

Computer Programs in the Gun Sights?

New Zealand patent law reform

The New Zealand Patents Act is receiving its first significant overhaul in almost 60 years. The fundamental test for patentable subject will remain the time-honoured “manner of manufacture” formulation, that, over time, has been used by Courts to exclude subject matter such as medical treatment of humans, mathematical algorithms and mere schemes or plans (i.e., common law exclusions). The Patents Bill included a number of express (i.e., statutory) exclusions to patentable subject matter, and notably sub-clause 15(3A), that says “a computer program is not a patentable invention”.

A governmental Commerce Select Committee report has given context to the intention of exclusion by indicating that “embedded” (e.g., a program executing control over a machine) computer programs should not be caught by the exclusion.

The Ministry of Economic Development subsequently issued an Examination Guideline setting out the general approach that examiners in the New Zealand Patent Office (IPONZ) should take in applying the exclusion. The Guideline essentially adopts a test developed by the UK courts (Aerotel), but in a curiously modified form. A number of public submissions were made to the Guideline, many quite critical, to the point of suggesting sub-clause in the Bill and the stated intention are inherently inconsistent, and that the Guideline’s shortcomings are the inevitable result of a lack of logical, clear and coherent reasons behind the proposed exclusion.

The Ministry has very recently issued a subsequent Explanatory Note by way of



clarification, and foreshadowing an amended Examination Guideline that will be issued only after the legislation becomes enacted. The Note really only adds justifications for the earlier Guideline, and does not indicate a change of approach.

The fundamental rub that occurs to us is that the plain words of the exclusion arguably means that no apparatus or method implemented by any form of computer program will be patentable in New Zealand, notwithstanding the claw-back attempted by the Guideline. Of course, the Examination Guideline will not be binding on any New Zealand court, and such courts could well disavow the Aerotel approach.

The Bill is unlikely to be considered by the New Zealand Parliament anytime soon – if that’s any comfort!



Robert Miller
Principal

robert.miller@sprusons.com.au