



COMPUTER-IMPLEMENTED BUSINESS METHODS: PATENTABLE?

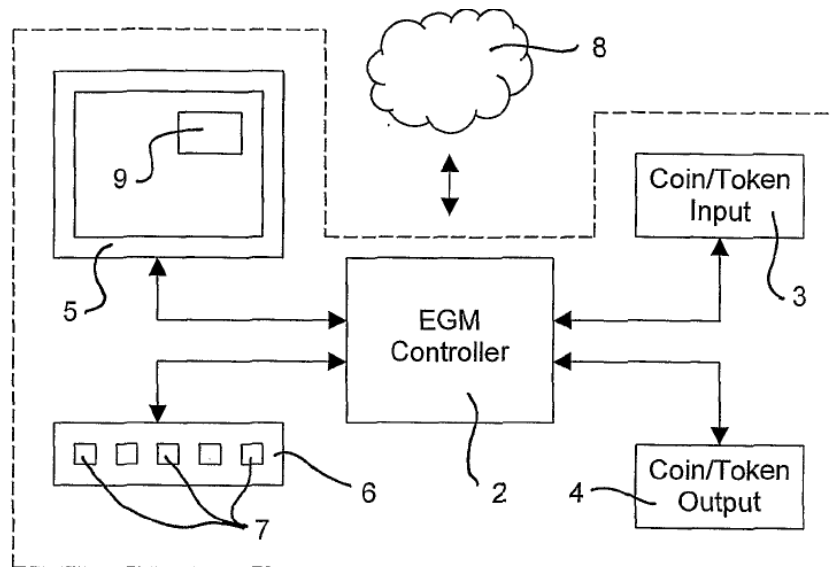
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Patentability of Computer-implemented Business Methods – A Recap

- Last year's presentation considered Australian cases on patentability of computer-implemented business methods:-
 - *Research Affiliates v Commissioner of Patents* (Federal Court)
 - *RPL Central v Commissioner of Patents* (Federal Court)
 - *Dynamite Games v Aruze Gaming Australia* (Federal Court)



- Two patent applications for 'index-generation' method for weighting an investment portfolio.
- Refused by Patent Office on basis of non-patentable subject matter in December 2010 and December 2011.
- Decision upheld by Federal Court in April 2013.
- Appealed by Research Affiliates to Full Federal Court.

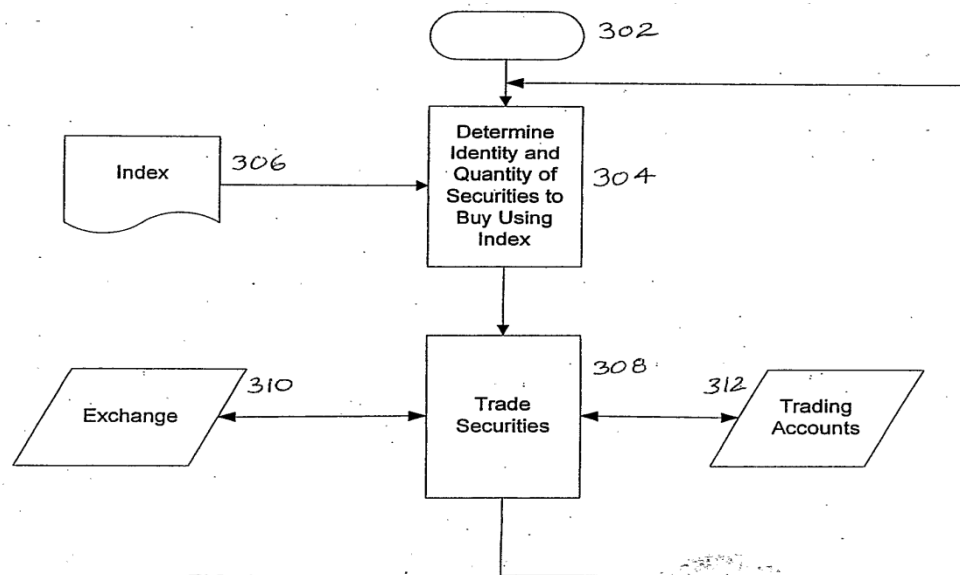
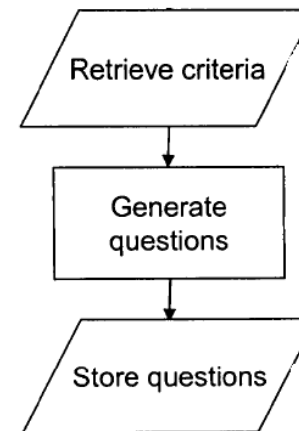


FIG. 3

- Application for a method of gathering evidence for assessing an competency relative to a qualification standard, and a computer system for doing so.
- Refused by Patent Office on basis of non-patentable subject matter in July 2011.
- Patent Office decision overturned by Federal Court in August 2013
- Appealed by Patent Office. Appeal deferred pending FFC decision in *Research Affiliates* which is thought might be determinative.

Question 1/50	
Generally speaking and based on your prior experience and education, how do you feel you can demonstrate an understanding of the structure and profile of the aged care sector?	
What sources of evidence would you like to upload in support of the above? We recommend: (a) Letter from an employer, (b) Evidence of prior qualifications, (c) Previous experience relating to your work in the aged care sector	
<input type="text"/>	<input type="button" value="Upload"/>
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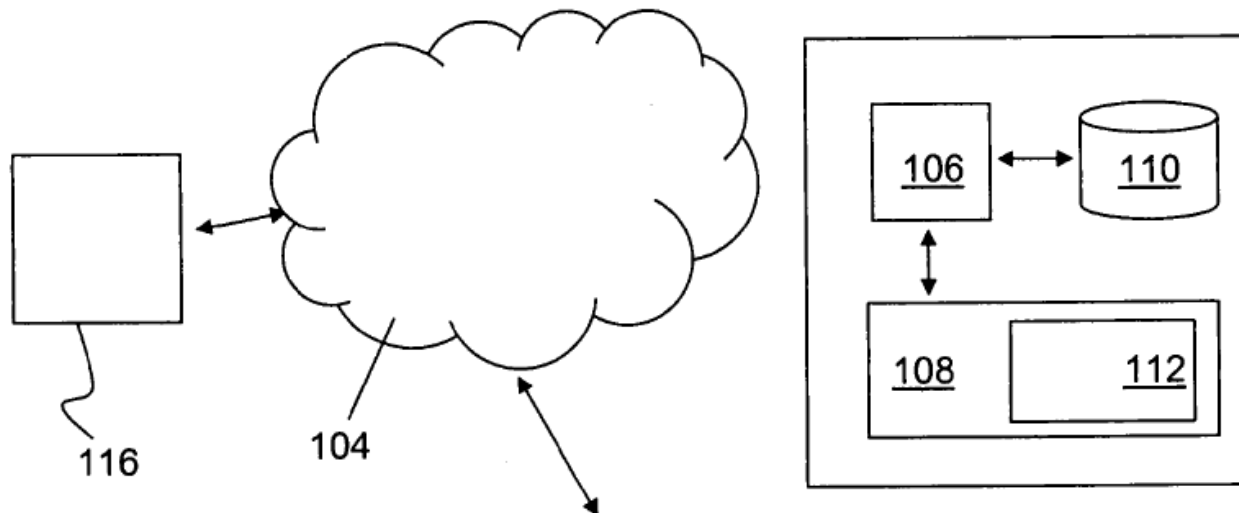


The Global Context: Australian consideration of *Alice v CLS Bank (US)*

- Four patents for electronic methods and computer programs for financial-trading systems used to reducing trading risks.
- In July 2014 the US Supreme Court unanimously held the claims were not directed to a patent-eligible subject matter, applying test in earlier *Mayo v Prometheus* decision:-
 - Directed to a patent-ineligible subject matter: an 'abstract idea'.
 - Not "*significantly more*" than the abstract idea itself as the claims "*amounted to nothing 'significantly more' than an instruction to apply the abstract idea of intermediated settlement using some unspecified, generic computer*".
- Result: computer implemented business methods without significant involvement of computer unpatentable and granted patents unenforceable.
- Reported to have rendered 100,000's of US patents useless.

- In November 2014, Full Federal Court unanimously affirmed Emmet J's decision, holding:-
 - An invention is to be understood as a matter of substance and not merely a matter of form. Emphasis placed on understanding the invention, rather than merely assessing claim language.
 - Distinction drawn between mere implementation of an abstract idea or scheme in a computer, and the implementation of an abstract idea that creates an improvement in a computer.
- Having found that the substance of the Research Affiliates' invention was a 'scheme' or 'index', an abstract idea to which the computer implementation is unrelated, the Court held that it was unpatentable.
- No application for special leave made to the High Court.
- Positive comments regarding first instance decision in RPL Central.

- *RPL Central* heard by the Full Court on 7 May 2015.
- Same bench of judges as *Research Affiliates*.
- Patent Office arguing for adoption of assessment of patentability in accordance with *Alice Corporation*.
- Decision expected this year.
- Possible appeal to the High Court foreshadowed.



- Full Federal Court decision in *Research Affiliates* provides guidance for patentees as to the patentability of software and the level and nature of disclosure required for computer-implemented business method patents in Australia.
- Awaiting further Full Court guidance in *RPL Central* on arguably much more patentable invention. Expected affirm patentability but with higher standard of disclosure.
- Patenting of software and business methods remain possible and commercially valid.
- Increase patenting by US Companies in Australia looking to avoid *Alice*.