HIGH COURT OF AUSTRALIA

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Details of Filing

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IN THE HIGH COURT OF AUSTRALIA
SYDNEY REGISTRY S40/2022

BETWEEN: **ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LTD ACN 001 660 715**
Appellant

AND: **COMMISSIONER OF PATENTS**
Respondent

RESPONDENT'S OUTLINE OF ORAL SUBMISSIONS

PART I CERTIFICATION

1. This outline is in a form suitable for publication on the internet.

PART II OUTLINE OF ORAL SUBMISSIONS

2. **Overview**. Construed in the light of the specification as a whole and the common general knowledge (**CGK**), and considered as a matter of substance, not form, the invention claimed in claim 1 of the 967 Patent is an abstract idea, being a scheme or set of rules for playing a game, implemented using conventional computer technology for its well-known and well-understood functions. It is thus not a manner of manufacture.

   (a) Commissioner's submissions (**RS**) [11]-[12]

3. **General principles**. In applying s 18(1A)(a) of the Act, it is necessary to ask whether the claimed invention is a proper subject of letters patent according to the principles which have been developed by the cases for the application of s 6 of the *Statute of Monopolies*. The criteria of an "*artificially created state of affairs*" and "*economic significance*" are not a sufficient or exhaustive statement of the concept or the statutory test.

   (a) RS [17]-[19], [21]
   (b) *Myriad* at [18]-[28], [124]-[126], [166]-[167], [221], [272]-[278] (JBA C/17)
   (c) *NRDC* at 269, 271 (JBA C/21)

4. **Substance of the invention**. Whether an alleged invention is a manner of manufacture for the purposes of s 18(1A)(a) depends upon the construction of the claim in the light of the specification as a whole and the relevant prior art, which in this case is the CGK. This is to be determined as a matter of substance, not by the form of the claim.

   (a) RS [20]
   (b) *Myriad* at [12], [39], [87]-[94], [144]-[145] (JBA C/17)
   (c) *Research Affiliates* at [107] (JBA D/37)

5. **Abstract ideas**. Abstract ideas, including business, commercial and financial schemes, as well as games and the rules for playing them, are not patentable subject matter.

   (a) RS [22]-[25]; see also Aristocrat's submissions in chief (**AS**) [12]
   (b) *Grant* at [14]-[16] (JBA D/33)

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(c) FCJ [16] (CAB 75) and the cases there cited

6. **The Full Court decisions**. The implementation of an abstract idea in a computer, using conventional computer technology for its well-known and well-understood functions, does not make it a manner of manufacture. There is no ingenuity in the implementation of the abstract idea, as distinct from the idea itself. The invention remains in substance an unpatentable abstract idea. This may be distinguished from an invention involving some improvement in computer technology, which may be patentable.

(a) RS [26]-[35]
(b) *Research Affiliates* at [1], [8], [11], [65], [71], [102]-[121] (JBA D/37)
(c) *RPL* at [7], [36], [38], [95], [96]-[113] (JBA D/31)
(d) *Encompass* at [11], [27]-[33], [77]-[102] (JBA D/32)
(e) *Rokt* at [6], [33], [65]-[69], [74], [80], [84], [91], [102]-[115] (JBA D/30)
(f) *Repipe* at [2]-[4], [8]-[9], [13], [14] (JBA D/36)

7. **Claim 1 of the 967 Patent**. A gaming machine is a computer designed for the playing of electronic games which, at the priority date, typically consisted of a number of standard hardware and software components. Integers 1.1 to 1.6 of the claim define those standard components. Integers 1.7 to 1.12 of the claim define a scheme or set of rules for playing an electronic game implemented using those standard components. Accordingly, the gaming machine in claim 1 is a conventional gaming machine used for its well-known and well-understood functions. There is no ingenuity in the implementation of the game, as distinct from the scheme or rules of the game itself. The substance of the invention, and what distinguishes this particular gaming machine from others, resides in the scheme or rules of the game itself. That does not constitute a manner of manufacture.

(a) RS [36]-[40]; see also RS [8] and the references given
(b) PJ [30]-[45], [69] (CAB 15-19, 25-26)
(c) FCJ [6]-[7], [131], [136]-[137] (CAB 71-72, 108-110)
(d) 967 Patent, pp 1.1-2, 1.12-15, 3.17-30, 3.32-34, 4.13, 4.26-38, 5.6-13, 5.23-26, 6.1-4, 6.10-17, 7.29-31, 8.5-11, 8.13, 16.9-15 (ABFM 7, 9-14, 22)
(e) *Nicely* at [82]-[83]; *Yorg* at [42]-[44]; T 100.45-104.35 (RBFM 6, 9-10, 12-16)

8. **The primary judge**. The primary judge wrongly bifurcated the inquiry. The question whether the invention was a "*mere scheme*" was answered without regard to the proper context, including the specification as a whole and the CGK; and in particular, without considering whether the invention involved the use of conventional computer technology for its well-known and well-understood functions, or involved any ingenuity in its implementation. This emphasised form over substance. It is problematic because it allows the patenting of a new set of game rules by the device of framing the claim as a claim to a conventional gaming machine configured to implement those rules.

(a) RS [41]-[45]
(b) PJ [91], [95]-[105] (CAB 32-37)

9. **The Full Court**. The Full Court correctly held that the primary judge's two-stage approach was erroneous; and that the invention, considered as a matter of substance, not form, involved the use of a particular kind of computer, being a conventional gaming machine, to implement an abstract idea in the form of a scheme or set of rules for playing a game. This did not involve any advance in computer technology (Middleton and Perram JJ) but rather involved the use of computers for their well-known and well-

understood functions (Nicholas J). Such language does not impose any "*rigid test*", or wrongly inquire into novelty or innovative step, but rather, describes the conceptual distinction between a manner of manufacture and an unpatentable abstraction.

(a) RS [46]-[54]
(b) FCJ [2], [5]-[18], [23]-[57], [63]-[65], [89], [94]-[96], [105]-[106], [112]-[120], [131]-[132], [135]-[141] (CAB 69-86, 88, 93-96, 99-105, 108-111)
(c) *Encompass* at [91] (JBA D/32)

10. **Aristocrat's approach**. Aristocrat seeks to supplant the statutory test with the criteria of an "*artificially created state of affairs*" and "*economic significance*". Its two-stage approach is flawed for the same reasons as that of the primary judge, by avoiding the proper context and favouring form over substance. Those difficulties aside, Aristocrat accepts that it is legitimate to focus on some "*aspects*" of the claimed invention as reflecting the "*substance*" of the invention. Properly applied to the present case, this produces the result that the claimed invention is not a manner of manufacture.

(a) RS [13]-[16], [55]-[64]

11. **Other jurisdictions**. Reference to other jurisdictions is legitimate, despite legislative differences, and confirms the need for principles which recognise that an unpatentable abstract idea does not change its legal character merely because it is implemented by a computer. The approach in other jurisdictions produces broadly similar results.

(a) RS [59]-[60]
(b) *Apotex* at [243] (JBA C/14); *Myriad* at [31], [33]-[34] (JBA C/17)
(c) *Patents Act 1977* (UK) s 1(2)(c) (JBA B/8)
(d) *Research Affiliates* at [16]-[60] (JBA D/37)
(e) *Patents Act 2013* (NZ) s 11 (and examples therein) (JBA B/9)
(f) *European Patent Convention* Art 52(2)(c) (JBA B/7)

12. **Intervener's submissions**. Inventions in other fields of technology are not excluded merely because they involve the use of computers. The phrase "*computer-implemented invention*" in this context denotes one that involves the implementation of an *otherwise unpatentable* abstract idea. An otherwise patentable method that is implemented using conventional computer technology remains patentable. The Full Court's approach is consistent with Australia's international obligations. IPTA's approach emphasises form over substance and would apparently render even *Research Affiliates* patentable.

(a) RS [65]-[69]

13. **Notice of contention (CAB 135)**. This was filed for the avoidance of doubt. Ground 1(a) reflects the above approach, which should be determinative. The Commissioner's primary submission is that there is no need to consider the matters in ground 1(b), but if they are considered, they do not support a finding of manner of manufacture.

(a) RS [70]-[71]

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