

Patents Amendment Bill

New Zealand Law Society Te Kāhui Ture o Aotearoa

September 3, 2025

1 Introduction

- 1.1 The New Zealand Law Society Te Kāhui Ture o Aotearoa (**Law Society**) welcomes the opportunity to comment on the Patents Amendment Bill (**Bill**).
- 1.2 This submission has been prepared with input from the Law Society's Intellectual Property Law Committee.¹
- 1.3 The Law Society **does not wish to be heard** on this submission.

2 General comments

- 2.1 The Bill proposes to amend the Patents Act 2013 (**the 2013 Act**) to apply stricter criteria to the grant of divisional applications filed under the Patents Act 1953 (**the 1953 Act**). The Law Society has previously provided feedback on these proposed changes, excerpts of which are set out in the Appendix to this submission.
- 2.2 Like the earlier Exposure Draft, the Bill contains amendments that relate to just one of the four substantive and six minor and technical changes to the Patents Act 2013 that have been discussed in various formats going back to 2016, and which are outlined in the Cabinet Paper titled "Intellectual Property Laws Amendment Bill – Policy decisions."² The Law Society remains of the view that including the other proposed changes from the Cabinet Paper in the Bill would likely improve support for the Bill.
- 2.3 The Bill's amendments relating to divisional applications and daisy-chaining received little support from submitters in the 2019 consultation process. Submitters noted that there is no problem that needs to be addressed on this issue.³ The Law Society agrees, and is of the view that the proposed changes to the Patents Act 2013 to amend sections 254 and 258 and to insert new section 258A are unnecessary.
- 2.4 We also wish to highlight that the remaining number of pending divisional applications under the 1953 Act is down to 80.⁴ That number was 774 in 2019. Most, if not all, of those applications will likely be resolved or determined before the Bill comes into effect, rendering the amendments effectively futile.

Nāku noa, nā



Mark Sherry
Vice-President

¹ More information about the Law Society's Intellectual Property Law Committee is available on the Law Society's website: [NZLS | Intellectual Property Law Committee](#).

² Cabinet Paper "Intellectual Property Laws Amendment Bill – Policy decisions" (June 2020) DEV-MIN-20-0109 at 9 – 11.

³ Above n 2 at 4; Ministry of Business, Innovation and Employment "Impact Summary: Intellectual Property Laws Amendment Bill" (**RIS**) at 12.

⁴ IPONZ database; Ministry of Business, Innovation and Employment "Departmental Disclosure Statement: Patents Amendment Bill" (29 April 2025) (**DDS**) at 8.

Appendix

2016 feedback

Relevant excerpt from the Law Society's 2016 submission responding to the Ministry of Business, Innovation and Employment discussion document titled *Divisional Patent Applications – Possible Changes to the Transitional Provisions in Section 258 of the Patents Act 2013*:

In summary, the Law Society opposes the proposal to amend section 258 of the Patents Act 2013 because:

- the evidence concerning daisy-chained divisional applications is not complete. Without knowing why divisional applications were filed and the fate of their parent applications, the suggested harm they might be causing is speculation;*
- the submitter cited in the discussion document presents evidence of the number of applications it has opposed, but does not present evidence that any of the opposed application were daisy-chained divisionals or that they would not have been opposed if they had been examined for inventive step;*
- option 3 is proposing retrospective legislation without any convincing evidence that there is a need for it, or that the proposal would solve any such problem if it does exist;*
- the primary purpose of the 2013 Act is to achieve an appropriate balance of interests – and it is not clear how the proposal in option 3 would achieve that purpose;*
- the 20-year period is an absolute outside date and is raised as an outlier rather than reflecting what can be realistically expected; and*
- the concern that examiners trained to examine applications under the more rigorous standards of the 2013 Act would have to be specially trained to examine applications under the less rigorous standards of the 1953 Act may be overstated.*

2019 feedback

Relevant excerpt from the Law Society's 2019 submission responding to the Ministry of Business, Innovation and Employment discussion document titled *Intellectual Property Laws Amendment Bill – Patents Act 2013, Trade Marks Act 2002, Designs Act 1953*:

Patents Act 2013

Q P1: Do you agree with the amendment to the transitional provisions of the Patents Act 2013 proposed by MBIE? If you do not agree, please explain why.

No. The Law Society opposed a similar proposal in a 2016 discussion paper on this same issue for six reasons.⁵ We consider that those concerns are not satisfactorily addressed in this latest discussion paper. In addition:

⁵

Footnotes have been removed from excerpts. The six reasons mentioned are those listed in the excerpt from the 2016 submission above.

- *This discussion paper states (in paragraph 46) that the remaining number of pending 1953 Act applications has been reduced from 3,054 to 774 since 2016. It is likely that the number will be significantly smaller by the time any amending legislation might come into force.*
- *The preferred proposed amendment would provide that after a certain date all new divisional applications would be examined under the more rigorous substantive provisions of the 2013 Act. But, just as the existing transitional provisions triggered many filings of 1953 Act divisionals, it is predictable that any applicant still wishing to take advantage of the 1953 Act would do so by filing any new divisionals before the certain date. Rather than reducing the number of 1953 Act applications, the proposal could increase it.*

Q P2: Do you agree with MBIE's assessment of the potential problems caused by "daisy-chaining" of divisional patent applications? If you do not, please explain why you consider that MBIE's assessment is incorrect.

The Law Society does not agree. The discussion paper uses the expression 'daisy-chaining' in a pejorative sense, perhaps influencing readers to assume that any divisional application beyond a first one is harmful. The only alleged harm that might be caused by the practice is the same one identified in the 2016 discussion paper – that there is a risk that the practice of 'daisy-chaining' creates uncertainty for third parties who may wish to take advantage of the invention without risk of infringement. Such uncertainties are inherent throughout the patent system. When an applicant files a provisional specification there is uncertainty as to whether it will be followed by a complete specification. If a provisional application is followed by a Patent Cooperation Treaty international application there is uncertainty as to whether it will enter the national phase. When there is either a complete after provisional application or a treaty application there is uncertainty as to whether the applicant will request examination. If examination is requested there is uncertainty as to whether a patent will be granted. After examination there is uncertainty as to whether it would be held to be valid if challenged. Divisional applications are one source of uncertainty; it would be useful to understand why officials have identified divisional applications as a source of uncertainty requiring amendment.

Q P3: Do you agree with MBIE's preferred option for dealing with the issue of 'daisy-chained' divisional patent applications? If you do not, which option do you prefer? Please explain why you prefer this option.

For the reasons in the response to question P2, the Law Society does not agree with any of the options set out in paragraph 91 of the discussion paper. Please refer to the response to question P5 for the Law Society's preference.

Q P4: If MBIE's preferred option was adopted, do you agree with the 12-month time period proposed? If not, what other time period could be adopted?

The Law Society disagrees with the proposed time limit of putting divisional applications in order within 12 months of the date of the first examination report on the parent. For practical reasons it is unrealistic to expect examiners or applicants to be able to juggle two or more applications in such a limited time. It is likely that a

considerable part of the 12 months will have elapsed before an informed decision has been made to file one or more divisionals, creating pressure on either the examiner or the applicant or both. It is preferable that the normal time period of 12 months from the date of the first examination report on each divisional application is retained.

Q P5: Do you agree with MBIE's proposed amendments to the provisions relating to requesting examination and the proposed transitional provision? If you do not, please explain why.

The Law Society agrees with the proposal that if examination is not requested within the time limit of five years of its filing date an application should be deemed to be abandoned, subject to the restoration provisions in section 125. This will have the effect of correcting a drafting omission in the 2013 Act. We agree with the proposed transitional provision that all parent applications, where more than five years have passed and examination is not requested, be deemed abandoned. However, the transitional provisions for divisional applications filed before the expiry of five years from the date of their parent should be given a time limit of two months from the commencement of the amendment proposal in which to request examination or else be deemed abandoned.

The time limit for requesting examination of a divisional application should be either at the date that a divisional application is filed, or within two months of that date.