With regard to consultation Question 2, the reason this question has been raised is because IP Australia and patent attorneys know that the introduction of the term “technological” does restrict the type of innovation and will most likely exclude certain subject matter from being patentable, despite what is said in the Explanatory Memorandum.

For example, Examiners of the Australian Patent Office are currently applying a restrictive interpretation of the Federal Court decision in *RPL Central* to exclude a range of software inventions on the basis that they are simply not sufficiently technological and relate more to schemes or plans. Given all software executes a series of processing steps; it is too easy to classify any software as a scheme. Similar problems have occurred in the UK as discussed below.

The term “technological” also has an unclear meaning in the English language.

The term “technological innovation” was introduced in the TRIPS Agreement solely to satisfy the current restrictive European jurisprudence which was imposed on Europe by a short sighted decision in 1977 to exclude in Article 52 of the European Patent Convention (EPC) certain subject matter including “programs for computers”. Otherwise Europe would not have complied with TRIPS.

The term has resulted in a tortuous series of unclear and contradictory EPO decisions and court decisions in Europe that is now being replicated in Australia. The EPO jurisprudence restricts subject matter based on “technical contribution”; notwithstanding the word “technical” only appears in the EPC rules in relation to a description requirement.

**EPO Approach**

The EPO approach based on “technical contribution” has been developed over a considerable period of time (since the decision in *Vicom T0208/84*) to read down the 1977 exclusion as much as possible. However, the approach has been often criticised as being inconsistent and contradictory to the EPC itself. For example, the UK Court of Appeal has said "The decisions of the EPO Boards of Appeal are mutually contradictory" and its approach in two decisions "is simply not intellectually honest", *Aerotel/Macrossan* [2006] EWCA CW 1371, paras 25 and 27, 2006. The EPO Board of Appeals in reply said the UK Court of Appeal approach "is not consistent with a good-faith interpretation of the European Patent Convention", *Dunns Licensing Associates, L.P., T 0154/04*, 2007.

The complications and confusion that has arisen over the interpretation of Article 52 of the EPC, and the equivalent provisions in the UK, using a “technical” test has seen the UK Intellectual Property Office exclude an entire class of subject matter from protection on 2 November 2006, only to have to overturn its practice 15 months later on 7 February 2008.

In October 2008, the President of the EPO was so concerned she asked the EPO Enlarged Board of Appeal to consider a set of questions concerning the patentability of programs for computers. This is the subject of a May 2010 Opinion (G 0003/08) of the Enlarged Board which justifies the EPO approach and highlights the difficulties associated with a statutory exclusion for computer programs. It is imperative that any person considering advocating the EPO approach, like introducing “technological” into our law needs to consider the Opinion carefully.

**Australian Courts’ Warning**

Our courts have made it clear wording of this nature should not be introduced.
National Research Development Corporation v Commissioner of Patents, (1959) 102 CLR 252 at 271 (NRDC), High Court of Australia, Dixon C.J, Kitto and Windeyer J.J:

"The purpose of s.6, it must be remembered, was to allow the use of the prerogative to encourage national development in a field which already, in 1623, was seen to be excitingly unpredictable. To attempt to place upon the idea the fetters of an exact verbal formula could never have been sound. It would be unsound to the point of folly to attempt to do so now."

Grant v Commissioner of Patents [2006] FCAFC 120 (Grant) at paragraph 38:

“One thing that stands out from NRDC is the emphasis that their Honours put on the unpredictability of the advances of human ingenuity. What is or is not to be described as science or technology may present difficult questions now, let alone in a future which is as excitingly unpredictable now as it was in 1623 or 1959, if not more so. We think that to erect a requirement that an alleged invention be within the area of science and technology would be to risk the very kind of rigidity which the High Court warned against."

The High Court in D'Arcy v. Myriad Genetics Inc [2015] HCA35 (7 October 2015) followed this important principle.

Object Clause

There is no need to introduce unclear, problematic and restrictive wording into the Australian Patents Act. The term "technological" can be easily removed as follows.

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

Kind regards,

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