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By email

RESEARCH, SCIENCE AND INNOVATION SYSTEM PERFORMANCE REPORT 2018

INTRODUCTION

This submission has been prepared by The New Zealand Institute of Patent Attorneys, Inc (NZIPA).

NZIPA is an incorporated body representing most Trans-Tasman patent attorneys registered and practising in New Zealand.

The current membership of NZIPA comprises 156 Fellows, 1 Honorary, 35 Students, 20 Non-resident, 15 Associates and 6 Retired.

Patent attorneys operate in the global arena across all sectors of industry to assist businesses in their key markets and to use intellectual property (IP) systems for strategic advantage. Patent Attorneys are qualified to, and regularly advise on, all intellectual property rights including patents, trade marks, designs, and copyright.

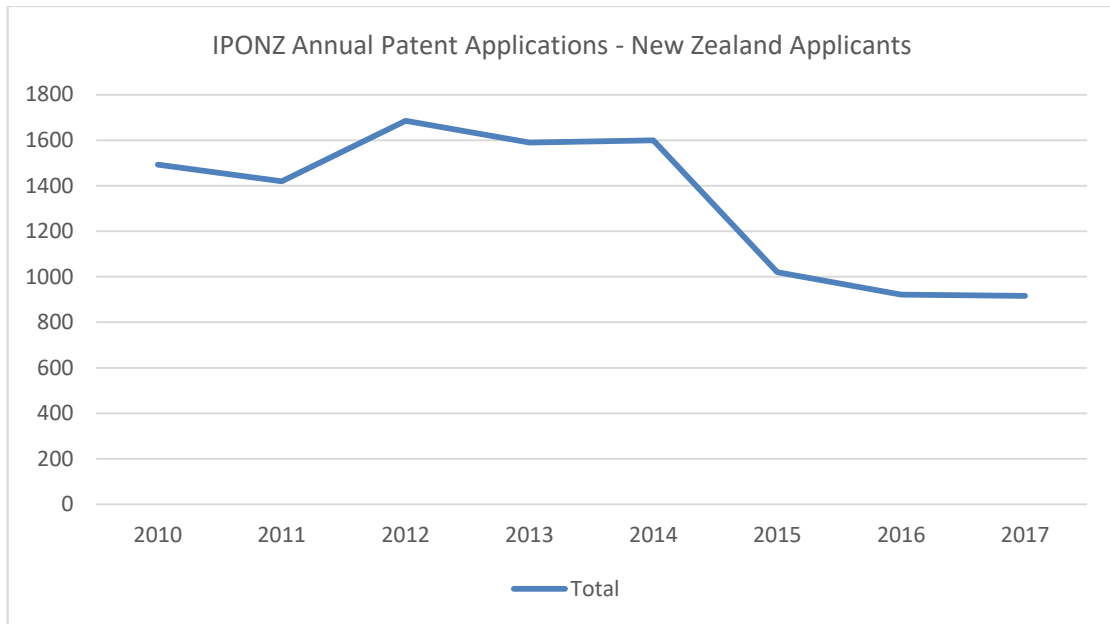
RESEARCH, SCIENCE AND INNOVATION SYSTEM PERFORMANCE REPORT 2018

We are concerned with the methodology used in, and the conclusions drawn in, the section on pages 22 and 23 of the Research, Science and Innovation System Performance Report 2018 (the "Report") which discusses "Patents and publications".

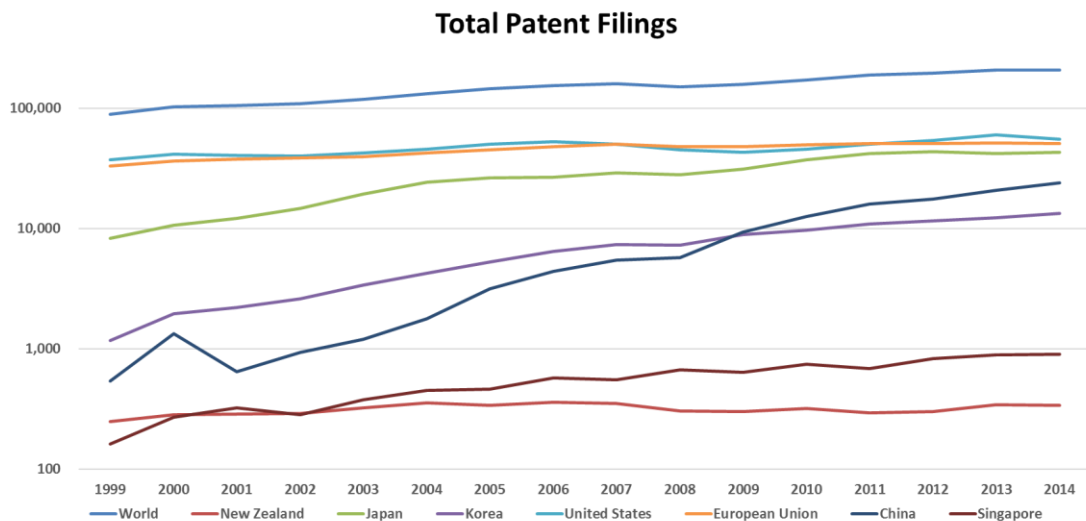
We understand from page 3 that this is a new section in the annual report, and assume that MBIE intends to include this section in future reports.

The section commences with the sentence "Patents are one of the more easily measurable outputs of research" and yet nothing in the Report provides any discussion of that actual correlation. We believe the Report should have included a study of patent output as a function of patentee origin.

Our own analysis of that global data shows that in recent years the number of patent applications filed annually by New Zealand applicants is declining. This data is readily available from the Intellectual Property Office of New Zealand (IPONZ) database and is summarised in the following graph:



When compared with our major trading partners, New Zealand’s downward trend is almost unique.



Beyond the first sentence on page 22, the Report includes an analysis that we believe is inherently flawed. In our view, each of the caveats articulated on page 23 have such a bearing on the data shown that both the analysis given and conclusions made are not statistically significant.

As patent attorneys we draft patent specifications on a regular basis. In fact, other than the rare occasion when an inventor will draft the patent specification themselves, patent attorneys prepare the overwhelming majority of patent specifications globally. As such we are uniquely placed to appreciate why a patent specification might refer to an academic publication.

A patent specification may or may not refer to an academic publication - many patent specifications do not refer to any academic publication at all. Where an academic publication is referred to, it may be for three main reasons:

- The patent applicant/attorney may be trying to distinguish the information in that academic publication from the invention described in the patent specification to assist the reader in ascertaining the true nature of the invention. By referring to the publication, the patent applicant/attorney is arguing that the publication is incidental to the invention. In this case, the correlation made on pages 22-23 of the Report does not exist because that academic publication has not “contributed to an invention with potential commercial value”;
- The academic publication may have been cited by a patent examiner against the patent application and the academic publication is included in an examination report associated with the application. Citations may be judged to be particularly relevant (i.e. potentially prejudicial to the novelty or inventive step of an invention) or merely of background relevance. It is not clear from the Report whether, and if so which, such references are included in the dataset obtained from Scival.com. In any event, the association of the academic publication with the patent application suggests that an examiner considers the invention in the patent application is very similar to the information in the academic publication. Again, this does not support the conclusion that the research in the academic publication has “contributed to an invention with potential commercial value”. Quite the opposite. If the academic publication is very similar, then the patent application will not be allowed and so the potential commercial value will be reduced. If the academic publication is not very similar then the patent will be allowed. In either case, the academic publication has not made any meaningful contribution;
- In some jurisdictions the applicant may be required to explicitly include reference to an academic publication in the patent application only when the examiner has decided that the patent application should be allowed. Again, this does not provide any indication that the research in the academic publication has “contributed to an invention with potential commercial value”. Quite the opposite. The examiner has determined that the academic publication is not very similar, otherwise the application would not have been allowed.

As such, it is difficult for us to reconcile the statement on page 23 that “citations of research in patents indicate commercial potential” with our extensive experience citing research in patents.

Furthermore, we do not agree with the generalisation on page 22 that patents “are less relevant in some economic sectors (such as software development) and in environmental and social areas”. While New Zealand has taken a very extreme position of providing a statutory exemption to a set of technologies that are purely related to software, the rest of the world continues to grant patents in software-related fields. To that end, IBM continues to be the largest filer of patent applications globally, closely followed by many large technology companies such as Apple, Microsoft and Google. In addition, globally approximately 110,000 patent families are pursued annually in the field of green energy technologies alone. This is only a small segment of the “environmental” areas that the Report refers to.

We welcome the opportunity to discuss these issues with you further.

Yours faithfully

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