The Australian Innovation Patent system

Introduction

Patents protect ideas and concepts embodied in things, methods and processes. Other forms of intellectual property (IP) protection may be used to protect the appearance of an article (design registration), the expression of an idea or artistic work (copyright) or a brand or trade name (trade marks). Please let us know if you wish to discuss other forms of IP protection.

Innovation Patents are intended to protect new products that are not sufficiently inventive to qualify for protection under a standard patent. To qualify for an innovation patent, the product must be new and “innovative”. Exactly what this means is not clear, but it is likely that the new aspect of the product must make a substantial contribution to the working of the invention, but at a level lower than the “inventiveness” standard of an ordinary patent.

The term of an innovation patent is 8 years, compared to 20 years for a standard patent.

The cost of obtaining a granted innovation patent is generally cheaper than the application process for a standard patent. Some of this cost saving comes from restrictions on drafting (the specification may include no more than five claims) and slightly cheaper official fees. However, the cost saving is mainly due to the fact that an innovation patent becomes enforceable only after an optional post-grant examination process. The cost for the full process, including examination, is unlikely to be significantly cheaper than for a standard patent. Nevertheless, this can be a useful strategy to defer costs; and in practice a significant proportion of granted innovation patents are never examined.

Innovation Patents can be useful where:

- The product developed is new and “innovative” but may not satisfy the normal requirement of “inventiveness”. A standard patent application may be converted to an innovation patent application if lack of inventive step objections cannot be overcome.
- Protection is required quickly to keep competing products from the market.
- The product lifecycle is such that protection is only required for a short period of eight years or less.
- Short-term costs may be problematic.

A grace period is available in Australia whereby certain disclosures of the invention made less than 12 months before filing do not invalidate an innovation patent application. However, it is generally recommended that there is no publication, sale or use of the product before a patent application is filed. This is particularly important if foreign applications are to be filed, as many countries do not provide a grace period. If you would like to discuss a particular disclosure that has been made prior to filing, please contact us.
Search

The first stage in obtaining patent protection is usually to perform a search to find out what has already been done. It is only possible to patent new and inventive ideas, so the search helps to establish what scope of protection may be available. The cost of an indicative international novelty search performed by an experienced patent searcher is generally around AU$1200 to $2500.

Whilst a search conducted by an experienced searcher will produce the most reliable results, inventors may choose to search the Internet and patent databases themselves. If you wish to undertake your own searching, we would be happy to provide you with a copy of our search guide.

Application process

This document gives a brief summary of the patent application process. The attached chart shows the most common innovation patent protection route.

A patent application is usually filed with a “provisional” specification describing the invention in detail. This application establishes a date, after which publication or release of a product will not generally result in loss of patent rights. It is crucial that there is no publication, sale or use of the product before a patent application is filed.

A provisional specification traditionally did not include claims. However, we typically file a provisional specification with claims as this provides a better basis for foreign priority and reduces the work required to prepare the complete specification. Drafting and filing a provisional specification usually costs around AU$2000 to $4000, although greater costs could be expected for complex inventions.

Developments of the invention may be covered by filing further provisional specifications.

An innovation patent application with a complete specification must be filed within 12 months of the provisional specification. This specification usually includes the disclosure of the provisional specification and may also include any improvements made to the invention since the provisional specification was filed. The cost of preparing and filing this specification is around AU$1000 to $3000 (if we file a provisional with claims), depending on the extent of improvements and modifications.

The innovation patent application is examined only for formalities. Usually no, or only minor, objections are raised and the application is quickly granted with costs around AU$500.

A granted innovation patent is only enforceable once it has been examined and certified. This is an optional post-grant procedure. Total costs of examination and certification are generally around AU$1200-$2500.
Protection outside of Australia

Similar protection, usually called a “utility model” is available in some other countries (but not in New Zealand). A list of countries providing utility models is found at the end of this guide.

Applications outside of Australia must be filed within 12 months of the first filing. Each application is examined in the appropriate national Patent Office before a utility model is granted in that country. Cost estimates for foreign filings are available on request.

Note that some (generally minor) countries are “non-convention” countries. Applications in these countries cannot claim the first filing date and must be filed independently, ideally at the same time as filing the provisional specification. We therefore recommend that you discuss countries of interest with us at an early stage.

Maintaining an innovation patent

Renewal fees must be paid throughout the life of the innovation patent to keep it in force. These fees currently total around AU$2100 spread over the 8 year life of the innovation patent.

Once a patent expires, or is allowed to lapse by non-payment of a renewal fee, others are free to make, use or sell the invention.
### Innovation Patent Timeline

<table>
<thead>
<tr>
<th>Country</th>
<th>Filing</th>
<th>12 months from filing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td>Provisional application</td>
<td>Innovation Patent Application</td>
</tr>
<tr>
<td><strong>Foreign utility model countries</strong></td>
<td><strong>Foreign applications – option 1</strong></td>
<td>Search and Examination</td>
</tr>
</tbody>
</table>
Utility Model Countries

The following countries provide protection through Utility Models or similar systems. Utility Models have more forgiving patentability requirements than standard patent applications, but also have a shorter term of around 6 to 15 years depending on the country in question.

Albania                        Honduras
Angola                         Hungary
Argentina                      Indonesia
ARIPO (some African countries) Ireland
Armenia                        Italy
Aruba                          Japan
Australia (Innovation Patent)  Kazakhstan
Austria                        Kuwait
Azerbaijan                     Kyrgyzstan
Belarus                        Laos
Belize                         Malaysia
Brazil                         Mexico
Bolivia                        OAPI (some African countries)
Bulgaria                       Peru
Chile                          Philippines
China (inc Hong Kong and Macau) Poland
Colombia                       Portugal
Costa Rica                     Republic of Korea
Czech Republic                 Republic of Moldova
Denmark                        Russian Federation
Ecuador                        Slovakia
Estonia                        Spain
Ethiopia                       Taiwan
Finland                        Tajikistan
France                         Trinidad & Tobago
Georgia                        Turkey
Germany                        Ukraine
Greece                         Uruguay
Guatemala                      Uzbekistan