Dear Sir/Ms

I would like to comment on the proposed object clause (clause 2A) and on the meaning of Prior Art Base with respect to “Inventive Step” in clause 7B(2) of the draft Bill. (In the latter case, I believe that the drafting has major unexpected consequences.)

Object Clause

The proposed object clause refers to “economic wellbeing” but does not define whose economic wellbeing, nor specify the country (Australia?) whose economic wellbeing should be considered. For example, many users of the patent system are foreign, and could reasonably argue that the object clause (as currently worded) contemplates their economic wellbeing – whether within or outside Australia. (Similar comments may be made about the use of the word “public.”)

Secondly, the second sentence of the proposed object clause is not expressed as an object. Surely “the patent system balances” should read “the patent system should balance” or perhaps the entire clause should read (so as to ensure it clearly expresses a coherent object):

“The object of this Act is to provide a patent system in Australia that promotes economic wellbeing through technological innovation and the transfer and dissemination of technology, so that the patent system balances over time the interests of producers, owners and users of technology and the public.”

Thirdly, “technological innovation” is not a term with a clear meaning in the patent system. There are a few problems:

1. “innovation” is effectively defined in relation to the innovation patent, so I would expect that at some point in the future it will be argued that “innovation” in “technological innovation” should be given the same meaning;

2. More generally, the Act presently refers to “invention”, not innovation – so it is unclear whether the object clause intends to promote subject matter of the kind protectable under the patent system or something else. I imagine that the intention was to define subject matter that is broader than “invention” but which includes “invention”, but “innovation” does not clearly do so;

3. “Technological” is presumably intended to constrain the object clause by reference to – in broad terms – the practical arts of the kind protectable under the Act. It thus excludes artistic innovation, for example. However, the Act has a definition of protectable subject matter (i.e. “manner of manufacture”), and – as far as I am aware – there is no case law that aligns “technological” with “manner of manufacture.” I am concerned that “technological innovation” also creates an opportunity to argue that the Act (as proposed to be amended) includes two tests, one perhaps a threshold for the other. This is a realistic possibility: we saw this very phenomenon in the 1990s in a series of decisions concerning whether “manner of manufacture” and “manner of new manufacture” meant different things, which the High Court ultimately concluded was so. This was only remedied by an amendment to the Act to remove “new” from the definition of patentable subject matter.)

In any event, the expression “technological innovation” appears to do little if anything. The burden of the expression is, I suggest, already present in “patent system” and in particular the definitions contained in the Act that constrain what is patentable. “Technological innovation” is arguably otiose.
In conclusion, I propose that a better object clause would read:

“"The object of this Act is to provide a patent system in Australia that promotes the economic wellbeing of Australia and the transfer and dissemination of technology, while balancing over time the interests of producers, owners and users of technology and the Australian public."

Inventive Step

Firstly, it is my understanding that the intention of the amendment of s 7 is to align the test for inventive step more closely with that of the EPC. As I understand it, this is intended to be accomplished by the amendment of s 7(2). As I further understand it, the relocation of the substance of s 7(3) to clause 7B(2) is a matter of “housekeeping”, that is, to provide a clearer format – not to still further adjust the test for inventive step.

However, the proposed amendment appears to do more than that. Current s 7(3) provides, in effect, that an assessment of inventive step should be between:

1. the alleged invention and common general knowledge (s 7(2) – in referring to common general “knowledge… considered separately);
2. the alleged invention and common general knowledge considered together with “any single piece of prior art information” (s 7(3)(a)); and/or
3. the alleged invention and common general knowledge considered together with “a combination of any 2 or more pieces of prior art information” (s 7(3)(b)),

the prior art information of 2) and 3) being further limited by the final portion of s 7(3) (viz. “being information that… as mentioned in that paragraph”).

As is well understood, this means that the common general knowledge is always a part of such a comparison such that, for example, an invention cannot be found lacking in an inventive step in the light solely of, for example, a pair of documents, each perhaps contributing half of the claimed features.

The draft Bill, however, does appear to permit an evaluation of inventive step based on, say, a single document or a pair of documents without its or their being “considered together with” the common general knowledge. Clause 7B(2) links its paragraphs (a) to (d) with “and”, permitting an evaluation of inventive step by comparison with the prior art defined in any one of those paragraphs. I cannot imagine that this was intended.

Alignment with the current Act would be a simple matter. For example, clause 7(2) could instead read:

“(2) For the purposes of this Act, an invention is taken to involve an inventive step when compared with the prior art base if the invention is not obvious to a person skilled in the relevant art in the light of the prior information mentioned in paragraph 7B(2)(d)."

(In the above, it should be understood that I fully appreciate that the common general knowledge is also relevant to the interpretation of the prior art by the skilled person – and this is surely also implicit in the draft Bill – but here I am concerned only with the definition of the prior art base, not the nature or definition of the person skilled in the relevant art. This distinction is present in the current Act, but not in the draft Bill.)

Yours faithfully,
Andrew Morton