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**Māori Traditional Knowledge and  
New Zealand Patent Law: The 2013  
Act and the Dawn of a New Era?**

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## 1. Introduction

The indigenous movement to have greater recognition and rights over their traditional knowledge (TK) has been rising around the world in recent years, but few states have been as pro-active and creative in addressing these issues in core intellectual property (IP) legislation as New Zealand. This was first observed when New Zealand introduced a provision in the Trade Marks Act 2002 that the Commissioner must refuse to register a trade mark “the use or registration of which would, in the opinion of the Commissioner, be likely to offend a significant section of the community, including Māori.”<sup>1</sup> The Trade Marks Māori Advisory Committees was established by the 2002 Act,<sup>2</sup> and is forwarded any sign that “is, or appears to be, derivative of a Māori sign, including text and imagery”, to advise the Commissioner on whether it “is, or is likely to be, offensive to Māori”.<sup>3</sup> Furthermore, offence or likelihood thereof is also a ground for opposition to and revocation of registration.<sup>4</sup>

For many years, New Zealand patent law has been regulated under the Patents Act 1953. Though on occasion amended, a complete revision has been long in the waiting. As part of the process for an over-haul, many concerns were raised about patents relating to Māori TK and fauna and flora sacred to the Māori. In New Zealand, the relationship between TK and patents possibly lies on more volatile ground than in other territories because of the Treaty of Waitangi, signed between the British Crown and Māori. The modern English translation of Art. 2 of the Māori text guarantees “unqualified exercise of their chieftainship [*tino rangātiratanga*] over their lands, villages and all their treasures [*taonga*].”<sup>5</sup> The Treaty of Waitangi is interpreted chiefly through the Treaty of Waitangi Act 1975, through the therein established Tribunal.<sup>6</sup> The Waitangi Tribunal has made it clear that *taonga* includes all dimensions of a tribal group’s estate, material and non-material heirlooms and *wahi tapu* (sacred places), ancestral lore and *whakapapa* (genealogies).<sup>7</sup> Though the Treaty does not mention IP or cultural heritage, it is clear that these can be considered *taonga*.<sup>8</sup> Patents are viewed as a threat to Māori rights to indigenous fauna and flora and Māori control over their resources, as guaranteed under Art. 2.<sup>9</sup> Furthermore, patents are Crown grants, making the Treaty more directly relevant to patents than any other form of IP.<sup>10</sup> In July 2011, the Tribunal handed down the Wai 262 report regarding Māori TK, fauna and flora.<sup>11</sup>

<sup>1</sup> Trade Marks Act 2002 (NZ), s. 17(1)(c).

<sup>2</sup> The history of the establishment of the Committee is described in IPONZ Trade Marks Practice Guidelines (26 January 2010), Chap. 16.2.

<sup>3</sup> Trade Marks Act 2002 (NZ), s. 178. The sections of the Act relevant to indigenous cultural property are explained in Frankel 2005; and Morgan 2004. Interestingly, when recommended by the Māori Trade Marks Focus Group, the term “culturally inappropriate” was used; Māori Trade Marks Focus Group 1997, 19-21.

<sup>4</sup> Trade Marks Act 2002 (NZ), ss 47 and 73(1), respectively.

<sup>5</sup> For the English and modern translation of the Māori text of the Treaty of Waitangi, see MCH (with explanatory footnotes by Professor Hugh Kawharu) (accessed 19 April 2012).

<sup>6</sup> Treaty of Waitangi Act 1975, preamble. Though only recommendations, governments have always taken the reports seriously and used them in negotiations. However, the Crown has rejected a number of Waitangi Tribunal reports; see Charters 2006.

<sup>7</sup> Waitangi Tribunal 2012; and *Report of the Waitangi Tribunal on Te Roroa* (1992) Wai 38, 210.

<sup>8</sup> Zografos 2005, 930; and Gray 2005, 73.

<sup>9</sup> MED 2002a, para. 77.

<sup>10</sup> Young 2008, 255-276; and Patenting of Life Forms Focus Group 1999.

<sup>11</sup> *Report of the Waitangi Tribunal on Claims Concerning New Zealand Law and Policy Concerning New Zealand Law and Policy Affecting Māori Culture and Identity* (2011) Wai 262 [hereinafter Wai 262]

In 2004, a Draft Patents Bill was released, seeking to emulate the trade mark provisions in the context of patent law, creating a Māori Advisory Committee. A finalised Bill was introduced to Parliament in 2008 and revised in 2010. Notably, at no point was the Bill modified to reflect the recommendations of the Wai 262 report,<sup>12</sup> although the report also recommended an Advisory Committee (among many other things). At the time of writing, the 1953 Act was still in force, however the New Zealand Parliament had passed the Patents Act 2013 on 27 August 2013, to come into force in September 2014. The 2013 Act reflects a modernisation of patent law in line with the development of new technologies, but continues to carry through many principle and concepts from the 1953 Act. As a consequence, both Acts are discussed in the following.

This paper starts by discussing the core concerns of Māori in relation to patent law. It then addresses the general difficulties that exist with using patent law to protect TK, before discussing the new provisions introduced in the 2013 Act.

## 2. The Core Concerns

Māori and other indigenous peoples have two general concerns. The first relates to third parties obtaining patents over their TK and related biological resources. Indigenous peoples are often told that they need to use the patent system to protect their TK. Even if they do not wish to use their patents commercially, it has been argued that they can be used to prevent third parties from misappropriating TK. However, patents are often not sought by Māori for their TK, as they are considered to be detrimental to their interests, whether owned by third parties or themselves. As Māori Party MP Rahui Katene stated:

Although we recognise that traditional knowledge and use—including, of course, the medicinal use of indigenous flora—can bring about economic benefit for indigenous peoples, the fact is that patenting, as a process, is seen by our people as just another means of stealing the ownership away from the original peoples. Patenting is aligned with private economic rights, whereas our rights ... are collectively based and in line with our obligations and respect for natural resources.<sup>13</sup>

The second concern is over the cultural and spiritual implications of patenting life forms,<sup>14</sup> for example, genetic sequences, whether piecemeal or complete for a life form. Ownership of life forms is alien to many social and cultural beliefs.<sup>15</sup> Māori are also concerned that the incentives of the patent system stimulate the alteration of life forms (such as via genetic modification, GM), which is also contrary to their belief system.<sup>16</sup> It is important to note that the position on GM life forms and gene patents is by no means homogenous among Māori.<sup>17</sup> Furthermore, there are some who believe that, when it comes to research over their own genes, it is a question of individual rights (as opposed to a collective right) and so up to individuals to decide.<sup>18</sup> Thus, the controversy, concerns and difficulties over patenting life forms and genetic sequences are not so diverse between Māori and non-Māori, the latter for whom such technology and patents over which are also controversial and opinions are heterogeneous. Moreover, not all of these concerns should (or could) be dealt with under patent law. As Susy Frankel has noted, though patent law is relevant to guiding the ethics of scientific research, it is not the correct means by which one can determine what is

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<sup>12</sup> Attempts were made, but rejected. See Metiria Turei (Green Party), House of Representatives, Supplementary Order Paper No. 348 (27 August 2013).

<sup>13</sup> Katene (Māori Party MP) 2009, 2894. See also Jackson 1997, 31; and Mead 1994, 6.

<sup>14</sup> Mead 1996.

<sup>15</sup> Mead 2002; and Mead 1996.

<sup>16</sup> MED 2002a, para. 77; Roberts 2009, 148; Patenting of Life Forms Focus Group 1999; Solomon 2000; Ngaronoa Gardiner 1997, 55; Mead 1994, 5; and Mead 1996.

<sup>17</sup> MED 2002a, para. 80; Patenting of Life Forms Focus Group 1999; and Roberts 2009, 149.

<sup>18</sup> Ibid.

ethical research.<sup>19</sup> Patent law is only one of the final stages of a larger research process, including bioprospecting and gaining permission to perform GM. Consequently, patent law cannot be expected to address these issues alone.

### 3. Using Patent Law for TK

Patent law is usually considered to be inappropriate for protecting TK. This is for several reasons on top of the fact that the idea of owning a patent over TK or related resources, or being an “inventor” rather than custodian, is often foreign to customary law.<sup>20</sup> Firstly, in order for an alleged invention to be patentable it must have novelty.<sup>21</sup> Novelty is a quantitative standard, meaning that a modicum of novelty is sufficient and the invention need not be better than the prior art. Given that indigenous TK is often transmitted from generation to generation, it is often not considered novel. However, this depends on many factors. For example, if that TK has not entered the public domain (i.e. the knowledge is not discoverable as prior art), then it is possible that it will be considered novel. Under the 1953 Act, secret use is not a ground for an examiner to reject, or for a third-party to oppose, an application. It is a means of revocation.<sup>22</sup> Under the 2013 Act, it is a ground for opposition and revocation,<sup>23</sup> but not part of the examination process.<sup>24</sup> However, the application of “secret use” is very rare, presumably due to the difficulties in reaching the evidentiary standard required, given that the use is unlikely to be documented. Moreover, it is incorrect to perceive patent law as incapable of protecting innovations based on TK, as TK is not static, but constantly evolving.<sup>25</sup> The low level of novelty required means that slight adjustments, such as those made between generations, could be sufficient.

Nevertheless, often the change may not satisfy the requirement of “non-obviousness” or an “inventive step”.<sup>26</sup> This is considered to be the “gatekeeper” of patent law. As such, it is qualitative in nature. Indigenous innovations can potentially satisfy the standard. However, this generally requires that the so-called “inventive concept” embodied in the patent application not be obvious to the normally skilled, but unimaginative addressee in the art, relative to the common general knowledge in the art in question, at the priority date of the application.<sup>27</sup> Though a qualitative standard, in many cases a minor adaptation will not meet this requirement, as small changes are more likely to be obvious, whereas major modifications are less likely to be obvious. An inventive step can be achieved in developing a marketable form of TK (indeed, this is often what third parties do).

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<sup>19</sup> Frankel 2008-2009, 86-87.

<sup>20</sup> Heath and Weidlich 2003, 83 and 95.

<sup>21</sup> The 1953 Act refers to anticipation and previous publication and case law often states that prior publication means that an invention is anticipated and, thus, not novel. Lack of novelty is a ground for application rejection, pre-grant opposition and post-grant revocation (Patents Act 1953 (NZ), ss 13, 21(1)(b)-(d) and 41(1)(a), (e) and (l) respectively). The current novelty standard in New Zealand is local and narrow. In other words, it is limited to publications and use in New Zealand and there must be evidence of availability in New Zealand of the prior art; *an Conrad Holyoake v Yellow Polystyrene Limited* (18 April 2005) P9/2005 Letters Patent No. 274263, 14 Assistant Commissioner Hazlewood. Novelty is a specific requirement for patentability under the Patents Act 2013, s. 13(b)(i), which uses a universal standard (s. 8(1)).

<sup>22</sup> Patents Act 1953 (NZ), s. 41(1)(l).

<sup>23</sup> Patents Act 2013 (NZ), ss 87A(1)(e) and 106(1)(f), respectively.

<sup>24</sup> Patents Act 2013 (NZ), ss 60(1)9(a)(iii), 87A(2) and 106(2).

<sup>25</sup> Dutfield 2005, 500-501.

<sup>26</sup> The Statute of Monopolies 1623 (which forms the foundations of UK, New Zealand and Australian patent laws) does not incorporate the idea of non-obviousness. It only encapsulates “any new manufacture” or novelty and utility. The New Zealand Patents Act 1953 therefore does not include obviousness in its definitions of invention. Obviousness is only found in the opposition and revocation stages of the process; New Zealand Patents Act 1953, s 21(1)(e), and s 41(1)(f) respectively. The inventive step is in the definition of invention under the Patents Act 2013, s. 13(b)(ii).

<sup>27</sup> The main approach taken in the UK is found in *Windsurfer v Tabur Marine (Great Britain) Ltd* [1985] RPC 59, 73-74 Oliver LJ (EWCA); adopted in New Zealand in *Smale v North Sails Ltd* [1991] 3 NZLR 19, 42 (HC).

On the other hand, the requirements of novelty and an inventive step can also be beneficial to prevent third parties from obtaining patent rights over TK.<sup>28</sup> Importantly, assertions that third-party rights can result in the original knowledge holders being prevented from using their TK are incorrect.<sup>29</sup> A patent only gives exclusivity over what is in the patent “claims”. If one of these claims were capable of preventing the use of the TK, this would mean that the claim would not be novel and, thus, able to be challenged. This is unless the TK was secret and so not part of the prior art. In such cases, the original TK holders would likely have recourse under other areas of law, such as breach of confidence and the tort of privacy.

Problematically, in many countries (such as New Zealand and the US), there have been complaints that the examination process is poor, resulting in third parties obtaining patents for “inventions” based on TK, when the applications should be rejected for lack of novelty or obviousness in light of the pre-existing TK.<sup>30</sup> Indigenous communities can challenge the applications and the patents once granted,<sup>31</sup> but this requires that the community find out about them and have sufficient financial means to bring proceedings. The 2013 Act aims to strengthen the examination process, for example also addressing obviousness and utility, which previously were not assessed. The extent to which the 2013 Act may address such concerns relating to TK remains to be seen.

It has also been argued that patent law is unable to protect ideas, but the application of ideas.<sup>32</sup> Literally speaking, this is true, as alleged inventions must have “utility”, otherwise they risk rejection, opposition or revocation.<sup>33</sup> In other words, patents can protect innovations based on TK, but often not the TK itself,<sup>34</sup> and certainly not its underlying values.<sup>35</sup> Like obviousness, utility measures an invention’s merit.<sup>36</sup> However, despite that Art. 27.1 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)<sup>37</sup> states that patents should be available for inventions that “are capable of industrial application”, case law thus far has only required that the invention does what the patentee intends it to do, and that this is in some way practically useful in the sense that it is “[u]seful for the purposes indicated by the patentee”.<sup>38</sup> Under the 1953 Act, there is no minimum requirement of how useful it needs to be, only that one of the invention claims is achieved.<sup>39</sup> In comparison to the other two main standards for patentability, utility is very subjective, with no objective reference point. The practical reality is, thus, that patents can protect ideas. However, this may change under the 2013 Act, which has a higher standard, requiring that “[a]n invention, so far as claimed in a claim, is useful if the invention has a specific, credible, and substantial utility”.<sup>40</sup>

Patents are also notoriously expensive to obtain,<sup>41</sup> particularly if challenged by a third party. Peter Drahos has noted that “the payoffs of this strategy [of obtaining patents] are very

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<sup>28</sup> MED 2002a, para. 94.

<sup>29</sup> Ibid.

<sup>30</sup> Yu 2008, 480; and Frankel 2011, 137.

<sup>31</sup> New Zealand 2000, 3.

<sup>32</sup> Jones 1996, 118 and 121-122.

<sup>33</sup> Under the 1953 Act, utility is only a measure for revocation in New Zealand, rather than being a requirement for invention at the granting stage; Patents Act 1953 (NZ), s. 41 (1)(g). Utility is a requisite for patentability in the Patents Act 2013 (NZ), s. 13(c).

<sup>34</sup> New Zealand 2007, annex 1, 7.

<sup>35</sup> Ibid., annex 1, 12

<sup>36</sup> Landes and Posner 2003, 302; and Pierce 2006.

<sup>37</sup> WTO, Agreement on Trade-Related Aspects of Intellectual Property Rights, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 UNTS 299; 33 ILM 1197 (adopted on 15 April 1994, entered into force 1 January 1995).

<sup>38</sup> *Fawcett v Homan* (1896) 13 RPC 398, 405 (CA); *Lane Fox v Kensington and Knightsbridge Electric Lighting Company* [1892] 3 Ch 424, 431 Lindley LJ; and *Smale v North Sails Ltd* [1991] 3 NZLR 19, 51-53 Tomkins J (HC).

<sup>39</sup> *Coopers Animal Health Australia v Western Stock Distributors Ltd* (1986) 6 IPR 545 (FCA).

<sup>40</sup> Patents Act 2013 (NZ), s. 10.

<sup>41</sup> Gray 2005, 77; and Heath and Weidlich 2003, 83-84.

uncertain, while the costs are not.”<sup>42</sup> There are success stories, but the chances of success are low.<sup>43</sup> This is especially given that most pharmaceutical companies have a “blockbuster” business model, whereby each firm receives most of its profits from only a few very successful drugs, within which the chances of an indigenous group “striking it lucky” are low.<sup>44</sup> Tied into this, territorial nature of patents requires grant in every jurisdiction in which protection is desired, meaning that international protection is very expensive.<sup>45</sup>

Even if obtained, patents only have a duration of 20 years. This time limit is inconsistent with indigenous understandings of their guardianship over their TK, which is perpetual in nature.<sup>46</sup> Additionally, patent applications require identifiable inventors. Inventorship can be shared among many people, but they must be able to be listed.<sup>47</sup> A solution to this is that incorporations and other legal personalities can be “inventors”,<sup>48</sup> such that incorporated *iwi* may be the legal owners of a patent. Many states, including New Zealand,<sup>49</sup> also exclude the patenting of therapeutic methods of medical treatments, which means that certain traditional methods of healing cannot be patented.<sup>50</sup> Finally, Māori may not want to detail their TK in a patent application. The formal writing down of their TK may be seen as giving away closely held information, or may be considered to misrepresent the TK.<sup>51</sup>

## 4. Exclusions from Patentability

As the above shows, offering patents as a means to protect TK is not overly conducive to meeting the interests of Māori. The following addresses whether patent law can nevertheless be beneficial through offering a means by which Māori can object to third-party applications and grants.

### 4.1 Patents Māori Advisory Committee

A *Māori Advisory Committee* similar to that existent for trade marks has been created by the Patents Act 2013. Members must, “in the opinion of the Commissioner”, have knowledge of *te ao Māori* and *tikanga Māori*.<sup>52</sup> For the Committee to become involved, the Commissioner must decide to seek advice from the Committee regarding whether the “commercial exploitation” of the claimed invention would be contrary to “*ordre public*” or “morality”, with respect to Māori.<sup>53</sup> The *ordre public* and morality exception is specifically allowable under TRIPS Art. 27.2. The 2013 Act requires that the Committee advise the Commissioner as to whether a claimed invention is derived from Māori TK or “indigenous

<sup>42</sup> Drahos 2011, 245.

<sup>43</sup> Ibid. See also Forsyth 2011, 279; and Dutfield 2005, 504-505.

<sup>44</sup> Drahos 2011, 245-246.

<sup>45</sup> The WIPO, Patent Cooperation Treaty, 1160 UNTS 231 (adopted on 19 June 1970, entered into force 1 April 2002), as modified on 3 February 1984 and 3 October 2001 and Convention on the Grant of European Patents (European Patent Convention), 1065 UNTS 199 (adopted 5 October 1973, entered into force 7 October 1977) ameliorate this to an extent.

<sup>46</sup> Frankel 2005, 84.

<sup>47</sup> Kongolo 2008, 43.

<sup>48</sup> *Cool 123 Limited v Telecom Ltd and Ors* (13 March 2006) P11/2006 Letters Patent No. 503817, 66 Assistant Commissioner Popplewell (IPONZ).

<sup>49</sup> Under the 1953 Act, *Pfizer Inc v Commissioner of Patents* (2004) 60 IPR 624 (CA); and Patents Act 2013, s. 15(2). As allowed per TRIPS, Art. 27.3(a).

<sup>50</sup> Heath and Weidlich 2003, 83.

<sup>51</sup> Frankel 2011, 146.

<sup>52</sup> Patents Act 2013 (NZ), s. 275(3).

<sup>53</sup> Patents Act 2013 (NZ), s. 14(3) and 276. *Ordre public* and morality are specifically permissible exceptions from patentability under TRIPS, Art. 27.2. The Patents Act 2013 actually uses the term “public order” rather than “*ordre public*”. There is some debate as to whether “public order” and “*ordre public*” have the same meaning or not. However, the Patents Act 2013 specifically states that “public order” is to have the same meaning as the TRIPS “*ordre public*”. Thus, for the sake of clarity, the term “*ordre public*” is used in this discourse.

plants or animals” and, if so, whether “the commercial exploitation of that invention is likely to be contrary to Māori values”.<sup>54</sup>

That the 2013 Act requires that the Commissioner seek the advice of the Committee means that there must first be a realisation that the patent application may be derived from Māori TK, or indigenous plants or animals, and may be contrary to Māori values.<sup>55</sup> This is not an easy task, given that this knowledge is often not well published, even if not secret.<sup>56</sup> It is also not clear what would constitute “derivation”. In other words, where is the line between something that derives from TK and something that is so distantly related to TK that it could be said to be different? Nor does the 2013 Act clarify what “values” means, or whether this is something to be defined by the Intellectual Property Office of New Zealand (IPONZ) or the Committee. The Committee may “regulate its own procedure, subject to any direction given by the Commissioner”,<sup>57</sup> thus raising the possibility that the Committee may informally advise the Commissioner, even if not approached to do so. The Committee may also assist in setting the IPONZ practice guidelines and regulations. However the lack of support from an executive unit could make it difficult for the Committee to make investigations of its own.<sup>58</sup>

If advice is sought from the Committee, its role is narrow. This is because the Committee must assess both: (1) derivation; and (2) commercial exploitation being contrary to Māori values. This second requirement looking at commercial exploitation (which makes a direct and obvious link to the *ordre public*/morality clauses of the 2013 Act and TRIPS)<sup>59</sup> closely mirrors that for trade marks, which also requires derivation (or the appearance of such) and likelihood of offence. However, as the protection from trade marks is the use in trade over the exact (and confusingly similar) expressions, and not the idea behind the mark, it is arguable that the requirement for likelihood of offence from the use or registration makes sense. This is not the case with patents, which protect the ideas embodied in an invention, as stipulated in the patent claims.<sup>60</sup> If it is the idea that is protected, the more relevant point (with specific regard to the issue of derivation from TK) is where that idea came from, rather than its use, particularly as this may affect novelty or obviousness.

There is no stipulation in the Patents Act 2013 as to whose *ordre public* or morality is to be assessed. Unlike with the Trade Marks Act 2002, there is no mention of the “significant section of the community”, let alone that this includes Māori. Logically, Māori issues relating to *ordre public* or morality must be sometimes sufficient, as the Commissioner can seek the advice of the Advisory Committee to make his or her decision for these provisions. However, it is not clear from the 2013 Act whether the role of the Committee to advise on derivation and “Māori values” falls under the auspice of *ordre public* or morality, or both.<sup>61</sup> The 2013 Act does not define either of these terms (nor “values”),<sup>62</sup> and there is no accepted international definition of either.<sup>63</sup> According to Daniel Gervais, *ordre public* “expresses concerns about matters threatening the social structures which tie a society together, ie, matters that threaten the structure of civil society as such.”<sup>64</sup> For the purposes of interpreting the General Agreement on Trade in Services (GATS),<sup>65</sup> the WTO Appellate Body stated that

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<sup>54</sup> Patents Act 2013 (NZ), ss 275-278.

<sup>55</sup> Graham 2008, 365.

<sup>56</sup> As noted in the Wai 262 report, most examiners (who act in the name of the Commissioner) are legally or scientifically trained. They are unlikely to be knowledgeable on Māori TK, culture or values. See Wai 262, supra note 11, 200-201.

<sup>57</sup> Patents Act 2013 (NZ), s. 278. This is the same in the Trade Marks Act 2002 (NZ), s. 180.

<sup>58</sup> Wai 262, supra note 11, 200.

<sup>59</sup> Frankel 2011, 143.

<sup>60</sup> Cornish and Llewelyn 2003, para. 1-05.

<sup>61</sup> It must fall under at least one of these to be a permissible exception under TRIPS, Art. 27.2.

<sup>62</sup> Gervais 2005.

<sup>63</sup> Ibid.

<sup>64</sup> Gervais 2008, 343.

<sup>65</sup> WTO, General Agreement on Trade in Services (GATS), Marrakesh Agreement Establishing the World Trade Organization, Annex 1B, 1869 UNTS 183; 33 ILM 1167 (adopted on 15 April 1994, entered into force 1 January 1995).

it “refers to the preservation of the fundamental interests of a society, as reflected in public policy and law”.<sup>66</sup> In comparison, morality is related to the values of a society, is closely tied into culture and is dependent on locality.<sup>67</sup> Under GATS, it has been defined by the Appellate Body as “denot[ing] standards of right and wrong conduct maintained by or on behalf of a community or nation”.<sup>68</sup>

In the Wai 262 report, the Waitangi Tribunal deemed that the Treaty-guaranteed right to *tino rangatiratanga* (as expressed through *kaitiakitanga*, guardianship) over *taonga* must be a matter of *ordre public* (if not also public morality), because the Treaty is a constitutional document, which defines the New Zealand legal and social order.<sup>69</sup> Notably, the 2013 Act and the Wai 262 report differ as to what exactly should be protected: whereas the Wai 262 report is very Treaty-orientated and so reflects protecting *kaitiakitanga* and so *ordre public*, the 2013 Act is not so directed and the use of the term “Māori values” would imply that morality is also at play. This depends on what would fall into the concept of “values” and how the Committee would decide whether something is contrary to those “values”.<sup>70</sup>

Analogous to the Trade Marks Act, the Commissioner is not bound by the opinion of the Māori Advisory Committee, but should take the Committee’s conclusion into consideration when deciding the larger question of “*ordre public*” or “morality”. This makes sense, as the Committee would not likely be composed of patent law specialist, but would only represent the Māori interest.<sup>71</sup> However, it would seem that the weight of the Patents Committee’s opinion is less than that of the corresponding Trade Marks Committee, and that the Commissioner must give more weight to society as a whole under the Patents Act 2013. This confirmed by the fact that the Commissioner of Trade Marks *must not* register a trade mark if it is offensive to Māori. Thus, the Commissioner of Trade Marks can only derogate from the recommendation of the Māori Trade Marks Advisory Committee if there is counter evidence from other Māori.

#### 4.2 Potential limitations and criticism

The attempt in the 2013 Act to place the protection of TK into the classical forms of exceptions under patent law does not fully address Māori interests. As noted, that the “commercial exploitation” might be contrary to Māori values is not always relevant, but must be assessed according to the 2013 Act. In reality, sometimes the appropriation and derivation from the TK or from certain species is alone the pivotal point. Furthermore, the Attorney General, who introduced the Act to Parliament for its first reading (then the Patents Bill 2008), stated that the exceptions for *ordre public* or morality would be seldom used and few patent applications would be refused on these grounds.<sup>72</sup> The Attorney General further stated that this would only be “in relation to inventions where commercial exploitation is likely to be offensive to a significant section of the community, including Māori.”<sup>73</sup> It is strange that both IPONZ (as mentioned above) and the Attorney General used the phrase “significant section of the community” when the Patents Act 2013 and the Patents Act 1953 make no such reference, seemingly attempting to limit the reach of the Committee. Overall, there is support for

<sup>66</sup> WTO, Appellate Body Report, *US – Measures Affecting the Cross-Border Supply of Gambling and Betting Services*, WTO Doc. WT/DS285/AB/R, adopted 20 April 2005, para. 6.467 [hereinafter *US – Gambling*]. See also Gervais 2005, 375 and 379; and Marwell 2006.

<sup>67</sup> Gervais 2005, 375.

<sup>68</sup> *US – Gambling*, supra note 66, para. 6.465.

<sup>69</sup> Wai 262, supra note 11, 201 and 210.

<sup>70</sup> Graham 2008, 365.

<sup>71</sup> Ibid.

<sup>72</sup> Finlayson (Attorney General) 2009, 2885.

<sup>73</sup> Ibid.

comments that the 2013 Act is merely “window dressing”,<sup>74</sup> only “dips a toe in the water of a particular view of traditional knowledge (as a check on intellectual property rights but not a system of rights itself”, or is “an impuissant nod to lobbyists that will in fact rarely be used”.<sup>75</sup>

Additionally, the Māori Party complained that earlier versions of the 2013 Act and its “solution” were premature because of the Wai 262 claim at the Waitangi Tribunal.<sup>76</sup> It was argued that there was no purpose in “rushing” through such a stop-gap measure, when the Tribunal report would surely suggest a more robust *sui generis* solution, which would better ensure the ongoing protection of Māori knowledge and resources.<sup>77</sup> Before the release of the Tribunal report, it could not be clear whether an advisory committee was the best means to protect Māori exercise of *tino rangatiratanga* and *kaitiakitanga* over their *taonga*.<sup>78</sup> Despite the handing over of the Wai 262 report in July 2011 and the two years between this and the third reading of the Bill, the Patents Bill was not at any stage modified to take into account the Wai 262 report and is not reflected in the Patents Act 2013.

Furthermore, the general concept of consultation with Māori for patent grant has been criticised as introducing uncertainty into the patent process.<sup>79</sup> However, with the examination process, opportunities to oppose applications and to seek revocation of grants, it could be said that the patent process is already by no means certain. Such consultation prior to the grant only increases future certainty by reducing the chances of later opposition or revocation.<sup>80</sup> To minimise the level of uncertainty early in the patent process, the Advisory Committee should develop guidelines, such as has been done by the Trade Marks Advisory Committee.

A valid potential problem is that the Committee would be expected to represent the knowledge and values of all Māori, which would be difficult. Without a compulsory requirement for patent applicants to divulge whether the alleged inventions are derived from Māori TK or “indigenous plants or animals”, it could be difficult even for the Committee to identify the relevant interests. A register of such interests would thus be beneficial,<sup>81</sup> as would a requirement that applicants divulge certain information, such as derivation from TK and any biological material.

Finally, the mechanism is constrained by the jurisdictional nature of IP, when there is a high degree of international appropriation. The Committee cannot protect Māori interests from offence or bio-prospecting by those who do not seek a patent within New Zealand.

#### 4.3 Law and IPONZ policy under the 1953 Act

Under the Patents Act 1953, the Commissioner may refuse a patent if the “use” of the invention would be contrary to morality (there is no reference to *ordre public*).<sup>82</sup> In 2004, it was held by the Court of Appeal (the highest court sitting in New Zealand at the time of the judgement)<sup>83</sup> that this ground focused on the immoral use of the invention, rather than the use of a patent for the invention. This provision could, thus, not be used to deny methods of medical treatment, seeing as the use of the invention would be a medical treatment and, thus,

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<sup>74</sup> Graham 2008, 363.

<sup>75</sup> Ibid., 368.

<sup>76</sup> Katene (Māori Party MP) 2009, 2893-2894.

<sup>77</sup> Ibid., 2894.

<sup>78</sup> Ibid.

<sup>79</sup> MED 2002, para. 99.

<sup>80</sup> Ibid.

<sup>81</sup> Wai 262, supra note 11, 201.

<sup>82</sup> Patents Act 1953 (NZ), s. 17(1). The use of the “morality” section has been discussed in Young 2008.

<sup>83</sup> At the time that the decision was handed down, the highest appellate court of New Zealand was the Privy Council (seated in London). Since 1 July 2004, the Supreme Court (seated in Wellington) has been the highest court and new appeals cannot be made to the Privy Council. The removal of the Privy Council as the final appellate court was controversial in New Zealand, particularly to the Māori, who saw it as a loss of a connection to the Crown. Moreover, historically, the Privy Council had been much faster and more willing to support Treaty rights than the local courts.

not immoral.<sup>84</sup> It is, hence, not possible to apply this ground per se to reject patent applications on the basis that an alleged invention uses or includes in it TK; the use of a patent for the TK-inclusive invention may be immoral, but this does not mean that the use of the invention is.

Nevertheless (and arguably contrary to the Court of Appeal decision), as with trade marks prior to the formation of the Māori Trade Marks Advisory Committee, the Commissioner has been known to informally take into account Māori values when assessing patent applications under the 1953 Act. In 2008, IPONZ issued guidelines for the contrary-to-morality provision under the current Patents Act, stating that the use of the invention had to be “contrary to morality for New Zealand society as a whole or for a significant section of the community, *including Māori* in doing so”.<sup>85</sup> According to IPONZ, the policy is to require that applicants provide an indication or evidence of prior-informed consent (PIC) by a relevant Māori group, if an invention “is either derived from or uses TK, or relates to an indigenous fauna or flora, or products extracted therefrom”,<sup>86</sup> and the application “may have special cultural significance for Māori” and “is likely to be considered culturally offensive.”<sup>87</sup> This wording has been largely mirrored by the 2013 Act and presumably IPONZ policy would continue to require consultation and even PIC in cases where there is derivation from Māori TK and certain species, the commercial exploitation of which would be contrary to Māori values. The reference to a “significant section of the community” is generally interesting because the terminology exists in neither the 1953 Act nor the 2013 Act, but was brought over from the Trade Marks Act 2002. This guideline was revised in May 2009 and the reference including Māori as a “significant section of the community” was removed.<sup>88</sup> It is not clear why IPONZ did this.

During the development of the Patents Act 2013, the Patents Bill 2008 and 2010 were criticised for allowing the patenting of genetic materials, genetically modified organisms and micro-organisms.<sup>89</sup> A move to make all organisms (including micro-organisms) non-patentable was rejected.<sup>90</sup> IPONZ policy stipulates that objections under the contrary-to-morality clause of the 1953 Act are likely to be raised when the following subject matter is claimed: human beings, processes which give rise to human beings and biological processes for their production; methods of cloning human beings; human embryos and processes requiring their use; transformed host cells within a human and other cells and tissues within a human.<sup>91</sup> Under the 2013 Act, the commercial exploitation of the following inventions are to be deemed contrary to public order or morality and excluded from patentability:

- an invention that is a process for cloning human beings:
- an invention that is a process for modifying the germ line genetic identity of human beings:
- an invention that involves the use of human embryos for industrial or commercial purposes:
- an invention that is a process for modifying the genetic identity of animals that is likely to cause them suffering without any substantial medical benefit to human beings or animals, or an invention that is an animal resulting from such a process.<sup>92</sup>

The word pattern in the 2013 Act is analogous to that of the 1953 Act, except that “commercial exploitation” has been substituted in place of “use”. In other words, it is the

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<sup>84</sup> *Pfizer Inc v Commissioner of Patents*, supra note 49, para. 66 Glazebrook, William Young and O’Regan JJ.

<sup>85</sup> IPONZ 2008.

<sup>86</sup> As reported to WIPO; WIPO, General Assembly, Secretariat 2003, para. 64.

<sup>87</sup> WIPO IGC, Secretariat 2003, annex 1, 14.

<sup>88</sup> IPONZ 2009.

<sup>89</sup> The decision to allow patentability for such was made after a long review of patentable subject matter; Tizard 2003.

<sup>90</sup> By the Committee of the Whole House of New Zealand. See Stefan Browning (Green Party), House of Representatives, Supplementary Order Paper No. 124 (11 September 2012); and Tisch 2013.

<sup>91</sup> IPONZ 2008.

<sup>92</sup> Patents Act 2013 (NZ), s. 14(1).

commercial exploitation of the invention that is relevant according to the 2013 Act, rather than the use of the invention. The term “commercial exploitation” potentially has a much wider scope than “use”.<sup>93</sup> For example, if a life-saving pharmaceutical is a result of bio-prospecting from the TK of an indigenous people, its “use” cannot be said to be immoral. However, its “commercial exploitation”, without PIC or access and benefit sharing (ABS), may be said to be immoral or contrary to *ordre public* in certain cases. It is not clear whether there needs to be a balancing against the possible benefits of the commercial exploitation, such as the benefits to health. However, seeing as the patent system is based on the precept of inciting innovation, this surely must be weighed against Māori interest in their TK, on a case-by-case basis.

#### 4.4 Other exclusions to patentability

The exclusions from patentability under the auspice of morality or *ordre public* are often discussed because they are specifically stipulated in TRIPS.<sup>94</sup> However, in New Zealand, patent law is derived from the English Statute of Monopolies 1623, which is directly referenced in the 1953 Act and 2013 Act for determining patentability. An “invention” is “any manner of new manufacture the subject of letters patent and grant of privilege within section 6 of the Statute of Monopolies”.<sup>95</sup> Section 6 of the Statute of Monopolies has a proviso that an alleged invention be “not contrary to the law or mischievous to the State, by raising prices of commodities at home or hurt of trade” or “generally inconvenient”. Thus, the definition of “invention” has in-built exclusions to patentability.<sup>96</sup> Though seldom discussed, this proviso is also an exception to patentability in New Zealand,<sup>97</sup> and could be used to protect Māori interests. However, the courts have been hesitant to use them to limit patentability,<sup>98</sup> and their application has not been reflected by IPONZ.<sup>99</sup>

## 5. Concluding Thoughts

Though this paper may seem critical of the 2013 Act’s provisions to address Māori concerns, mechanisms such as those in the new Patents Act and the Trade Marks Act 2002 must be seen as something positive. Indeed, IPONZ’s policy based on the 1953 Act to take into account Māori interests must also be applauded. As noted, IP law cannot address every concern. Nor is it realistic that we completely change our IP regimes, as this could go against why we have IP in the first place or be contrary to international law and norms. The mechanisms in New Zealand may require refinement, but they are conceptually sound, offering an array of means to reject patentability. Perhaps most importantly, they are not *sui generis* systems that conflict with IP, but interface with existing forms. At the same time, they have in-built flexibility that

<sup>93</sup> See WTO, Panel Report, *Canada – Patent Protection of Pharmaceutical Products*, WTO Doc. WT/DS114/R, adopted 7 April 2000, which gave the TRIPS term “normal exploitation” a very wide definition.

<sup>94</sup> The MED stated that though TRIPS Art. 27.2 (which allows for exceptions to patentability on the basis of *ordre public* and morality) does not expressly allow parties to refuse the grant of a patent on cultural grounds, “such a refusal may fit within the *ordre public* and morality exception”; see MED 2002, para. 104.

<sup>95</sup> Patents Act 1953 (NZ), s. 2. The wording under the Patents Act 2013, s. 13(a) is slightly different, requiring that claims be “a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.”

<sup>96</sup> Frankel 2008-2009, 83.

<sup>97</sup> As confirmed by the Court of Appeal in *Pfizer Inc v Commissioner of Patents*, supra note 49. Whether they continue to be under the Patents Act 2013 is unclear, as the Bill states that “[a]n invention is a patentable invention if the invention, so far as claimed in a claim,—(a) is a manner of manufacture within the meaning of section 6 of the Statute of Monopolies”, but does not refer to the provisos. In comparison, the current Act refers to all of s. 6 of the Statute of Monopolies. See Frankel 2008-2009, 84-85.

<sup>98</sup> *Pfizer Inc v Commissioner of Patents*, supra note 49, para. 7 Anderson P (CA). The two provisos are also present in the Australian Patents Act 1990 (Cth), s. 50(1)(a). Australian Courts have been even more hesitant to apply them; Davison, Monotti and Wiseman 2012, 452-454.

<sup>99</sup> Frankel 2008-2009, 90-95.

allows one to take into account that there are valid competing interests from different Māori groups and non-Māori.

In order that Māori concerns truly be addressed, the law must reflect Art. 2 of the Treaty of Waitangi not just at one point of a greater research process, but at every stage that is legally regulated. The Wai 262 report made broad recommendations, touching on every phase of the research and development process, including bioprospecting and GM research requests, and made recommendations for a voluntary registration of Māori interests for patent purposes, and for changes to the Plant Variety Act. The Government has yet to react to the Wai 262 report. Until it does, the Patents Act 2013 is an important piece of the puzzle that we should see as a step forward towards recognising the importance of Māori TK in New Zealand. Together with the Trade Marks Act 2002, we are seeing the dawn of a new era, where western and indigenous knowledge systems are recognised as both valuable and able to interface with one another.

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