



NZRise's concerns on the impact of the Trans Pacific Partnership Agreement (TPPA)

14th August 2015

NZRise and its members are deeply concerned about the expansion of the intellectual property rights regime as it will limit the competitiveness of New Zealand's IT industry. As a small market economy, New Zealand does not appear to gain any net benefits from stringent IP protection and enforcement. Instead, more stringent IP standards will increase the cost of access to copyrighted and patented goods, education, health and access to knowledge in general.

In a lengthy five year legislative consultation process, New Zealand decided that software patents do not promote innovation, growth, and weightless export. The TPPA is set to undo this decision and introduce software patents through the backdoor.

We support free trade agreement that advance long-term economic and social interests and respect the rights of all of the signatory states. We understand that negotiators of the TPPA are in the final stage of the negotiation process before concluding the agreement. Leaked documents on the intellectual property chapter of the TPPA suggest changes to the copyright, trademark, and patent law that go far beyond the internationally agreed IP standards.

We are concerned about the proposed technological protection measures and their impact on New Zealand's copyright legislation (e.g. on the reverse engineering provisions). Further concerns relate to the partial ban on parallel importing, transient copying, and the heavy-handed criminal and civil enforcement mechanisms. The proposed draconian penalties and high measures of damages will expose New Zealand businesses to heightened liability risks.

We consider it important to strike a balance between the interests of intellectual property holders and the legitimate interests of users and the community. The current proposal will tip the scale in favour of rightholders, at the expense of users and net importers of IP.

We believe that the leaked IP chapter of the TPPA benefits mature markets with well-established net exporters of IP, such as large multinational corporates. As net importers of IP, NZ digital technology sector is already finding it hard to compete with multinational companies, in particular in gaining government contracts.

We urge the New Zealand government to take a more balanced approach to the negotiation of the TPPA. Think about what is in the best of interest of New Zealand as a whole, in the long term, instead of what appears to be in the best interest of primary industries in the short term.

In its 2015 ICT report, the Ministry of Business and Innovation wrote: “The development of highly skilled, knowledge intensive sectors such as IT are vital for our economic future”.

We could not agree more.

NZRise represents the interests of NZ-owned digital technology businesses. We are passionate about New Zealand’s digital sector and we believe that it can be a hotbed for innovation and economic growth.

NZRise co-Chairs

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