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By email to:

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Submissions in relation to the Issues Paper of September 2024 entitled:
"Location Conditions For The Employment Experience Required To Register As A Patent Attorney"

INTRODUCTION

These submissions have been prepared by the New Zealand Intellectual Property Attorneys Inc, previously known as 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 179 Fellows, 3 Honorary, 12 Students, 12 Non-resident, 30 Associates and 2 Retired.

ISSUE

We understand that IP Australia and MBIE are seeking submissions from NZIPA as a "peak body representing the patent attorney profession" in order to inform joint advice to the Australian and New Zealand Governments on what changes, if any, should be made to Regulation 20.10 of the *Patents Regulations 1991* (AU).

Specifically, we understand that IP Australia and MBIE are considering whether any changes need to be made to the existing employment location requirements for registration of a patent attorney, in light of a single submission made by a single person working in Singapore for an Australian based patent attorney during the Review[1] of the framework, which was completed in May 2023. We understand that that single submission formed the basis for Recommendation 3:

[1] Report on the Review of the Arrangement Between the Governments of Australia and New Zealand Relating to the Trans-Tasman Regulation of Patent Attorneys, May 2023

IPA and MBIE should consult further with the profession about the location conditions specified for the employment requirements under regulation 20.10 of Australia's Patents Regulations 1991. Ministerial consideration of possible amendments may be required.

Following that recommendation, IP Australia and MBIE are now seeking:

"our views on whether the location conditions should be changed and, if so, how to better facilitate registration of candidates who work remotely for either an Australia or New Zealand patent attorney, especially when they are located in a third country".

THE VIEW OF THE TRANS-TASMAN PATENT ATTORNEY PROFESSION – OPTION 4: NO CHANGE

After receiving the issues paper, NZIPA reached out to its membership base asking for comments on the Issues Paper. NZIPA did not receive any comments supporting any change to the current employment location requirements within the patent attorney registration regime. In contrast, numerous statements supporting maintaining the *status quo* were provided. Likewise, none of the individual members of NZIPA Council considered that any change to those requirements within the regime were needed or even desired. The considered view of NZIPA is that IP Australia and MBIE should jointly recommend "Option 4: No change".

Separate to that internal process, NZIPA has also met with IPTA and understands that there is unanimous support within IPTA for maintaining the *status quo* being "Option 4: No change".

We understand from the "Next Steps" section of the Issues Paper that if any changes to the *Patents Regulations 1991* (AU) are recommended in the joint advice, then further consultation with NZIPA will take place.

QUESTIONS FOR CONSULTATION

Q1. How important is it for a candidate's training and work experience to qualify for registration to reside in the same town, city and/or country as their supervising/employer patent attorney(s)?

NZIPA believes that it is extremely important for a candidate's training and work experience, during at least two of the years that it takes to gain registration as a patent attorney, to take place as close physically to their supervising patent attorney(s) as possible. Invariably, the quality of supervision being provided by the patent attorney(s) will be greater when the candidate is able to meet with them physically.

While in recent years, working from home has become an embedded part of the flexibility offered by many employers, we are now seeing a global movement to encourage the workforce to spend more time in central workplaces. In part, that movement stems from the realization that professional experience is often gained through spontaneous social

interaction and collegiality, rather than through scheduled meetings over video conference.

Q2. What difficulties do patent attorneys face in providing, and candidates receiving, training and relevant work experience when candidates work remotely? How are these difficulties managed and overcome?

The difficulties faced by candidates and patent attorneys when working remotely are often disproportionately greater for candidates than for registered patent attorneys who are capable of functioning more autonomously.

The quality of the training provided by the supervising patent attorney(s) to a candidate will typically be linked to the quality of the rapport between them. It is far harder to develop a rapport between a busy supervising attorney and a candidate if the only interaction that they have is over video conference, since that format masks social cues, non-verbal communication, and may shorten the duration of interaction due to the impersonal nature of the format.

Additionally, candidates sharing workplaces with other candidates or recently qualified patent attorneys benefit from a sense of collegiality that cannot be replicated in remote working environments – whether it is the talk around the coffee machine, the ability to share a meal, or bounce ideas off each other *ad hoc*. This collegiality is important for the mental health of candidates, and contributes positively to the enjoyment of the candidates embarking on a career as a patent attorney.

The flip-side of these benefits that are offered by close physical proximity between the candidate and their colleagues/supervising partner(s), is that they are lost where a candidate works remotely. In most cases these difficulties cannot be effectively managed or overcome

Q3. Do you consider that the location conditions are still appropriate and, if so, why? What changes, if any, should be considered?

As noted above, there is no desire within the Trans-Tasman profession to change the current employment location conditions. The reasons for that position are many, and have been touched on above. For instance, the quality of training being offered to a candidate is directly related to the physical proximity of the candidate and the supervising patent attorney(s) on a daily basis.

NZIPA does not believe that any changes to the employment location conditions should be considered.

The Intellectual Property Laws Amendment Act 2015 (effective 24 February 2017) provided a single trans-Tasman patent attorney regime, and in so doing it removed the previous residency requirement from the regime used to register Australian patent attorneys by repeal

of section 198(4)(a).[2] In explaining that change, the Explanatory Memorandum to *The Intellectual Property Laws Amendment Bill 2014* stated:

> *"Item 17: Repeal of residency requirement… The Patents Regulations will continue to specify stringent requirements for the qualifications and employment of individuals seeking registration [Part 2 of Chapter 20 of the Patents Regulations 1991]. These appear sufficient to ensure the technical competence and good character of individuals registered as patent attorneys in Australia and New Zealand. No residency requirement will be prescribed in the regulations."*

So, the decision to remove the requirement for a registered patent attorney to be resident in either country was contingent on the "stringent requirements" in the Regulations being (merely) "sufficient to ensure the technical competence… of patent attorneys in Australia and New Zealand". Those requirements included that the candidate must be employed in Australia or New Zealand – as introduced with the *Intellectual Property Legislation Amendment (Single Economic Market and Other Measures) Regulation 2016* (effective 14 November 2016).

Clearly, the removal of the residency requirement was a decision made on balance at a time when supervision by video conference technology was certainly a possibility. It is not possible to know whether the same legislation would have passed, if it was envisaged that the candidate could become registered having spent less than 2 years (if at all) employed in Australia or New Zealand. It is reasonable to assume that the present regulations specify a bare minimum expectation for connection with Australia or New Zealand in order to gain registration and continue on as a registered patent attorney.

Q4. Do you have a preferred option (from those outlined above) and why? Is there another option to better address the above issue?

Option 4: No change.

Q5. What risks or unintended consequences could occur if the location conditions were removed? For example, would removing the location conditions lead to candidates having less exposure to Australian/New Zealand patents-related work?

A conservative approach should be adopted to considering reform of the regime for registration of patent attorneys in circumstances where, we submit, no problem exists.

At item 6.15 of the Review it was noted that "there is no evidence of a patent attorney shortage". As such, it cannot be said that there is any hindrance on the end user accessing patent attorney services such that it would be desirable to increase the number of patent attorneys by increasing the population base from which candidates may apply so as to consider those individuals that have never lived in Australia or New Zealand and may never do so.

[2] Item 17, Schedule 4—Australia New Zealand Single Economic Market

Likewise, at item 7.9 the Review states that "Although the affordability of patent attorney services may be a barrier for some smaller businesses, the factors contributing to this issue and the potential means of addressing them are largely unrelated to the regime and are beyond the scope of this review". Without conceding the accuracy of this point, it cannot be said that the recommendation made in the Review was informed by any *perceived* issue of access to affordable patent attorney services, that might somehow be improved by increasing supply from people that have never lived in Australia or New Zealand and may never do so.

It is conceivable that allowing the registration of patent attorneys who have never lived in either Australia or New Zealand provides an opportunity for registered attorneys/organizations to train non-resident candidates and undermine the quality of registrants. In particular, the Issues Paper confirms that Trans-Tasman Patent Attorneys are tasked with "dealing with the *unique needs* of clients in these jurisdictions" (emphasis added). Those clients benefit from a range of skills provided by patent attorneys, including an awareness of local social, cultural, environmental, economic, and political factors that are best learned by the candidate *living* in Australia or New Zealand at some stage of their training. Removing the location conditions will inevitably lead to a reduction in the ability of the candidate to relate to the *unique needs* of clients in Australia and New Zealand, particularly since the repeal of the residency requirements.

Furthermore, in a mature industry such as the patent attorney profession, it is reasonable to say that the size of the available market is stable. By increasing the supply of service providers from outside Australia and New Zealand, by removing the employment location requirements, it stands to reason that the number of patent attorneys able to pursue gainful employment while living in Australia and New Zealand will decrease. In turn, the ability of users of the systems to access local, quality service providers that understand their *unique needs* will decline.

Beyond the users of the system, there is an economic and social benefit for Australia and New Zealand to require candidates to have lived locally at some stage. In short, by potentially never living in Australia or New Zealand, the local economies would not benefit from the candidate spending income here, nor would the candidate integrate positively with the social fabric of either country.

Q6. What safeguards, if any, should be put in place to minimise the risks associated with removing the location conditions?

We do not support removing the location conditions.

Q7. Do you have any concerns with requiring direct supervision of candidates qualifying for registration under the proposed option 3?

We do not support proposed option 3. The language "direct supervision" could be open to a wide range of interpretations which would weaken the "stringent requirements" that the

legislature referred to as being (merely) “sufficient” when the residency requirements were repealed with *The Intellectual Property Laws Amendment Act 2015*.

Q8. Do you have any other concerns with the application of the location conditions for candidates qualifying for registration?

We support the retention of the location conditions.

Yours faithfully,
New Zealand Intellectual Property Attorneys Inc.

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