HIGH COURT OF AUSTRALIA

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Details of Filing

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Important Information

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IN THE HIGH COURT OF AUSTRALIA
SYDNEY REGISTRY

BETWEEN: **ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LTD**
ACN 001 660 715
Appellant
and
COMMISSIONER OF PATENTS
Respondent

APPELLANT'S REPLY

Part I: Suitable for publication

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

Part II: Reply to the argument of the respondent

2. Unlike in each FFC decision considering computer-implemented inventions since *CCOM*, here, the PJ made a factual finding that the claimed invention is **not** a *mere scheme*, but a machine of a particular construction (see PJ [95]-[98]; CAB 33-35). The FFC majority agreed that the invention is a physical apparatus (see FCJ [61]; CAB 87).

3. The Commissioner asserted the claimed invention to be a mere scheme, being game rules (AS [6]). In response, the PJ correctly analysed, first, whether the claimed invention is a "*mere scheme*". Consistently with previous authority, it is only if the claimed invention involves a mere scheme, abstract idea or mere intellectual information that the Court needs to enquire into whether there is "*something more*", perhaps in its implementation, that renders it a MM (see PJ [99]-[101]; CAB 35-36).

4. The Commissioner's approach is inconsistent with *CCOM*, approved by this Court in *Data Access* at [20] (AS [24]-[28]), which recognised that a computer program, which has the effect of controlling computers to operate in a particular way, satisfies the criteria for MM exemplified in *NRDC*. As the FFC held in *CCOM* (at 291C, cited in *Lockwood* at [48]), this does not involve asking whether there is anything in the claimed invention that "*involved anything new and unconventional in computer use*", nor otherwise considering any other ground of invalidity.

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5. The inherent contradiction in the Commissioner's contentions is seen when, whilst accepting that the implementation of an idea, eg a game, in an apparatus used for playing it, may be patentable, she rejects the application of that principle in a novel EGM simply because a computer is involved (RS [23]; Cf. AS [88]). Plainly, there is no claim to a set of game rules. The claim is to a combination of many elements that includes the functionality of the gaming machine. As the FFC majority held: "*the invention is [not] in substance a set of game rules when it is, as the primary judge correctly observed, a physical apparatus*" (FCJ [61]; CAB 87). Indeed, when assessing whether the invention is an advance in computer technology, the FFC majority then described the invention as the implementation of a feature game on an EGM (FCJ [63]; CAB 88).

6. **Previous FFC decisions.** Aristocrat's appeal does not depend upon establishing that previous FFC decisions were wrong (Cf. RS [15]). As well as finding, as a matter of fact, that the claimed invention is a machine of a particular construction, **not** a *mere scheme*, the primary judge, in first considering this question, expressly applied the previous FFC decisions, especially *RPL* at [96] and *Rokt* at [88]. It is only after an invention is characterised as a *mere scheme* that it can make any sense to inquire into the manner of its implementation (ie whether there is "*something more*" which renders it a MM).

7. The Commissioner is wrong in asserting, *first*, that the recent decisions of the FFC held that, for a computer-implemented invention to be a MM, rather than a *mere scheme*, it *must* involve an advance in computer technology, and, *secondly*, that such an approach is a correct application of *NRDC* and *Myriad* (RS [26], [42]-[43] [48]; Cf. AS [16]-[22] and [23]-[31]). Never before has this been applied as a binary test (AS [83]). There is no principle that every invention that includes a processor and memory is *prima facie* unpatentable (FCJ [32](c)], [105]; CAB 79, 99-100, 105). If the recent decisions of the FFC so hold, they are incorrect for the reasons described at AS [44], [53]-[54], [83]-[84].

8. The requirement that an invention utilising a computer is patentable only if it involves an advance in computer technology (or any field) is wrong (AS [28]). It has as its genesis an incorrect application in Australian law of approaches derived from the UK, EU and the US which were developed in a different legislative context (AS [35]-[43]; Cf. *Ariosa* discussed at AS [44]; RS [59]; see also FICPI's Submissions at [16]-[39]). Those approaches involve, for example, asking whether the computer implementation involved an inventive step, an improvement or advance in computer technology, or a technical contribution in the field of computers. The contrast between the position in the UK before

the 1977 Act and after the adoption of EU principles is identified in *CCOM* and clearly illustrated by *IBM* (AS [38]-[39]).

9. Wrongly, the Commissioner seeks to justify the incorporation into the assessment of MM of the principles derived from the UK, EU and US as simply aiding in the distinction between a patentable invention and a mere abstraction (RS [59]-[60]). This approach is inconsistent with the authority of this Court (see AS [34]-[37], [53]-[54]). In fact, the UK, EU and US principles have been applied by the FFC as rules, not merely as an aid.

10. **FFC majority's new test.** The approach for which the Commissioner contends, as adopted by the FFC majority, first characterises the invention as a *computer-implemented invention,* and then, without considering whether it is a *mere scheme*, determines its patent eligibility by *requiring* that it involve an advance in computer technology (RS [43]-[48]).

11. In focussing on whether the invention *"is a computer"* (FCJ at [30]-[34]; [49]-[53]; CAB 79-80, 85), and requiring an advance in computer technology (disregarding any advance in other technologies) (FCJ [64]-[65]; CAB 88), rather than considering whether the invention involves a *"mere scheme*", (FCJ [26]-[27]; CAB 78), the approach of the FFC majority was inconsistent with that of this Court, *CCOM* and *Grant*.

12. Nicholas J (a member of the FFC in *Research Affiliates*, *RPL*, *Rokt* and *Encompass*) dissented, and seeking to apply the previous FFC decisions, identified the approach of the FFC majority as being in error. Nicholas J rejected the proposition that the technical contribution must be in relation to computer technology, rather than in *"different fields of technology"*. He would have remitted the matter to the primary judge to determine whether there was an advance in *gaming technology* (FCJ [116]-[120] and [144]; CAB 104-105, 112).

13. The approach of the FFC majority tests whether a computer-implemented invention is a MM (a) by reference to issues of novelty or obviousness, inconsistently with established principle (see AS [17], [21], [27], [42], [53(a)]), and (b) other than by reference to the face of the specification itself in the light of CGK, inconsistently with the principles articulated by this Court in *Microcell, Mirabella, Ramset* and *Myriad* [12], [39] (see AS [25]; Cf. RS [61]). This applies an exclusionary process inconsistently with the principles of universality adopted by this Court in *Apotex* and *Myriad* (see AS [20], [31]).

14. The Commissioner, in characterising the approach of the FFC majority as "*broad and flexible*" (RS [58]), has misstated the plain words used in FCJ [26]-[27] (and the application of the new test at FCJ [63]-[65]; CAB 88). The new test at [28] is substituted

by the FFC majority for the fundamental concept that *mere schemes* have never been accepted as patentable subject matter (RS [22]; FCJ [105]; CAB 99-100). To exclude, or set aside for differential treatment, inventions involving "*computer implementation*", is contrary to the reasoning of this Court in *Apotex* (AS [17], [20], [53], [80]).

15. **Combination claim to an EGM.** The Commissioner seeks to rely upon the decisions in *Research Affiliates, RPL, Encompass* and *Rokt* (RS [27]-[34]). Wrongly, the Commissioner fails to distinguish between merely implementing in a computer a *mere scheme,* of the type considered by the FFC in those decisions, from the **combination claim** to an EGM in the 967 Patent. In so doing, she wrongly seeks to dissect the combination claim into its integers and assess them separately (Cf. AS [65]) and ignores the very integers she acknowledges may render it a MM (RS [64]).

16. Although, at RS [53], the Commissioner recognises that regard must be had to the whole claim, she then advocates that, for determining MM, regard should be had only to those integers said to be inventive.

17. In so doing, the Commissioner raises as a point of principle whether it is permissible for a Court to assess MM, not by reference to the claimed invention, but by reference to those *aspects* of the claimed invention considered to be "novel" or "inventive" over the CGK. The Commissioner's approach is in error and must be rejected (see AS [66]-[68]). In the present case, it is clear that the claimed invention is the combination, being a highly regulated machine of a particular construction, that gives the invention its economic utilty. The wagering "game" that the Comissioner asserts is the invention cannot legally be implemented outside the machine (PJ [45], [97]-[98]; CAB 19, 35).

18. While *Myriad* reflects the established proposition that the CGK provides the background against which the specification and claims must be read (see AS [59]), it does **not** support the contention at RS [18], [19], [43], [53], [58], [61], [63] that MM is to be tested by reference to those aspects of the claimed invention that represent an advance over the CGK. Nothing in *Myriad* suggests that this Court looked only to elements of the claim rather than the claim as a whole (AS [22], [68]). Nor does initially assessing whether the claim involves a *mere scheme* suggest ignoring integers in the combination (Cf. RS [62]).

19. The approach of disaggregating a combination claim into its individual integers and assessing them individually, rather than as a combination, for MM, was rejected by this Court in *NRDC* at 264 (see also the additional decisions of this Court cited in AS [22]).

20. Inappropriately in this Court, the Commissioner seeks to challenge the primary judge's factual finding that the invention is not a mere scheme, by selective references to extracts of the evidence; apparently inviting this Court to review isolated extracts from the evidence at trial (RS [39], [40], [71]). Aristocrat respectfully submits that it would not be appropriate for this Court to revisit the primary judge's factual findings about the claimed invention by reference to the evidence below: see, eg *UBS AG v Tyne* (2018) 265 CLR 77 at [112] (per Nettle and Edelman JJ). In any event, contrary to RS [71], there was extensive evidence below that the claimed invention achieved functional advantages and technical improvements, including in the field of gaming technology (see PJ [13]-[16], [22], [25]-[27], [29]-[45], [76]; CAB 11-12, 13-19, 28; FCJ [10]-[12]; CAB 73-74).

The Commissioner's Notice of Contention

21. Aristocrat did contend that evidence below (some of which is referred to in the passages cited in paragraph 20 above) demonstrated that the invention involved a technical contribution, including in the field of gaming technology (Cf. RS [71]).

22. Should the Court reject Aristocrat's primary contention, this would support a remittal for the primary judge to rule on this issue consistently with the conclusion of Nicholas J (see FCJ [143]-[144] CAB 111-112; together with the remittal by the FFC in Order 4 of the Order dated 6 December 2021; CAB 113).

23. Aristocrat otherwise relies on its submissions generally in answer to the Notice of Contention.

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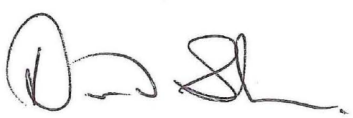

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