of PCT applications has declined over the last three years.
19. Renewal fees are the largest revenue driver for patents representing approximately 64 % of the total revenue for patents in the 2012 financial year. A decline in renewals would have a significant impact on total patent revenue. To achieve regulatory consistency with Australia in line with Single Economic Market desires, and to ensure consistent revenue from renewals, IPONZ is proposing to change the current staged renewal fee structure to an annual renewal fee charged every year from year 4 regardless of the status of the patent.

## Impact on IPONZ Financial Position of no changes to fees

20. Based on the forecast increased costs and reduced volumes described above, if no changes were made to the existing fee structure and fee amounts the IPONZ forecast financial position would be as follows. It should be noted that this financial position takes into account trade marks and designs as well as patents.

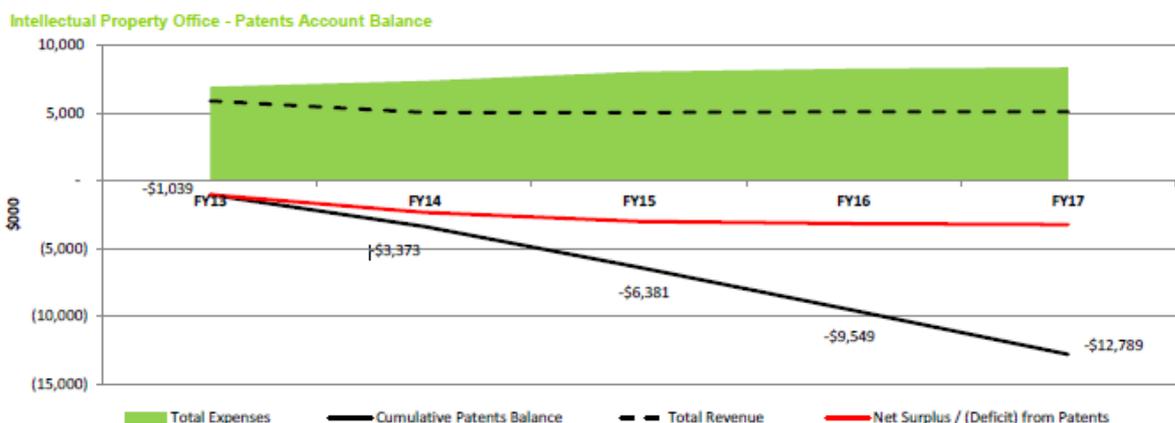
IPONZ Financial Summary Performance \$000	FY13F	FY14F	FY15F	FY16F	FY17F
<b>Total Revenue</b>	<b>10,185</b>	<b>14,994</b>	<b>15,027</b>	<b>15,463</b>	<b>15,781</b>
Direct Expenses	9,329	9,746	10,479	10,715	10,841
Indirect and Other Expenses	4,485	4,931	4,949	4,975	5,003
<b>Total Expenses</b>	<b>13,600</b>	<b>14,677</b>	<b>15,428</b>	<b>15,690</b>	<b>15,844</b>
<b>Surplus/Deficit</b>	<b>(3,628)</b>	<b>317</b>	<b>(401)</b>	<b>(227)</b>	<b>(63)</b>

21. IPONZ is forecast to generate a large deficit of \$3.6 million in financial year 13/14, followed by a surplus of \$0.3 million in financial year 14/15 but then generate losses in financial years 15/16 – 17/18. The large deficit in financial year 13/14 is due to the continuation of the trade mark renewal lull as a result of the Trade Marks Act which changed the trade mark renewal period from seven to ten years. The surplus in financial year financial 14/15 is as a result of trade mark renewals returning to normal levels. The losses from financial years 15/16 – 17/18 are due to higher personnel and operating costs arising from the Patents Act coming into force.
22. Under the status quo scenario whereby no changes are made to the patent fees structure when the Patents Act comes into force, patent revenue is expected to decline from \$5.8 million in the 13/14 financial year to \$5.0 million by the 17/18 financial year. The key driver in the drop in patent revenue throughout the forecast period is due to the forecast reduction in all types of patent applications.

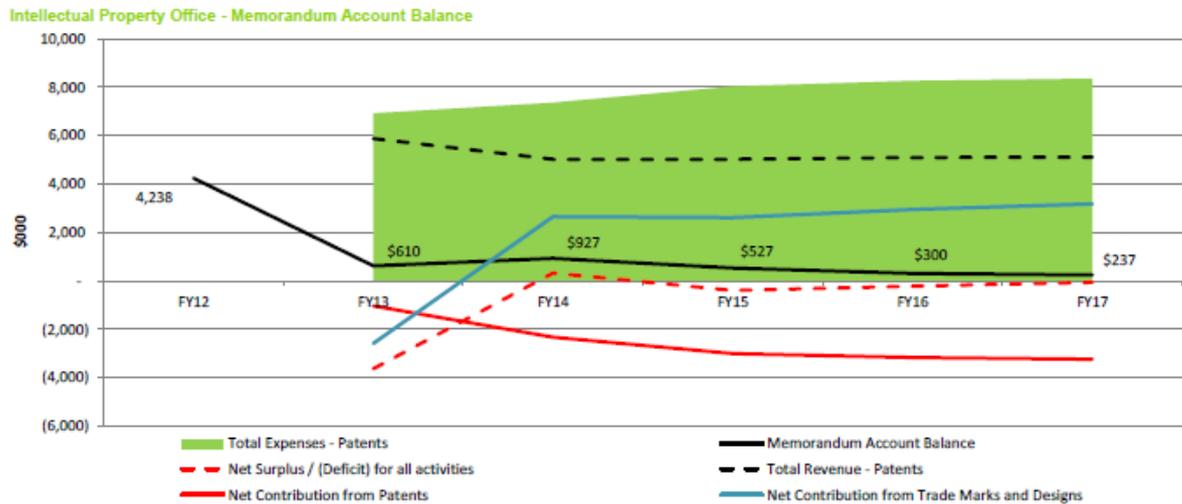
### Impact on Memorandum Account balance of no fees changes

23. Government agencies such as IPONZ, which operate on a full cost-recovery basis, are able to operate “Memorandum Accounts” to manage the inevitable ups and downs of their business, offsetting operating surpluses against deficits over the course of the business cycle. Over the longer term these accounts are to trend to nil thereby ensuring there is no under or over recovery of costs from clients. IPONZ operates a memorandum account. The proposed patent fee increases are intended to meet this requirement and, as shown by the graph below, the patents part of the memorandum account trends to zero.
24. Taking account of the increased costs under the Patents Act together with the forecast reduced revenue, IPONZ forecasts that if the current fee structure remained in place under the Patents Act, the patents portion of the memorandum account would have a deficit balance of approximately \$12.8 million by the 2017 financial year. The table and graph below indicate the forecast patents account balance by 2017 under the status quo if no changes are made to the fee structure.

	Status quo: no changes are made to the fee structure
Patents account balance 2017	\$(12.8) million



25. This forecast deficit of \$12.8 million by 2017 would impact on the overall balance of the IPONZ memorandum account (which covers patents, trade marks and designs), causing it to fall from \$4.2 million as at the 2012 financial year to \$0.2 million by the 2017 financial year, as shown in the figures below.



26. Prudent financial management means that IPONZ cannot allow this to occur. As IPONZ has exploited all other options for reducing its costs without sacrificing the level of service the only remaining option is to adjust the fees IPONZ charges.

### IPONZ efforts to reduce costs

27. IPONZ has looked, and continues to look, at ways to reduce costs whilst maintaining excellent service to clients. This includes the proposals put forward in this discussion document and the removal of back-office administrative functions to focus on core examination services.

28. Since 2009, IPONZ has embarked on a technology-led process to transform the way that it conducts its business. The focus of that change programme has been to:

- Shift attention away from back-office administration to front-office, high-quality examination services;
- Putting the needs of clients at the forefront of IPONZ's focus;
- Improving IPONZ processes; and
- Reducing processing times and giving clients greater control over their applications and the management of their intellectual property.

29. As a result of this programme:

- IPONZ has looked to ensure that its staff numbers and the structure of its workforce match its new focus and processes. This has seen a reduction in administration staff numbers, and staff numbers will continue to be actively managed by IPONZ;
- IPONZ has simplified its activities and reduced clients' transaction costs by delivering its services by electronic means and replacing previous paper based administrative tasks with electronic self-service functionality;

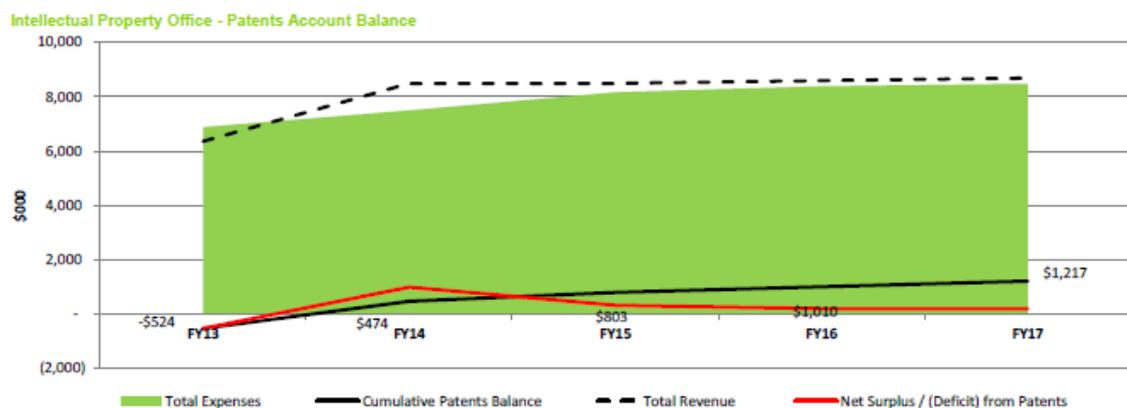
- Client transactions are now done in real-time resulting in saved time and associated cost;
- IPONZ has streamlined its processes and achieved ISO accreditation;
- Clients have much greater control over their applications and intellectual property;
- There have been significant reductions to the amount of ‘re-keying’ required for larger clients such as law firms, patent attorney firms, and renewals agencies by providing direct business-to-business communications; and
- Clients face reduced compliance costs.

30. Even with this focus on greater efficiency, the expected level of revenue over the next few years is insufficient to meet IPONZ’s increased costs arising from the Act while retaining the current levels of client service.

### Impact on Memorandum Account balance of the proposed fee changes

31. An important objective of the patents fees review was to recover the cost to serve for the current patent services as well as the additional services required under the Patents Act. Based on the Trade Marks Fees Review conducted in early 2012 and implemented in December 2012, the memorandum account is projected to be in a positive situation as long as patents recover its costs.

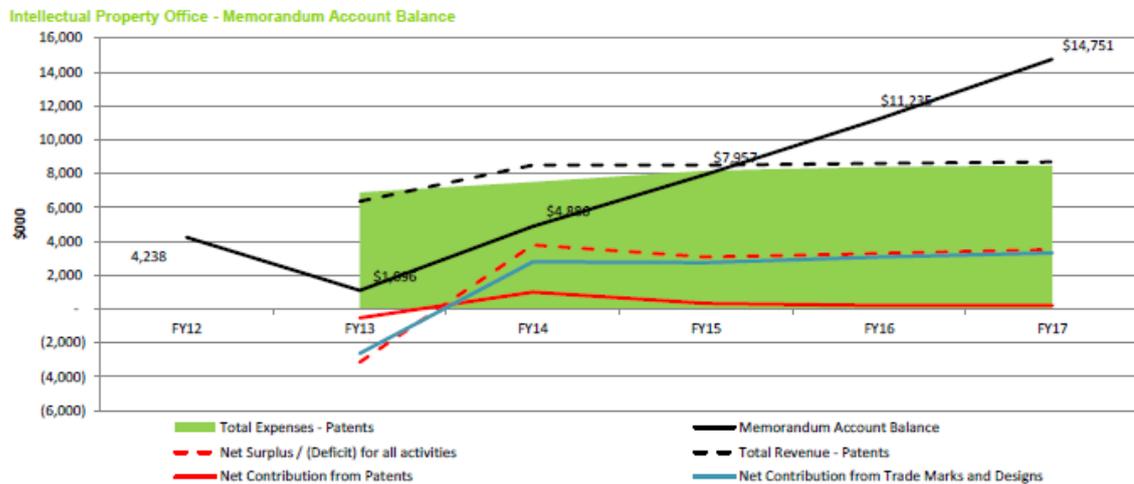
32. The proposed fees changes results in a patents account surplus of between \$0.2 million and \$1.2 million between financial years 14/15 and 17/18 which will allow for any market shocks or changes to the patents business in relation to the Patents Act coming into force. This is reflected in the graph below.



33. This will result in an IPONZ memorandum account balance having a buffer by 2017. We note that the IPONZ memorandum account is expected to drop substantially in 2021 following the expected lull in trade mark renewal revenue following the change in legislation in 2003 which changed the trade mark renewal period from seven to ten years meaning that renewal revenue is significantly reduced for a three year period. The 2017 buffer is essential because it will give IPONZ some flexibility to plan and deal

with the revenue consequences of this volume lull<sup>3</sup>. This approach is consistent with the approach taken in relation to the trade mark fees introduced in 2012.

34. Taking account of the proposed fees, the position of the IPONZ memorandum account is reflected in the graph below



## Approach to fees review

35. The level of fees for patent services are set with the aim of ensuring there is no cross subsidisation between different IPONZ teams and making sure that patents are correctly allocated their share of indirect costs compared to other IPONZ services.

36. The Act provides that IPONZ must deliver a number of patent services to clients and IPONZ must recover all of its costs through fees.

37. In reaching the proposed new fee structure, the fees review conducted by IPONZ in consultation with Deloitte considered four fee setting options against the following criteria:

- Efficiency considers the likely productive and allocative efficiency impacts as well as the cost effectiveness with which the collection processes could be expected to operate.
- Equity considers whether the option is equitable across different users and the amount of possible cross-subsidisation across IPONZ services i.e. fair allocation of costs.
- Effectiveness considers how effective the option is in collecting the cost of operating the service and how accurately costs are recovered from users of these services.

38. The four fee setting options that were considered were:

<sup>3</sup> The overall forecast surplus of \$14.8 million by 2017 is due to the trade marks contribution to the memorandum account being projected to increase from \$2.8 million to \$3.3 million between the 2014 and 2017 financial years, in order to cover for the loss of trade mark renewal revenue commencing in 2021 caused by the change to the renewal period under the current trade marks legislation, along with patent surpluses of \$1.0 million to \$0.2 million over the same period.

- Cost to serve per unit involves setting the fee to the calculated cost to serve. This methodology offers the highest level of transparency but inflicts a high cost on services such as hearings, amendments and restoration services, and may not optimise economic efficiency.
  - Cost to serve entire register involves taking a broad and even view across all patent services (including the new charging points under the Patents Act). The fees are set to recover the cost to serve at an aggregate level. This methodology is efficient and equitable and the level of fees do not penalise low volume services. Fees are set at a level which will encourage users to participate in the process and maintain the integrity of the register to the benefit of existing patent holders. Effectiveness is lost through the reduced transparency of how the fees are set.
  - Considering the fees charged by similar overseas offices looks at the fees currently charged by the intellectual property offices in Australia, United Kingdom and Canada as these countries have already adopted similar legislation to the Patents Act. This option offers no transparency about the accuracy of the level of fees. However, it does provide a benchmark to compare fee proposals against and this is discussed below.
  - Adjusting the Fees by Consumer Price Index (CPI) takes the current fees and applies a factor to bring the costs to an adjusted level equivalent to the increase in the CPI to the 2012 financial year. This option offers no transparency about the accuracy of the level of fees. However, it does provide a benchmark to compare fee proposals against.
39. A further factor that was taken into account was the desire to not radically depart from the current fee structure and to assist IPONZ clients by having the patents fee structure broadly comparable to the fees charged by IPONZ for the other intellectual property rights it grants.
40. It was determined in consultation with Deloitte that the most appropriate approach to allocate the fees to each patent service was to consider the recovery of costs for the total patent services. Some of the services maintain the benefit to existing holders or are useful ancillary services that contribute to the wider good of the register. Furthermore, it was considered important to set fees for applications and examinations at levels that do not deter applicants from applying for patents, or from challenging the grant or validity of patents.
41. It was considered equitable and efficient to charge annual renewal fees even though the direct costs associated with this service are low. It was considered important to set fees for renewals at a level that partially subsidise the costs associated with hearings, oppositions and revocations since it is to the overall benefit to existing holders that these activities take place – noting that the fees must still be high enough to deter frivolous proceedings.
42. All users receive the benefits of these services. Therefore, it was sought to ensure that total patent revenue is able to cover total patent costs over time, but with an over-riding principle of optimising economic efficiency, even when this may reduce effectiveness of actual cost recovery at an individual product level.
43. An important objective of the patents fees review is to recover the cost to serve for the current services provided by the patents team under the 1953 Act as well as the additional services required under the Patents Act. Based on the Trade Marks Fees

Review in early 2012, the memorandum account is projected to be in a healthy situation as long as patents operate at around breakeven. For this reason, IPONZ proposes leaving the fee for complete and PCT applications at \$250 along with introducing an examination fee (\$500), implementing an annual renewal fee structure from the 4th year after grant (\$100), increasing in year 10 (\$200) and increasing again in year 15 (\$350), increasing the fee for amendments to \$150, introducing a renewal late fee (\$50) and aligning hearing fees with those charged under the Trade Marks Regulations 2003.

## **Proposed fees**

### **Provisional, Complete and Treaty Application Fees**

44. When a patent application is filed the owner is seeking protection for their invention which if granted will give them the right to exclude others from making, selling, offering for sale, or importing a patented invention for the term of the patent. The owner of a patent may licence their invention to others to take action against anyone who tries to use their invention without their consent.
45. Under the 1953 Act an applicant is charged \$250 for either a complete application or a Treaty application, and once this fee is paid IPONZ will assess the patent application with no other fees charged until the patent application is granted and a renewal fee is charged 4 years later.
46. A provisional application gives applicants, who may be deterred by the costs of the patent process, the option to pay a smaller fee (\$50) to file a provisional specification of their invention with IPONZ first. This gives the applicant more time to work on the development, financing and marketing of their invention before filing a complete application.
47. It is proposed that the application fees for complete applications and Treaty applications be kept at their current rate of \$250, which is above its current cost to serve. This is based on a conservative but realistic view from IPONZ that difficult economic conditions are likely to cause application volumes to decrease. Since Treaty applications are a large part of the patents business, it is proposed to keep the Treaty application fee at its current level so that any continued negative impact on Treaty application volumes and revenue due to the difficult economic conditions, including potential for on-going shocks out of Europe, are mitigated.
48. It was decided that the provisional application fee, which is set well below the current cost of processing provisional applications, should be increased to \$100, which is just below its current cost to serve as this is economically efficient and serves to permit entry into the patent system.

### **Examination Fee and Re-examination Fee**

49. The Patents Act introduces a new charging point for examination. Under the Patents Act IPONZ will only undertake a full examination of a patent application once an examination is requested and the relevant fee has been paid.
50. In setting the proposed fees IPONZ considered it necessary to set the examination and re-examination fees at a level which did not deter individuals from progressing their application for a patent. Re-examination is a process where the Commissioner is requested to examine an application or patent again in light of newly filed submissions and documents.

51. IPONZ has determined that the examination process is where the majority of the patent examiners' time is spent. This is reflected in the relatively high personnel cost per examination (\$768 per examination of personnel costs out of the total \$868 allocated to examinations). However a high examination fee could create a disincentive for individuals to request examination, or even create disincentives for innovation by deterring individuals away from innovative activity. A lower than cost examination fee encourages users into the system, and provides the ability to recognise the public interest value associated with patenting their invention.
52. On this basis, it is proposed that the Examination Fee be set at \$500, a level that is somewhat less than the modelled cost to serve, on the basis that some of the costs of examination will be recaptured in the annual renewal fee (and the application fees discussed above).
53. The Patents Act also introduces provisions for the re-examination of patent applications. The re-examination fee has not been modelled explicitly due to a lack of projected volume data. However this procedure will also have relatively high personnel cost per unit due to the searching and examination required by Patent Examiners and so the same fee of \$500.00 is proposed.

### **Annual Renewal Fee**

54. It is proposed that the current staged renewal fee every 4th (\$170), 7th (\$340), 10th (\$540) and 13th (\$1,000) year after grant be changed to an annual maintenance or renewal fee similar to the model provided for under the Australian Patents Act 1990 (Cth), which is charged annually from the 4th year after filing of a 'complete application' with the fee level stepping up in the 10th and 15th years. The annual maintenance or renewal fee is proposed to be charged every year from year 4 to 19 with the fee proposed to be initially set at the cost to serve in year 4 to year 9 (\$100) increasing to \$200 from year 10 to year 14 and to \$350 from year 15 to year 20.
55. IPONZ further considered that it was necessary to set the fee at a level that would provide the necessary incentive for people not just to renew a patent because they can and to abandon patent applications or to allow patents to lapse where they are not receiving sufficient benefit from the patent, thereby ensuring that when an applicant or patentee is no longer interested in an application or patent, then the application is abandoned or the patent lapses promptly and the invention placed in the public domain as quickly as possible. This approach is sanctioned by section 292(2) of the Patents Act.
56. It is proposed that the annual renewal fee beyond year 10 be set at a higher level than the cost to serve on the basis that the economic benefit of holding a patent grows over time, with the patent holder able to generate greater economic benefit from their invention each year they hold it. In addition these renewal fees partially recover the cost of oppositions, revocations and hearings as these services help to maintain the integrity of the register which is to the benefit of both patent holders and the public.

### **Amendment Requests**

57. Requests to amend patent applications, amendments after acceptance all require increased examination and review by patent examiners and additional costs to IPONZ. Amendments after acceptance can be particularly costly as examiners need to re-examine a specification due to an amendment made after the patent application has been accepted.

58. The majority of amendment volumes relate to amendments of patent applications and specifications. It is proposed that the fee for each of the amendment services be set at a level slightly above the cost to serve amendments to patent applications and specifications, at \$150. This fee is lower than the cost to serve for amendments after acceptance.

## **Restorations**

59. Restorations occur as a result of an owner of a patent not paying the applicable renewal fee in time or within the extension period, or not responding to an examination report in time. In order for the application or patent to be restored, the owner must provide evidence and full reasons supporting the restoration. Restorations can be complex in nature and are often dealt with by Principal Patent Examiners. With the small volume of restorations occurring each year (approximately 100) it is proposed that the fee for restorations be set at \$100 which is much lower level than the current cost to serve, so as not to unreasonably adversely affect patent applicants or owners.

## **Challenges to the grant and validity of a patent**

60. The Act provides procedures to allow third parties to apply to the Commissioner to challenge the grant of a patent and to revoke a granted patent. These procedures, which include opposition, re-examination and revocation procedures, contribute towards ensuring that patents are only granted for genuine innovations and do not prevent others from exploiting technologies which should be free for all to exploit. Setting fees for these procedures at a 'reasonable' level is important to ensure that patentees and third parties are able use these procedures if needed, rather than requiring full cost recovery for these individual services for IPONZ.
61. In most cases, opposition and revocation procedures will involve a hearing before the Commissioner before a final decision is issued. Hearings may also be requested during the patent examination and re-examination processes. Hearings attract a high direct cost per unit due to the personnel costs associated with hearing officers against the low volume of these services. Oppositions and revocations take up a significant portion of the hearing team's time however the relatively low level of volumes for these procedures also result in a high cost per unit which would be difficult to justify given the value the service offers to the rest of the patent system.
62. A new fee for revocations is proposed since there are significant costs associated with this service, but no fees are currently charged. The volume of revocations is expected to remain relatively low from the 2013 financial year onwards. A comparable fee is charged in Australia.
63. It is proposed that Hearing, Revocation and Opposition Fees for patents be brought into line with those adopted in 2012 for similar processes under the Trade Marks Regulations 2003 (\$850 for Hearings and \$350 for Oppositions). This includes introducing a Revocations Fee at \$350. Although these fees are well below their current costs to serve, it is important to set the fee for these services at a reasonable level to not dissuade patentees and third parties from using the services as they assist in maintaining the integrity of the register.

## **Comparison to Overseas Intellectual Property Offices**

64. The Patents Act allows for a number of additional charging points along with a higher level of examination on all patent applications. Other overseas offices have already adopted similar legislation to the Patents Act. Therefore to ensure the proposed fees

are set at a reasonable level a comparison of the proposed fees was undertaken with the Intellectual Property Offices in Australia, United Kingdom and Canada.

65. Overall, the proposed charging points are relatively similar to those offered in other Intellectual Property Offices. At least one of the three offices was charging for all of the updated fee points in the Patents Act, with the exception of an amendment after acceptance fee. The fees charged in Australia are much higher across all fees as well as having a number of additional charging points such as requests for extension of time fees.
66. Both Australia and the United Kingdom operate under an annual renewal fee structure with their fees much higher every year than those proposed for IPONZ. Canada was the only office not operating under an annual renewal period.

### **Questions**

1. Do you agree with the approach that has been taken to the apportionment of costs across the various prescribed fees?
2. Do you agree with the approach to move to an annual maintenance/renewal fee?
3. Are the proposed fees likely to have significant impacts on you or your business? If so, what is the nature of those impacts?
4. If your business is providing patent attorney services to clients, what impact do you think the proposed fees will have on your clients?

### 3. Examination request

#### Introduction

67. The 2013 Act (section 64) introduces a requirement for an applicant for grant of a patent to make a separate request for examination in addition to their application for a patent. The request for examination may be made voluntarily (section 64(1)) or following a direction to the applicant by the Commissioner of Patents that they request examination (section 64(2)). The Act also provides grounds for a third party to request that the Commissioner direct an applicant to request examination.
68. Under the 1953 Act no request for examination is necessary. An application may be examined as soon it is filed. Applicants have very little, if any, control over the timing of examination after the application is filed.
69. Presently, IPONZ has a business target of examining all standard patent applications under the 1953 Act within 15 working days of the filing date of the application accompanied by a complete specification. In most cases a first examination report is issued within 5 working days of the filing date of standard applications.
70. For PCT national phase applications (Treaty applications), IPONZ has a business target of issuing first examination reports within 9 months of the examinable date (PCT Article 21/32). A first examination report is generally issued within 15 working days of an application being assigned to an examiner.
71. Applicants do not always want a first examination report to be issued soon after filing of a patent application. For business or financial reasons, applicants may wish to delay examination, for example to coordinate their patent applications across a number of countries, or to focus on achieving the grant of patent in specific countries ahead of others. The timing of examination is often a significant factor in these matters.
72. Countries such as the UK, USA, Japan, and Australia, and the European Patent Office, require applicants to file a separate request (and pay an examination fee) for examination of a patent application. The request for examination is usually required to be filed within a specific period of time which is usually set out in the relevant legislation.
73. While the ability to request examination is meant to provide some flexibility to applicants, it is in the public interest and the interest of applicants that applications are examined within a reasonable period after filing date. Examination ensures that the scope and extent of any patent rights in an application are suitably defined and where appropriate granted. It is important to ensure that any unexamined applications do not unduly act as a barrier to normal trade beyond a defined time period, and yet still provide a reasonable time for applicants to file applications for protecting their innovations.
74. Under the 1953 Act, from 1 January 2007 to 1 January 2012, approximately 22% of all applications filed at IPONZ were abandoned without any response having been filed following issuance of the first examination report. This represents approximately 4300 applications which were examined without any response from the applicant. The lack of response to a first examination report does not necessarily reflect a lack of interest in the application. For example, it may be that the applicant having received the examination report decides that the invention is not novel and does not wish to pursue the application any further.

## Request deadline

75. It is proposed that an applicant must request examination within three years of the filing date of complete specification. For Treaty applications, the filing date of the complete specification is defined in the Act as the filing date of the international application, and for convention applications the filing date is date of the application in New Zealand which claims convention priority (not the filing date of the convention application from which priority is claimed).
76. It is considered that the period of three years strikes an appropriate balance between providing sufficient flexibility for applicants and ensuring that applications are examined in a timely manner. The period is broadly in step with the periods prescribed in other jurisdictions, for example a period of three years to request examination is longer than that of the UK and the EPO, where a request for examination is required to be filed within about two years and two and half years from the earliest priority date. Australia prescribes a five year period (section 44, regulation 3.15(1)) for applicants to request examination.
77. In recognising the difference in the period of three years proposed under section 64 and the five year period under Australian law, the following should be noted. The proposed three year period is not considered to provide a regulatory barrier to applicants who will wish to file applications both in New Zealand and Australia for the same invention. IPONZ examines both standard and national phase entry patent applications relatively quickly, and it is anticipated that this practice will continue under the Act. IPONZ anticipates that directions for examination will be issued to applicants within one year of the filing date of the complete specification and within 6-12 months of the national phase entry date. The period for issuing a direction to applicants is well within the proposed three year period under section 64.
78. Applicants have the ability to voluntarily request examination without receiving a direction to request examination for IPONZ. However, it is anticipated that most requests will arise following issuance of a direction and that the workflow requirements of IPONZ will drive the rate and number of requests for examination.
79. The most significant likely factor which would affect IPONZ's ability to examine applications under the Act is the size of the patent examination team. If the size of the patent examination team is insufficient to meet the examination demand, then a likely outcome would be a later direction to request examination. However, IPONZ will meet its patent examination team requirements under the Act. Therefore, prescribing a significantly longer period such five years will not serve any useful purpose in this context.
80. With regard to applicants wishing to file applications in both New Zealand and Australia for the same invention – IPONZ and IP Australia will operate independently of one another with respect to issuing direction for examination under the Act. IP Australia issue directions for the majority of applications later than 53 months from the priority date<sup>4</sup>. At present, it is not anticipated that IPONZ will issue directions to applicants in the same time periods as are presently set by IP Australia. Therefore, setting a longer period than three years as proposed will not achieve any particular purpose.

---

<sup>4</sup> <http://www.ipaustralia.gov.au/about-us/what-we-do/ip-statistics/directions-issued/>

## **Prescribed period to request examination following a direction from the Commissioner**

81. The Act provides for a period to be prescribed in regulations within which, following a direction from the Commissioner under section 64(2) to request examination, a request for examination must be made. A failure to request examination and pay the examination fee within the prescribed period will result in the application being deemed abandoned (section 64(6)).
82. It is proposed that the period to be prescribed under section 64(2) will be two months from the date that the Commissioner issues her direction. It is not proposed that there be any ability to seek an extension of this period.
83. As noted above, the notion of requesting examination following a direction from the Commissioner is based upon section 44 of the Australian Patents Act 1990. The main reason that the Commissioner would direct an applicant to request examination is to ensure a steady flow of work for IPONZ. It will also be possible for a third party to request that the Commissioner direct that an applicant request examination. Third parties might do this if they wish to know what (if any) patent rights might be granted on the invention concerned so that they may make appropriate commercial decisions.
84. A two month period to request examination following a direction from the Commissioner allows some flexibility for applicants, but ensures that examination is progressed in a timely manner where necessary. The proposals relating to the period in which a request for examination must be filed after a direction from the Commissioner are consistent with Australian patent law.

## **Prescribed grounds for requesting or directing examination**

85. Section 64(2) of the Act allows for grounds to be prescribed on which the Commissioner may direct that a request for examination be made. The proposed grounds for directing examination are intended to allow both IPONZ and the applicant some degree of flexibility over determining when a particular application should be examined after filing.
86. For IPONZ this flexibility may be, for example, linked to the number and order of applications filed by applicants. Additionally, some applications may be linked to other applications (e.g. the parent and divisional applications) and it may be necessary to consider these applications substantially simultaneously as they relate to the same or similar subject matter.
87. Third parties may want to request that the Commissioner direct the applicant to request examination. To do so, the third party must cite at least one of the prescribed grounds as the basis for the request.
88. IPONZ proposes to adopt the same grounds as are prescribed under Australian law. Alignment of certain aspects of the regulatory regimes of Australia and New Zealand will reduce the compliance effort of businesses which apply for patents for the same invention in both Australia and New Zealand.
89. The proposed prescribed grounds for requesting examination based upon Australian regulations are:
  - that the Commissioner reasonably considers it expedient to give the direction having regard to the progress made in the examination of applications filed before the filing date of the application concerned;

- that the Commissioner reasonably considers it to be in the public interest to give the direction; and
- that the Commissioner reasonably considers it expedient to give the direction, having regard to the examination of another application for a standard patent.

**Questions:**

5. Do you agree that deadline by which applicants must request examination should the deadline be three years from the filing date of the complete specification or international filing date, as appropriate?
6. What effect would prescribing a period longer than the proposed three years have on you given that is anticipated that IPONZ anticipates issuing directions to request examination well within the proposed three year period?
7. Should the deadline be aligned with Australia, which provides a five year period after filing? What would be the costs and/or benefits of aligning with Australia?
8. Do you agree that the prescribed grounds for issuing of a direction to an applicant to request examination are appropriate? Are there other grounds on which a direction should be able to be made?
9. Do you agree that the two month period is a suitable period of time for applicants to comply with a direction from the Commissioner to request examination? How would prescribing a period of two months impact on you or your clients?
10. Do you agree that the period for requesting examination voluntarily (three years from filing date) or at the direction of the Commissioner (two months from the issue of the direction) should not be extendible? If yes, then why and under what circumstances?

## 4. Third party assertions and re-examination

### Introduction

90. The Patents Act provides for a number of mechanisms to challenge applications or granted patents at various stages including: third party assertions, re-examination, pre-grant opposition and revocation. The 1953 Act provides opportunities to challenge a patent application or patent through the pre-grant opposition (section 21), revocation (section 42) and third party observations processes (section 22).
91. Under the Patents Act, third party assertions (section 90) and re-examination (sections) have been introduced as low cost options for third parties to challenge the validity or acceptability of patents or accepted applications. These new processes are in addition to the pre-grant opposition and revocation provisions which have been carried over from the 1953 Act. The third party observation process of section 22 (1953 Act), still exists in a modified form as the third party assertion provision (2013 Act).
92. The third party assertion and re-examination processes are ex parte, which means that the person making the request for re-examination does not take part in the process beyond making the request for re-examination. However, a person who makes a third party assertion or re-examination request will be able to follow the progress of the examination or any re-examination, as all examination reports and responses from applicants will be open to the public via the Commissioner's website.

### Third party assertions

93. Any person may make a third party assertion (section 90) that an invention in a patent application is not new or inventive at any time following publication (section 76) of the complete specification and before publication (section 74(2)(a)) of the accepted complete specification in the Journal.
94. The option for any person to file a third party assertion is intended to be a low cost mechanism (no fees) to bring documents or information relevant to the novelty and/or inventiveness of the invention in an application to the attention of the Commissioner.
95. To be useful, the third party assertion process should be straight-forward for the person making the assertion, while at the same time providing the Commissioner and the applicant with sufficient information to consider the nature and content of the assertion, and then take any appropriate action.

### Notifying the Commissioner

96. It is proposed that a person who wishes to make a third party assertion will be required to use the Commissioner's online case management system. It is proposed that a third party assertion will need to include the following information:
  - The number of the patent application to which the assertion relates;
  - A statement (or notice) identifying:
    - the reason(s) for the assertion (i.e. lack of novelty and/or inventive step)
    - the information and/or document(s) relied upon to support the assertion;

- where the information and/or document(s) can be sourced by the Commissioner OR failing this, provide copies of the document(s); and
- a verified English language translation of any document if it is not in English.

**Questions:**

11. Do you agree that the proposed process for making a third party assertion will ensure that sufficient information is provided to enable the Commissioner to consider and deal with the notice?
12. Will the proposed process for dealing with third party assertions impose significant costs on you or third parties?

**Procedure for informing the applicant or patentee of a third party assertion**

97. It is proposed that regulations made under the Patents Act will prescribe the manner in which the Commissioner will consider and deal with a notice of a third party assertion as described below.
98. A notification of the assertion will be sent to the applicant using the Commissioner's online system. The notice to the applicant will include all information supplied to the Commissioner with the assertion.
99. After receiving notification of the third party assertion, the applicant may voluntarily amend the application at any time following notification by the Commissioner of the assertion, in order to address any issues raised. However, if the applicant has not yet requested examination, then there will be no further action from the Commissioner with respect to the third party assertion until examination has been requested.
100. Where the third party assertion has been filed and a request for examination has either been filed or the application is already under examination, then the examiner will consider the content of the third party assertion during the examination process.
101. The examiner may either:
  - issue a further examination report dealing with matters raised in the assertion if, for example, an examination report has already been issued but not yet responded to by the applicant; or
  - where the application is under examination and a report has not yet been issued which mentions the matters raised in the assertion, the examiner may deal with any matters raised in the assertion at the same time as other examination matters and issue an examination report.
102. Where a response to an examination report has yet to be filed, then a further examination report may be issued and the period to place the application in order for acceptance may be extended to two months from the date of the notification.
103. Where the application is not yet in order for acceptance and an examination report is to be issued on the outstanding matters, and where the examination report also includes new objections arising directly from matters raised in the assertion, then the period for placing the application in order for acceptance (section 71(1)) will be extended to afford the applicant two months to respond to the examination report.

## Questions

13. Do you consider that the time for placing an application in order for acceptance should be extended if a third party assertion is received? If so, then is the period up to two months suitable. If not, what should the term be and why?
14. Is the proposed process for dealing with third party assertions likely to impose significant costs on applicants or third parties?

## Re-examination

### Introduction

104. Re-examination is another new feature in New Zealand patent law. Any person may request the Commissioner to re-examine an application before grant and after acceptance, (section 94) or a granted patent (section 95). The Commissioner can also decide to re-examine an application or patent without receiving a request to do so.

### Notification of a request for re-examination

105. Where a request from a person is received and the re-examination fee is paid, then it is proposed that the regulations will require that the Commissioner must notify the applicant or patentee of the request.
106. Where an accepted application or patent is the subject of proceedings before the Commissioner or the Court, a request for re-examination may be of relevance to the proceedings. Therefore, it is proposed that the Commissioner must notify the applicant/patentee, and each party to the proceedings of an opposition or revocation, of the request for re-examination.
107. These proposed regulations reflect regulation 9.1 of the Australian Patent Regulations 1991.

### How the notification will be made

108. It is proposed that the regulations will require that the Commissioner must inform the applicant (and each party to the proceedings under section 92) via the Commissioner's online system, and must identify the ground or grounds for the re-examination. If one or more party to the proceedings is not a registered user of the Commissioner's online system, then the Commissioner may choose another means of informing the party of the request for re-examination.

### Requesting re-examination

109. It is proposed that a person making a request for re-examination must use the Commissioner's online system, identify the patent application or patent by its number, and specify one or more grounds for re-examination (these are set out in the Act, sections 94 and 114) and pay the re-examination request fee.
110. Where the request includes an assertion relating to matters to be considered under section 14 (patentable inventions), then the notification must include the following:
111. A statement of the reasons why the grounds are relevant to the complete specification or application;
112. A statement of the relevance of any documents that have been identified in the request;

113. A copy of any document identified in the request that is not available or held by IPONZ and:
- a verified English language translation if the document is not in English; and
  - evidence of the date and place of publication of the document where this is not otherwise apparent from the document.
114. The foregoing requirements are very similar to Australian patent regulation 9.2.
115. Where the request does not meet the requirements set out above, then the Commissioner shall inform the person of the reasons that the request did not meet one or more of the requirements set out above and provide the person with an opportunity to meet any outstanding matter. It is proposed that a time period of up to one month from the date of issuing a notification to the person that the request does not meet the requirements be set by the Commissioner.
116. The Commissioner may decide not to re-examine the complete specification if the request does not meet the requirements of a re-examination request. If the request does not meet the requirement, then the applicant/patentee may not be informed of the re-examination request unless or until the request complies with the notification requirements set out above.

### **Amending the notification**

117. A request for re-examination can be amended or withdrawn at any time before the Commissioner issues a re-examination report under section 97.
118. In practice, the issuance of a notification to the applicant or patentee that a request for re-examination has been received will very likely be at the same time that the Commissioner issues a report on the matters raised by the re-examination request.
119. The work required to be undertaken in assessing and reporting on a request for re-examination will include substantive consideration by an examiner. As a result, the notification to the applicant/patentee will include or will be issued at same time as the re-examination report.

### **Manner of making and amending a request for re-examination**

120. All requests for re-examination and amending such requests must be made using the Commissioner's online system amending or withdrawing the request.

### **Questions**

15. Where a re-examination request includes an assertion relating to matters to be considered under section 14, do you agree that the person making the request should be required to provide the Commissioner with copies of relevant documents, verified English language translations and the evidence of the place and date of publication of documents? If not, then why not?
16. Do you agree that the person making a request should be provided with the opportunity to correct deficiencies in the request? If not, then why not?
17. Do you agree that if the person making a request is allowed to make amendments to the request, then they should be allowed to do this at any time up to issuance of an examination report, or some other time period?

## Report on re-examination

121. The Act requires that the Commissioner must consider and report on the balance of probabilities whether any of the relevant grounds for re-examination have been established (section 97).
122. It is proposed that the regulations will require that an applicant must respond to an adverse report on re-examination within two months of the date that the report is issued. All matters raised in the report must be addressed and resolved to the satisfaction of the Commissioner within two months of issuance of the first re-examination report. A relatively short period is proposed, as it is expected that objections which are likely be raised in re-examination will be fewer than under a typical full examination of an application. The same period of two months is prescribed by Australian regulation 9.4(1) to meet the objections raised under re-examination.

## Questions

18. Is a two month period to respond and address all matters in an adverse report on re-examination likely to impose significant costs/impacts on you or your clients?
19. Do you think that the time period to address a re-examination report should be more or less than two months?
20. Should the period should be extendible? If yes, then on what grounds and by how long?

## Revocation – re-examination after grant

123. The Act provides that the Commissioner may revoke a patent, either wholly or in part, if matters raised during a re-examination after grant of the patent are not addressed satisfactorily. It is proposed that the period for meeting all matters raised in an adverse report on re-examination after grant will be two months from the date of issuance of the first re-examination report.
124. Where the patent is to be partially revoked (i.e. revoked in so far as it relates to a particular claim or claim) then it is proposed that the Commissioner will notify the patentee of the claims which are to be revoked and provide the patentee with one month to file an amended specification. The specification must only be amended to remove the claims identified by the Commissioner as those to be revoked. No other amendments to the specification will be permitted.
125. The amended specification will be notified in the journal.
126. Should the patentee wish to propose additional amendments to the specification, then this can only be done under section 85 and after the re-examination process, including notification of the amended specification.
127. Where a patent is to be revoked in its entirety, then the Commissioner will notify the patentee of this decision and date upon which the patent will be revoked. The revocation will be notified in the journal.
128. Re-examination is available in a number of countries, including Australia. The re-examination provisions of the Act are modelled broadly on the Australian law. It is therefore appropriate to consider the Australian regulations (see Chapter 9, regulations 9.1 to 9.5) insofar as they meet with the needs of New Zealand. The Australian provisions are set out broadly above.

## 5. Time period for placing an application in order for acceptance

### Introduction

129. The Act provides for a time to be prescribed in regulations within which an application must be placed in order for acceptance or become void (section 71).
130. Under the 1953 Act, an application must be placed in order for acceptance no later than 18 months from the filing date of the application (section 19(1) and (2)). Unlike the current Act, the 1953 Act does not have a separate requirement to request examination of an application. Therefore an application will generally be examined and accepted or refused within the 18 month period.
131. The Act requires a separate request for examination and, as proposed elsewhere in this discussion document, the request for examination may not be filed for up to three years from the filing date of the complete specification. As noted with respect to divisional applications, it is in the public interest to examine applications in a timely and effective manner to ensure that the applicant obtains any patent protection, and that the public are in a clear position to understand what rights have been granted, without unduly long periods of time passing from the filing date of the application.
132. Having a period of time to place an application in order for acceptance provides the applicant and the public with a degree of certainty as to the form and extent of protection which may be granted.
133. It is therefore proposed that the period for placing an application in order for acceptance be 12 months following issuance of the first examination report under section 65(1).
134. An identical period of twelve months from issuance of the date of the first examination report is also prescribed in Australia (see Australian regulation 13.4(1)(b)).

### Questions

- |   |
|---|
| <p>21. What are the likely costs/impacts of the proposed reduction in the period to put an application in order for acceptance from 18 months under the 1953 Act to 12 months under the current Act?</p> <p>22. Do you agree that 12 months is an appropriate period of time to place an application in order for acceptance?</p> |
|---|

## 6. Address requirements

### Service of notices - address for service

135. The Act (section 233) sets out delivery requirements for the service of documents to any person. The person should have documents delivered or sent to an address for service, last known place of residence/business or sent electronically to an electronic address or fax.
136. An address for service is generally an address of the agent of the person, or it may be the business or private address of the person. It is proposed that the regulations will require the following persons to provide an address for service, on the basis that it may be necessary for documents to be served on them under the Act:
- the applicant(s) for all applications made under the Act and regulations;
  - the patentee of any patent granted under the Act;
  - all parties to proceedings; and
  - any agent of any applicant, patentee, or party to proceedings under the Act.
137. It is proposed that the Commissioner may require one address for service for any communication with the Commissioner in the name of two or more persons with different addresses.
138. The requirements set out above are the same requirements found in regulation 13 of the Trade Mark 2003.

### Questions

23. Will the proposed requirements regarding the address for service be more or less difficult to fulfil for you than the current requirements?
24. Will the proposed requirements require you to make any significant changes to how you deal with IPONZ?

### Communication address

139. Communications between IPONZ and a person for the purposes of the Act will primarily be electronic using the Commissioner's online system. It is proposed that the regulations will provide for a communication address, which can be an address where day to day correspondence may be sent. A communication address is intended for correspondence where there is no legal requirement for service.
140. It is intended that the patent regulations will follow the Trade Mark Regulations 2003 (regulation 15) which provides that a person may file a communication address with the Commissioner for the purpose of receiving general correspondence. For example, the communication address may simply be an email address to which correspondence or notifications can be sent via the Commissioner's online system.

### Questions

25. Will having an address for day-to-day correspondence which is different from the address for service would be useful to you?

26. What additional costs will be imposed on you by allowing persons dealing with the Commissioner to provide an address for communication which is separate from the address for service?

### **Single Address for service in New Zealand or Australia**

141. The 1953 requires that an address for service must be in New Zealand. For registered New Zealand agents with a place of business in Australia, the requirement for a New Zealand address for service means that the agent must provide a New Zealand address (e.g. a business or New Zealand associate) to meet this requirement. There may be additional costs incurred in engaging New Zealand associates or securing a New Zealand address for service. The costs of securing an address for service in New Zealand will add to the cost of obtaining patent protection in New Zealand.
142. Approximately 40% of the applications filed into New Zealand by foreign applicants are represented by agents who are registered New Zealand patent attorneys with a main place of business in Australia.
143. In the single application process (see Section 9 Single Economic Market Patent Outcomes), an applicant entering the national phase in both New Zealand and Australia for the same invention will be required to enter the application details, including an address for service, in one place for both applications.
144. It is proposed that the address for service requirement for the single application process and single examination process under the SEM will be for there to be one address for service for both applications.
145. Accordingly, it is proposed that the regulations will require that the address for service must be an address in either New Zealand or Australia. The same proposal will also be extended to the regulations made under the Trade Marks Act 2002, the Designs Act 1953 and Plant Variety Rights Act 1987.

### **Questions**

27. What effect will allowing the address for service to be in either New Zealand or Australia have on patent applications and service of documents under the Act?
28. What are the costs and/or benefits from the requirement to provide a single address for service in either Australia or New Zealand to you?
29. What effect, if any, will this requirement have on your business, or that of your clients?

## 7. Proceedings under the Act

146. The Hearings Office is the part of IPONZ that deals with proceedings such as patent oppositions and revocations. The 1954 Regulations relating to patent proceedings have remained substantially unchanged for decades and have therefore been reviewed to clarify and improve the procedures in relation to proceedings.
147. It is proposed that the regulations to be for proceedings under the Patents Act will be modelled closely on the corresponding Trade Mark regulations relating to proceedings (regulations 26 to 36). These proposed regulations are mainly technical and unlikely to affect the majority of IPONZ clients, as there are generally about 100-120 patent proceedings underway at any given time.
148. The following proposed regulations are considered desirable because they increase the Commissioner's ability to control proceedings and ensure that proceedings are conducted in an efficient and timely manner, which is of benefit to all parties to the patent process. The provisions have been in place in relation to trade marks since 10 December 2012 and have been effective in ensuring that proceedings are conducted efficiently for all parties.

### **Commissioner may require parties to attend case management conference**

149. It is proposed that the regulations will introduce a requirement that parties must attend a case management conference where the Commissioner may give directions which are consistent with the Act and the regulations relating to the conduct of the particular proceeding. The proposed process would be equivalent to regulation 26 of the Trade Marks Regulations 2003.
150. It is proposed that the Commissioner will be empowered to give directions which:
- fix times for steps to be taken in a proceeding;
  - specify steps to be taken to prepare for the hearing
  - direct how the proceeding is to be conducted; and
  - require parties to use best endeavours to agree on the handling of confidential information.
151. The Commissioner would be required to give parties at least 10 working days advance notice of a case management conference. The parties may attend in person or by a telecommunication link that is acceptable to the Commissioner.

### **Parties must comply with Commissioner's directions at case management conference**

152. It is proposed that the regulations will require all parties to a proceeding to comply with directions issued by the Commissioner at a case management conference. The proposed regulations would be equivalent to regulation 27 of the Trade Marks Regulations 2003.

153. Where a party persistently or repeatedly fails to comply with the Commissioner's directions, it is proposed that the Commissioner must as soon as is practical, request that party to provide an explanation to the Commissioner and the opposite party for the non-compliance within a period set by the Commissioner. The opposite party may provide comments within a further period set by the Commissioner.
154. The Commissioner would then be required to consider the explanation and any comments from the opposite party before deciding whether the first party has a reasonable explanation for the repeated or persistent non-compliance.
155. It is proposed that the Commissioner must advise the parties if the he or she is not satisfied with the explanation. If this is the Commissioner's decision then the non-compliant party will no longer be allowed to take any further part in the proceeding.
156. For the purposes of determining whether non-compliance is repeated, it would be irrelevant that a failure by a party to comply with a direction is of a different form, or different in any other way, from a previous or subsequent failure by the party to comply with that direction.
157. It is proposed that the notification of the decision that the Commissioner intends to take must include advice to the parties that they may require a hearing and specify a period of not less than 10 working days within which a party may request a hearing.
158. If a party requires it, the Commissioner must as soon as practicable hold a hearing, and the Commissioner may only make a decision after holding a hearing.

### **Commissioner may halt proceeding**

159. It is proposed that the Commissioner have the ability to order a halt in a proceeding, if the Commissioner thinks it appropriate, on the application of a party or on the Commissioner's own initiative. The proposed regulations would be equivalent to regulation 28 of the Trade Marks Regulations 2003.
160. The Commissioner could halt the proceeding for the period and on the terms and conditions that the Commissioner thinks appropriate, but must not halt the proceeding for more than six months.
161. The Commissioner could subsequently halt the proceeding for further periods, but on each occasion for no more than six months.

### **Commissioner may require production of documents**

162. It is proposed that the regulations will allow the Commissioner, at any stage in a proceeding under the Act or these regulations, to require a party by notice in writing or by direction made at a case management conference to do either of the following things within a time specified by the Commissioner:
- file copies of documents with the Commissioner:
  - provide other parties to the proceeding with copies of documents.
163. It is proposed that the Commissioner may give a notice or make a direction as described above on the Commissioner's own initiative or on the application of any party to the proceeding. The proposed regulations would be equivalent to regulation 31 of the Trade Marks Regulations 2003.

### **Commissioner may consolidate proceedings**

164. It is proposed that the regulations will provide that the Commissioner may require that two or more proceedings to be consolidated on terms that the Commissioner thinks just, or may require them to be heard at the same time or one after the other, or may require any of them to be halted until after the determination of any other of them, if the Commissioner is satisfied—

- that a common question of law or fact arises in both or all of them; or
- that the proceedings relate to—
  - identical patents; or
  - patents with the same, or related, owners; or
- that for any other reason it is desirable to require consolidation of proceedings under this regulation.

165. The proposal above is equivalent to regulation 31A of the Trade Marks Regulations 2003.

### **Commissioner may extend time**

166. It is proposed that the Commissioner may, except where the Act or regulations stipulate that time must not be extended, extend any time prescribed by the regulations for a step to be taken for a period not exceeding three months. It is proposed that the Commissioner may grant such an extension of time if the Commissioner is satisfied that the extension is reasonable in the circumstances. If more than one extension is granted in relation to a step to be taken, the total period of those extensions must not exceed three months. This proposal would be equivalent to regulation 32 of the Trade Marks Regulations 2003.

167. The Commissioner may, except where the Act or regulations stipulate that time must not be extended, extend any time prescribed by the regulations for a step to be taken for any period (whether or not in addition to an extension under the power described above) if the Commissioner is satisfied that there are genuine and exceptional circumstances that justify the extension.

168. It is proposed that the Commissioner may stipulate any terms and conditions on which an extension of time is granted.

### **Party filing evidence must copy submissions to opposite party**

169. It is proposed that there will be a general requirement that a party filing evidence with the Commissioner under the Act or the regulations must send a copy of the submissions to the opposite party not later than two days before the date of the hearing.

170. Note that this is a modification of the comparable regulation 33 of the Trade Marks Regulations, in that it introduces a period of time.

### **Evidence out of time**

171. It is proposed that a party to a proceeding will not be able to file evidence in a proceeding after the expiry of the prescribed time unless the party has applied to the Commissioner for permission to file it and the Commissioner allows it. The proposed regulation would be equivalent to regulation 34 of the Trade Marks Regulations 2003.

172. The Commissioner would be able allow the evidence to be filed only if—
- the Commissioner considers that there are genuine and exceptional circumstances that justify filing the evidence; or
  - the evidence could not have been filed earlier.
  - An application to file evidence out of time should include the following information:
  - the party's name and address for service:
  - if the party has an agent, the agent's name:
  - the nature of the evidence and whether it is evidence in chief or evidence strictly in reply:
  - an explanation why the evidence could not have been filed earlier.
173. The proceedings to which the proposed regulations relating to evidence out of time would apply to are:
- an opposition to the grant of a patent under section 92 of the Act:
  - an application for revocation of a patent under section 112 of the Act:
  - an application to correct an error or omission under section 202 of the Act.
174. These regulations will also need to prescribe the procedure to be followed for the proceedings in oppositions under section 92, revocations under section 112 and correction of errors or omissions under section 202 of the Act, including how they are initiated. That procedure is not dealt with in this set of drafting instructions.
175. It is proposed that the process for making an application to file evidence out of time would be the same as that provided under regulation 35 of the Trade Marks Regulations 2003. An application for permission to file evidence out of time would have to contain the following information:
176. The applicant's name and address for service:
- if the applicant has an agent, the agent's name:
  - the nature of the evidence and whether it is evidence in chief or evidence strictly in reply:
  - an explanation why the evidence could not have been filed earlier:
  - any other ground or grounds for making the application.
177. It is proposed that the Commissioner would be required to notify the opposite party of the application, and that the opposite party could make submissions to the Commissioner within a time specified by the Commissioner.
178. The Commissioner would then be required to notify the parties of the decision that the Commissioner intends to make on the application. That notification should include:

- the ground or grounds on which the Commissioner intends to reject or accept the application; and
- advice to the parties that they may request a hearing on the matter within 1 month of the notification after which the Commissioner would finally determine the application

179. If a party requests a hearing on the application to file evidence out of time the Commissioner would be required to hold a hearing as soon as practicable. The only exception would be where the Commissioner considers that a party has persistently or repeatedly failed, without reasonable excuse, to attend a hearing or agree to a hearing date, in which case the Commissioner may exercise discretion and either direct a hearing on the papers or treat the request a hearing as withdrawn.

180. Where a party is permitted to file evidence in chief out of time, it is proposed that the opposite party may file evidence strictly in reply within one month after the date of being notified by the Commissioner that the evidence out of time will be admitted in the proceeding (see regulation 35A of the Trade Marks Regulations 2003).

### **Evidence from another proceeding**

181. It is proposed that the Commissioner may, at the request of a party to a proceeding, accept evidence that the party has filed with the Commissioner in an earlier or existing proceeding. This would be equivalent to regulation 35B of the Trade Marks Regulations 2003.

### **Commissioner may require parties to use best endeavours to reach confidentiality agreement**

182. It is proposed that the regulations will provide the Commissioner with the ability to require the parties to a proceeding to use their best endeavours—

- to agree on how evidence that is considered confidential (whether by the party filing the evidence or by the Commissioner) is to be treated in the proceeding; and
- to reach an agreement within a time specified by the Commissioner.
- This proposal is equivalent to regulation 35C of the Trade Mark Regulations 2003.

### **Refusal of applications for revocation of patent**

183. It is proposed that the Patents regulations will include a provision that is equivalent to regulation 36 of the Trade Marks Regulations 2003. This would provide that where the Commissioner intends to refuse an application for revocation of a patent under section 113(1) of the Act (on the grounds that the application is frivolous or vexatious, or that the application is substantially the same as an earlier proceeding), the Commissioner must, as soon as practicable, notify the applicant that the Commissioner intends to refuse the application.

184. The Commissioner's notification should —

- specify the grounds on which the Commissioner relies to refuse the application; and
- advise the applicant that the applicant may require a hearing; and



- specify a period of not less than 10 working days after the applicant has received the notification for the applicant to require a hearing; and
- advise the applicant that the Commissioner will refuse the application at the end of that period if the applicant has not required a hearing.

185. It is proposed that the Commissioner must, as soon as practicable, hold a hearing on the proposed refusal if requested by a party, unless the commissioner considers that a party has persistently or repeatedly failed, without reasonable excuse, to attend a hearing or agree to a hearing date, that the commissioner may exercise discretion and either direct a hearing on the papers or treat the request a hearing as withdrawn.

### **Questions**

- |   |
|---|
| <p>30. Do you think that the proposed regulations relating to proceedings under the patents Act 2013 will have any implications for you or your clients?</p> <p>31. Are there any other amendments to the proceedings processes that you think should be considered in the proposed regulations?</p> <p>32. What benefits and/or costs or disadvantages do you think the proposed regulations relating to proceedings will have for patent applicants or third parties?</p> |
|---|

## 8. Electronic case management system

186. IPONZ introduced a new online case management system for patents in December 2012. The case management system is an internet-based system for receiving, and issuing correspondence and other documents necessary for patent applications, granting of patents, maintenance of applications, patent renewals and proceedings.
187. Uptake of the online case management system since its introduction (although not mandatory) has been very high - almost 100% of all patent applications are made online. Similarly almost all patent examination reports and responses are serviced through the online case management system. However, a minority of clients use other means (paper-based and email) to communicate with IPONZ and this requires maintaining infrastructure, processes and staff in place to receive the documentation.
188. It is proposed to mandate use of the online case management system for all communications to and from IPONZ and filing of documents with IPONZ under the Act.
189. Mandating use the online case management system is not inconsistent with the Electronic Transactions Act 2002. The Trade Marks regulations 2003 (as amended 2012) mandate the use of the online case management system, as does the Personal Property Securities Act and regulations.
190. IPONZ considers the case management system to be robust and secure. However, if in rare and unforeseen circumstances that the online system is not available (eg through an internet outage) and clients cannot file new applications or communicate with IPONZ then it is proposed that the Commissioner has the power: to declare a closed day at short notice and clients would not be required to meet any deadlines until the next working day; and in extra-ordinary or emergency circumstances the commissioner may allow alternative filing means such as email.
191. Using the case management system simplifies IPONZ's activities and reduces client costs through delivering patent services exclusively through electronic means. There is no longer any need for IPONZ and clients to operate and maintain costly paper-based and manual systems for patent matters as all documents and transactions are located in the case management system.
192. Reduced compliance and administrative costs by providing services online reduces the level of fees for providing those services.

### Questions

- |  |
|--|
| 33. Will mandating use of an online case management system create additional compliance costs for you in communicating with IPONZ on patent matters? |
|--|

### PCT Applications

193. Regulations cannot mandate using the online case management system for filing applications to enter the national phase under the Patent Cooperation Treaty (PCT). Rule 49.4 PCT prohibits national offices (IPONZ) from mandating the use of a 'national form' where applicants wish to enter the national phase.
194. The online case management system has been implemented to make entering the national phase very easy for applicants. Applicants need only enter the international application number into the online form and the system will populate many of the

application details automatically. The applicant can amend certain details and submit documents online in support of the application, and pay the application fee online. As noted above, the uptake of the online case management system for filing patent applications, more particularly PCT national phase entry applications is nearly 100%, even without mandating use of the online system.

## 9. Single Economic Market Patent Outcomes

195. In August 2009, Prime Ministers Key and Rudd issued a joint statement of intent in which outcomes for the Single Economic Market (SEM) between Australia and New Zealand were agreed. The two patent outcomes of the SEM are the development of a single patent application process (SAP) and a single patent examination process (SEP) for New Zealand and Australian patent applications.
196. The development of the SAP and SEP for New Zealand and Australian patent applications are outcomes under the SEM agenda and are also initiatives under the Government's Business Growth Agenda.
197. IPONZ and IP Australia will work together over 2014 and 2015 on the detail of the SAP and SEP. At this point, only some high level details of the SAP and SEP processes have been identified and are discussed briefly in this document.
198. The aims of the SAP and SEP are to reduce duplication of the application and examination processes for applications filed in both New Zealand and Australia.

### Single Application Process

199. To obtain patent protection in a country of interest, an application for a patent must be filed in each country. Around 95% of all New Zealand patent applications have a corresponding application filed in Australia. Reduction of this duplication of effort at the application stage is the target of the single application process.
200. The single application process will provide innovators with an online portal through which a pair of corresponding patent applications (one each for New Zealand and Australia) can be filed simultaneously at IPONZ and IP Australia for the same invention. The online portal will be accessible from the websites of IPONZ and IP Australia.
201. The patent application filing requirements for New Zealand and Australia will be met by using the SAP online portal and that where appropriate the filing requirements of New Zealand and Australia will be aligned. Where the application details for both applications are identical, then the applicant will only be required to enter these details once.
202. The SAP is proposed to allow applicants to:
  - file a patent specification including any proposed amendments only at the time of filing the applications,
  - pay a single application fee (covering both applications),
  - request examination at the time of filing the applications (and pay the relevant combined fee)
  - file a notice of entitlement.
203. The filing date of each application will be determined by the date on which the application data, associated documents and indication that the appropriate filing fee has been paid is received at the respective IP office.

204. For applications made at for example 11pm Canberra time, the Australian application will receive the filing date of that day, whereas the New Zealand application will receive a filing date of the next day.
205. It is proposed that if use is made of the SAP then only when the filing requirements for making patent applications in both New Zealand and Australia are met, will the applications progress to receive a filing date and patent application number.
206. For example, if the application fee payment is insufficient to meet the single or combined application fee of both New Zealand and Australia, then the single application process will not progress until the full payment is made.
207. Use of the SAP is proposed to be optional, and applicants may choose to file patent applications via the alternative means available at IPONZ and IP Australia.

## **Benefits**

208. Applicants will save approximately 15-30 minutes for each pair of corresponding applications, as applicants need only enter the same information and documents once, rather than twice. If all 5700 patent corresponding applications were filed via the SAP, then the time saving would be from 1425-2850 hours per year. Additional time savings will be realised by agents in administering their own patent systems and processes.

## **Single Examination Process**

209. Patent applications in New Zealand and Australia undergo separate patent examination processes to determine whether a patent should be granted. The examination process of patent applications requires significant time and input from both the applicant and intellectual property offices. There is significant duplication in examination effort by IPONZ and IP Australia in examination of corresponding applications for the same invention for the same applicant. The Patent Act 2013 and the Australian Patents Act 1990 are very similar in many respects, but some differences still exist. Alignment of the two laws provides a significant opportunity to improve the efficiency of the examination procedures between IPONZ and IP Australia.
210. The intent of the single examination process is to provide efficient way for applicants, IPONZ and IP Australia to move through the examination process for the same invention in corresponding applications in both New Zealand and Australia at the same time. That is: two applications for the one invention, one examination process, and two granted patents.
211. The SEP will only be available for corresponding applications for the same invention where both applications have a single address for service e.g. the same patent attorney represents the applicant for both applications. Both applications will be examined by one examiner located in either IPONZ or IP Australia. The applicant will not able to choose which office examines the applications.
212. The SEP may be requested by the applicant at the time of requesting examination. It is not proposed that there be a separate SEP request fee. However, the normal examination request fee will be required to be paid for the applications to be examined. The level of the examination fee has not been set, and some further work is required to identify the fee level for examination under the SEP.
213. Examination reports issued by the examiner under the SEP will raise matters relating to each application under the corresponding legislation and practice of New Zealand or Australia.

214. Examination reports issued under the SEP will be sent to one address for service and therefore a single address for service will be required for the SEP.
215. Responses to SEP examination reports will be required to address the matters raised in the examination report in accordance with the law and practice of New Zealand and Australia as appropriate.
216. All matters which are required to be addressed under the normal examination processes of New Zealand and Australia will be part of the SEP.

## **Benefits**

217. The SEP will help ensure the high quality patents are granted and shared resources and expertise will increase the robustness of patent examination in both New Zealand and Australia. A joint quality system will be developed between IPONZ and IP Australia to ensure consistency of outcomes.
218. Applicants will benefit as they will only need to respond to a single examination report rather than two separate responses to two separate examination reports for the same invention.

## **Questions**

34. Do you agree that the proposed single application process will save time for applicants wishing to file two applications for the same invention in New Zealand and Australia?
35. Do you consider that the proposed single application process would provide additional benefits to applicants?
36. Do you agree that the single examiner process should be limited to pairs of corresponding applications having a single address for service? What disadvantages for applicants do you see with this aspect of the proposed SEP?
37. Will requiring a single examination report and single response add cost or complications to the process of obtaining patent protection under the SEP compared to separate reports and responses under the SEP?
38. Do you agree that the requests for SEP should only be voluntary?

## 10. Patent Regulations 1954 - some proposed changes

A number of changes and deletions are proposed to the Patent regulations 1954 and are set out in Table 1. The changes are primarily technical or minor in nature and are for the most-part required for implementation of the Act.

**TABLE 1 Patent regulations 1954 – some proposed changes**

<b>Patent Regulations 1954</b>	<b>Comments</b>
3-7 Fees	Proposed to reflect Trade Mark regulations 167-171.
8 Notice of Fees due	Retained in substance.
9 Forms Prescribed in the Second Schedule	Retained to allow Commissioner to amend online form requirement represented on the case management system
10 Size, etc., of Documents	Proposed to be amended to also reflect PCT rules 11.5, 11.6, 11.8(b) and 11.9(a)
11 Duplicate Documents	No longer required for electronically filed documents
12 Numbering of Pages	Proposed to be amended to also reflect PCT rule 11.7
13-16 Agents – Acting for Applicants, and Authority, etc	Proposed to amend to reflect Trade Mark regulations 19-23
17 Addressing of correspondence	Proposed to amend to reflect Trade Mark regulations 13, 15-18, including introducing notification of a communication address (TM regulation 15) and mandating use of the electronic case management system.
18 Address for service required in all cases	Proposed to reflect Trade Mark regulation 13
19 Appropriate forms to be used	No longer required for electronically filed documents.
20 Personal representative to establish right to act	Will be amended to reflect that the nominated person is entitled to the grant of a patent, rather than the person entitled to make an application.

21 Declaration of inventorship	Not required – notice of entitlement is now required to be filed before acceptance.
22 Cognate applications	Proposed to be the same in substance
23 Date of divisional application	Proposed that divisional applications will automatically be antedated to the date of the parent application and that the applicant may request a different filing date.
24 Division of applications if not cognate	Propose to remove
25 Evidence in support of convention applications	Propose to regulate to have the same effect but and requirement for translation
26 Division of convention application	Propose to be the same in same substance
27 Extension of period for filing complete specification	Propose to allow the same three month extension period
28 Request for post-dating an application	Propose to require that request is made via online case management system.
29-35 Drawing requirements	Propose to follow PCT rules 7.1, 11.10(d), 11.13(a)-(i) and 11.13(l). 11.5 and 11.6(c) and allow drawing to be filed in colour or black and white.
36 Drawing filed with provisional specifications	Propose to delete
37 Order of examination	Propose to amend to reflect that applications will be examined in date order of receipt of requests to examine.
38 Examination may be advanced	Propose to retain in substance and introduce a requirement to provide evidence in support of the request
39 Examination procedure under section 13 of the Act	Propose to reflect the substance and reflect that the procedure relates to matters under section 14 of the Act
40 Examination procedure under section 14 of the Act	Propose to delete, no equivalent of section 14 in the new Act.
41 Periods in regulation 40 hereof may be extended	Propose to delete

42 Application for the result of a search	Propose to delete. Examination reports and applicant responses including proposed amendments are proposed to be publically available under section 76.
43 reference to prior specification	Propose to delete – no equivalent of section 14 in new Act.
44 Reference to prior art	Propose to delete – no equivalent of section 16 in new Act.
45 Reference to applicant includes patentee	Propose to reflect in substance
46 Extension of time under section 19(2) of the Act	Propose to delete – no form required
47 Extension of time under section 20(1) of the Act	Propose to delete – no form required
48-52 Opposition to grant	Propose to retain in substance. Remove reference to forms as all actions and requests are proposed to be performed using the online case management system.
53 Supply of documents, etc, for use of Commissioner	Propose to retain in substance, except no requirement for duplicate copies.
54 Hearing	Propose to retain in substance – no form required.
55 Insertion of a reference	Propose to delete – no equivalent of section 16 in new Act.
56 Costs	Propose to retain in substance
57-59 Refusal of patent without opposition	Propose to delete – third party assertions are set out herein above.
60-63 Mention of inventor as such	Propose to retain in substance. Requests and statements to be filed online
64 Manner of mention of inventor	Propose to delete.
65-66 Substitution of applicants	Propose to retain in substance. Remove need for forms and multiple copies of documents.
67-70 Sealing	Propose to delete

71 Form of patent	Form of letters patent is under consideration.
72 Amendment of patent	Propose to retain in substance.
73-77 Renewal fees	Propose amendments to reflect proposed annual payments, remove the need to use forms, introduce limitation on advance payments, and remove late sealing provisions.
78 Inventions relating to defence or atomic energy	Propose to retain in substance
79-84 Extension of term of patent	Repealed
85-88; 90-98 Restoration of lapsed patents and applications	See herein above. Propose to retain in part. Remove need for forms. Propose that the application for restoration must at the time of filing include the evidence required to support the application. If evidence by way of statutory declaration is insufficient, then patentee will be given two months from notification by the Commissioner to provide sufficient evidence to support the application for restoration. If sufficient evidence is not provided, then the restoration request will be refused.
89 Order of commissioner	Propose to retain in substance.
99-100 Amendment of specification or application for a patent	Propose to retain in substance - remove requirement to use forms. Proposed amendment will be identified, although not necessary to use 'red ink'.
101 Application to amend unaccepted complete specification	Retain in substance – remove requirement to use form.
102 Application to amend application for patent	Delete
103 New specification and drawings as amended may be required	Propose to retain in substance, including as part of the requirements for filing a response to an examination report.
104-108 Revocation and surrender of patent	Propose to retain in substance – remove requirement to use forms.

109-114 Licences of right	Delete – Act does not provide for licences of right
115-121 Compulsory licence, etc	Delete – applications for compulsory licences are to be made to the Court (Part 4 subpart 5 of the Act)
122-123 directions to co-owners	Propose to retain in substance – remove requirement to use forms
124 Disputes as to inventions made by employees	Propose to retain in substance and reflect option for Commissioner to refer the application to the Employment Relations Authority – remove requirement to use forms.
125 Register to record grant of patents	Propose to retain in substance with removal of reference to sealing and nationality of the patentee
126-130 Register of patents	The details of the register of patents are under consideration.
131 entry of claim from special provision	Delete – sections 31-33 revoked
132 application for dispensing with probate or letters of administration	Propose to retain in substance – remove requirement for forms.
133-136 Correction of errors	Propose to retain in substance – remove requirement to use forms
137-140 Certificates and information	Propose that all requests for information and certified copies of documents will be available via online requests and for substantially the same information and documents as are available under regulations 137-140.
141-149 Evidence and attendance of witnesses before the commissioner	Propose to retain in substance with suitable amendments to reflect place of hearings and removal of requirement for forms.

### Questions

39. How will the proposed changes to the 1954 Patent regulations affect you?
40. Will any of the changes add regulatory compliance costs beyond what you expected?

## 11. Summary List of Questions

1. Do you agree with the approach that has been taken to the apportionment of costs across the various prescribed fees?
2. Do you agree with the approach to move to an annual maintenance/renewal fee?
3. Are the proposed fees likely to have significant impacts on you or your business? If so, what is the nature of those impacts?
4. If your business is providing patent attorney services to clients, what impact do you think the proposed fees will have on your clients?
5. Do you agree that deadline by which applicants must request examination should the deadline be three years from the filing date of the complete specification or international filing date, as appropriate?
6. What effect would prescribing a period longer than the proposed three years have on you given that is anticipated that IPONZ anticipates issuing directions to request examination well within the proposed three year period?
7. Should the deadline be aligned with Australia, which provides a five year period after filing? What would be the costs and/or benefits of aligning with Australia?
8. Do you agree that the prescribed grounds for issuing of a direction to an applicant to request examination are appropriate? Are there other grounds on which a direction should be able to be made?
9. Do you agree that the two month period is a suitable period of time for applicants to comply with a direction from the Commissioner to request examination? How would prescribing a period of two months impact on you or your clients?
10. Do you agree that the period for requesting examination voluntarily (three years from filing date) or at the direction of the Commissioner (two months from the issue of the direction) should not be extendible? If yes, then why and under what circumstances?
11. Do you agree that the proposed process for making a third party assertion will ensure that sufficient information is provided to enable the Commissioner to consider and deal with the notice?
12. Will the proposed process for dealing with third party assertions impose significant costs on you or third parties?
13. Do you consider that the time for placing an application in order for acceptance should be extended if a third party assertion is received? If so, then is the period up to two months suitable. If not, what should the term be and why?
14. Is the proposed process for dealing with third party assertions likely to impose significant costs on applicants or third parties?
15. Where a re-examination request includes an assertion relating to matters to be considered under section 14, do you agree that the person making the request should be required to provide the Commissioner with copies of relevant documents, verified English language translations and the evidence of the place and date of publication of documents? If not, then why not?
16. Do you agree that the person making a request should be provided with the opportunity to correct deficiencies in the request? If not, then why not?
17. Do you agree that if the person making a request is allowed to make amendments to the request, then they should be allowed to do this at any time up to issuance of an examination report, or some other time period?
18. Is a two month period to respond and address all matters in an adverse report on re-examination likely to impose significant costs/impacts on you or your clients?



19. Do you think that the time period to address a re-examination report should be more or less than two months?
20. Should the period should be extendible? If yes, then on what grounds and by how long?
21. What are the likely costs/impacts of the proposed reduction in the period to put an application in order for acceptance from 18 months under the 1953 Act to 12 months under the current Act?
22. Do you agree that 12 months is an appropriate period of time to place an application in order for acceptance?
23. Will the proposed requirements regarding the address for service be more or less difficult to fulfil for you than the current requirements?
24. Will the proposed requirements require you to make any significant changes to how you deal with IPONZ?
25. Will having an address for day-to-day correspondence which is different from the address for service would be useful to you?
26. What additional costs will be imposed on you by allowing persons dealing with the Commissioner to provide an address for communication which is separate from the address for service?
27. What effect will allowing the address for service to be in either New Zealand or Australia have on patent applications and service of documents under the Act?
28. What are the costs and/or benefits from the requirement to provide a single address for service in either Australia or New Zealand to you?
29. What effect, if any, will this requirement have on your business, or that of your clients?
30. Do you think that the proposed regulations relating to proceedings under the patents Act 2013 will have any implications for you or your clients?
31. Are there any other amendments to the proceedings processes that you think should be considered in the proposed regulations?
32. What benefits and/or costs or disadvantages do you think the proposed regulations relating to proceedings will have for patent applicants or third parties?
33. Will mandating use of an online case management system create additional compliance costs for you in communicating with IPONZ on patent matters?
34. Do you agree that the proposed single application process will save time for applicants wishing to file two applications for the same invention in New Zealand and Australia?
35. Do you consider that the proposed single application process would provide additional benefits to applicants?
36. Do you agree that the single examiner process should be limited to pairs of corresponding applications having a single address for service? What disadvantages for applicants do you see with this aspect of the proposed SEP?
37. Will requiring a single examination report and single response add cost or complications to the process of obtaining patent protection under the SEP compared to separate reports and responses under the SEP?
38. Do you agree that the requests for SEP should only be voluntary?
39. How will the proposed changes to the 1954 Patent regulations affect you?
40. Will any of the changes add regulatory compliance costs beyond what you expected?

# Appendix One

## Simplified patent process flowchart

The flowchart is provided to allow a quick reference point for the general outline of the patent process.

