



AIPPI World Congress September 10 - 13, 2022



Patent Law in Australia

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**Emmerson
Chambers**

Date

Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents [2022] HCA 29



Section 18(1) of *Patents Act 1990* (Cth): Subject to subsection (2), an invention is a patentable invention for the purposes of a standard patent if the invention, so far as claimed in any claim: ...

(a) is a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

- *National Research Development Corporation v Commissioner of Patents (1959) 102 CLR 252*
 - *“The effect produced by the appellant's method exhibits the two essential qualities upon which "product" and "vendible" seem designed to insist. It is a "product" because it consists in an artificially created state of affairs ... And the significance of the product is economic; for it provides a remarkable advantage.”*
- *D'Arcy v Myriad Genetics Inc [2015] HCA 35; 258 CLR 334*
 - *[NRDC] held that the terminology of "manner of manufacture" taken from s 6 of the Statute of Monopolies was to be treated as a concept for case-by-case development. It thereby mandated a common law methodology for its application. It did not confine that methodology to the use of any verbal formula in lieu of "manner of manufacture".*

Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents [2022] HCA 29



Australia's High Court split 3:3 on whether a gaming machine is a manner of manufacture

- Kiefel CJ, Gageler and Keane JJ
 - *“the issue is whether the implementation of what is otherwise an unpatentable idea or plan or game involves some adaptation to or alteration of or addition to, technology otherwise well known in the common general knowledge to accommodate the exigencies of the new idea or plan or game”*
 - Concluded the gaming machine was not a patentable invention: *“... the present cannot be said to fall within a category of case in which, as an element of the invention, ‘there [is] a component that [is] physically affected or a change in state or information in part of a machine’.”*
 - *“[A] new idea implemented using old technology is simply not patentable subject matter”.*

Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents [2022] HCA 29



Gordon, Edelman and Steward JJ

- *“In the 21st century, a law such as s 18(1A) of the Patents Act that is designed to encourage invention and innovation should not lead to a different conclusion where physical cogs, reels and motors are replaced by complex software and hardware that generate digital images”.*
 - *“[A]sk whether, properly characterised, the subject matter that is alleged to be patentable is (i) an abstract idea that is manipulated on a computer; or (ii) an abstract idea which is implemented on a computer to produce an artificial state of affairs and a useful result. The artificial state of affairs may be an improvement in computer technology, but it need not be. It is enough that the artificial state of affairs and useful result are carried out “by the way in which the method is carried out on the computer”*
 - *“the best characterisation of Claim 1 is an EGM incorporating an interdependent player interface and a game controller which includes feature games and configurable symbols.”*

Thaler v Commissioner of Patents [2021] FCA 879

Can an artificial intelligence system be an inventor? Beach J found that it could:

- Section 15: Subject to this Act, a patent for an invention may only be granted to a person who:
 - (a) is the inventor; or (b) would, on the grant of a patent for the invention, be entitled to have the patent assigned to the person; or (c) derives title to the invention from the inventor or a person mentioned in paragraph (b); or (d) is the legal representative of a deceased person mentioned in paragraph (a), (b) or (c).
- Beach J: “In summary and for the following reasons, in my view an artificial intelligence system can be an inventor for the purposes of the Act. First, an inventor is an agent noun; an agent can be a person or thing that invents. Second, so to hold reflects the reality in terms of many otherwise patentable inventions where it cannot sensibly be said that a human is the inventor. Third, nothing in the Act dictates the contrary conclusion.”
- “We are both created and create. Why cannot our own creations also create?”

Commissioner of Patents v Thaler [2022] FCAFC 62

Allsop CJ, Nicholas, Yates, Moshinsky and Burley JJ overturned Beach J:

- “Where s 15(1)(a) provides that a patent for an invention may only be granted to “a person who is an inventor”, the reference to “a person” emphasises, in context, that this is a natural person.”
- “On a natural reading of s 15(1), each of ss 15(1)(b), (c) and (d) provide for circumstances where a person becomes entitled to the grant of a patent by ultimately receiving that entitlement from the inventor in s 15(1)(a). Put another way, there must be a legal relationship between the actual inventor and the person first entitled to the grant. “
- In this regard, we respectfully disagree with the primary judge that one may construe each of ss 15(1)(a), (b), (c) and (d) as alternatives to the effect that, by operation of (b) and (c), a person identified, such as Dr Thaler, may draw entitlement to the grant of a patent from an inventor who is not the person identified in (a) (or indeed a natural person at all).

– Special leave has been sought from the High Court

Patent Term Extensions: s 70, 71 and 77

- (1) The patentee of a standard patent may apply to the Commissioner if ...
- (2) Either or both of the following conditions must be satisfied: (a) one or more pharmaceutical substances per se must in substance be disclosed in the complete specification of the patent and in substance fall within the scope of the claim or claims of that specification; [...]
- (3) Both of the following conditions must be satisfied in relation to at least one of those pharmaceutical substances: (a) goods containing, or consisting of, the substance must be included in the Australian Register of Therapeutic Goods; (b) the period beginning on the date of the patent and ending on the first regulatory approval date for the substance must be at least 5 years.
- (5) For the purposes of this section, the ***first regulatory approval date***, in relation to a pharmaceutical substance, is: (a) if no pre-TGA marketing approval was given in relation to the substance—the date of commencement of the first inclusion in the Australian Register of Therapeutic Goods of goods that contain, or consist of, the substance [...]

Patent Term Extensions: ss 70, 71 and 77

S 71(2) An application for an extension of the term of a standard patent must be made during the term of the patent and within 6 months after the latest of the following dates: (a) the date the patent was granted; (b) the date of commencement of the first inclusion in the Australian Register of Therapeutic Goods of goods that contain, or consist of, any of the pharmaceutical substances referred to in subsection 70(3) [...]

S 77(1) If the Commissioner grants an extension of the term of a standard patent, the term of the extension is equal to: (a) the period beginning on the date of the patent and ending on the earliest first regulatory approval date (as defined by section 70) in relation to any of the pharmaceutical substances referred to in subsection 70(2); reduced (but not below zero) by: (b) 5 years [...]

Patent Term Extensions: ss 70, 71 and 77

- *Biogen International GmbH v Pharmacor Pty Ltd* [2021] FCA 1591 (interlocutory decision): A claim to “a pharmaceutical preparation in the form of micro-tablets or micro-pellets consisting of one or more dialkyl fumarates of [a formula] for use in transplantation medicine or for the therapy of autoimmune diseases or psoriasis or psoriatic arthritis, neurodermatitis or enteritis regionalis Crohn” is not a claim to a pharmaceutical substance *per se* because the specified therapeutic purpose is, at least on a provisional view, an essential integer of the claim.
- *Commissioner of Patents v Ono Pharmaceutical Co. Ltd* [2022] FCAFC 39 (reversing *Ono Pharmaceutical Co, Ltd v Commissioner of Patents* [2021] FCA 643: Ono’s application for an extension based on BMS’ OPDIVO (Nivolumab) was not valid because Merck Sharp & Dohme (Australia)’s KEYTRUDA (Pembrolizumab) was earlier approved and eligible under s 71(2). Rejected trial judge’s analysis that the extension regime applies only to the patentee’s goods.
- *Merck Sharp & Dohme Corp. v Sandoz Pty Ltd* [2022] FCAFC 40 (upholding *Merck Sharp & Dohme Corp. v Sandoz Pty Ltd* [2021] FCA 947: MSD’s application for an extension based on its JANUMET (sitagliptin/metformin) was entitled to a zero term extension under s 77 because its JANUVIA (sitagliptin) has been earlier approved for export (less than 5 years after patent date).



THANK YOU

Please contact me with questions
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