ACIP review of patentable subject matter

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First of all, I'd like to express that I'm not opposed to my contribution being made publicly available and I'm willing to participate to round-tables or other meetings on the subject in the future.
Second, the answers to the questions only present my personal opinion on the subject and not the positions of my organisation.
Third, I'm French and have been trained in IP law in Europe which could sometimes bias my view of things. It could also affect the good expression of my ideas as my English is far from perfect, so I apologise in advance for that.

Question 1 – Economic objectives of limiting patentable subject matter (Part 3)
Can placing limits on inherently patentable subject matter be justified on economic grounds?
Should the subject matter of each individual invention be assessed to determine whether a patent is necessary to encourage innovation, or should such an assessment be done for entire fields of technology?

The patent system, giving a monopoly to an inventor on its invention for a certain period of time, is an exception to the general rule of free competition that applies – more or less freely – in most economically-developed countries.
Therefore, placing limits on otherwise inherently patentable subject matters could be justified, if not placing such a limit would prove too much of a burden to society (e.g. by creating too big a monopoly in a certain field). That is where patent regulations[1] have to be reconciled with other bodies of laws, and put back into the bigger picture of economic and competition rules. Patent regulations can not be complete and fully comprehended without also analysing their effect on economic matters.
Looking back in history, we see that the very existence of patents has economic grounds, and the Statute of Monopolies took the precaution to limit or cancel any patents when there would otherwise be adverse economic effects.
The same line of reasoning should still stand today.
However, refusing the benefit of the patent system to some inventions on economic grounds has to be carefully and reasonably done, so as not to discourage innovation in particular fields of activities.

For practical reasons, it would seem at first that assessing whether entire fields of technology should be patentable subject matter is easier than determining individually if a patent given for a specific invention would be beneficial to society and encourage innovation.

[1] By "regulations" I mean all the rules – whether acts or case law or any other – applying to the subject matter

However, when a field of technology is barred individual patents still have to be individually assessed when on a subject matter close the “forbidden sector”… Thus there is probably no real gain in terms of costs for the patent examiner.
Nonetheless, having entire fields of technologies excluded from the field of patentable inventions might send a clearer and more consistent message to the public and the inventors, in terms of what is and what is not possible.
Examination has to be meticulous to avoid the European default of having patents granted on normally barred subject matters because they are cleverly drafted, though.

Question 2 – Economic effect of inherent patentability test.
What would be the consequences on innovation of imposing or removing limits on patentable subject matter? Are you aware of any empirical data on such consequences?

If the imposition and removal of limits on patentable subject matters is not reasonably exercised by the legislature, it would then blur the perception of the public and consequently could hinder innovation.
On the other hand, if such limits result from a public debate the public will adhere to that limit and it should not cause adverse effects on innovation.
The question arose in Europe regarding genetics and the decision to limit general patentability in that field was seen as, on the contrary, a tool to encourage research in that sector – as research discoveries and elaboration of inventions in that field would not be hindered by wide patents.

Question 3 – Ethical reasons for limiting patentable subject matter (Part 4)
Can placing limits on inherently patentable subject matter be justified on ethical grounds? Is it appropriate for legislation to predetermine ethical limitations on patentable subject matter, or is it more appropriate for courts to determine such limitations on a case-by-case basis?
Is patent law an appropriate avenue for dealing with ethical issues? If not, what is an appropriate avenue?

Again, patent law is not a field of law that should be separated from real life. When deemed appropriate by the legislature, the imposition of limits on ethical grounds seems justified.
To reach such a decision, the legislature will take into account the local context in terms of public perception, what is culturally acceptable or not, their own ideology on said matter. And, again, they shall be reasonable.
Argument could be made that Parliament is elected to decide of such matters, whereas judges (in most countries at least) are not. The counter-argument is that politicians could be more inclined to decide on a matter for bad or populist reasons while courts may be more reasonable and take into account a bigger picture than the latest trends in public polls. To me it is in the legislature’s role to decide on such limits.

Having to examine if an invention complies with the law is, to me, too wide a task for the patent office. In addition, it is sometimes not possible to determine every potential effect of an invention, and of course it is impossible to predict for examiners or courts what future laws will be.
That is why having to assess if an invention is contrary to the “ordre public” – which is a lot narrower – seems a better idea.
I don’t think practical (if possible at all) to have a precise and true assessment of whether an invention complies with Australian laws.

In my opinion, patent law should not be the main forum to deal with such issues, but it shall nonetheless be impacted as I've said before by "real life" events and be consistent with the rest of the legal corpus.

Question 4 – Ethical effect of inherent patentability test.
What would be the ethical consequences of imposing or removing limits on patentable subject matter? Are you aware of any examples of such consequences?

In my (limited) experience, as long as the decision of imposing (or removing) a limit on patentable subject matter for ethical reasons had been taken after a fair public debate, there shouldn't be any medium- to long-term adverse consequences on innovation in the affected field of activity.
As an example, the 1990s and early 2000s debate that took place in Europe (and specifically in France) about genetics, and the subsequent decision to limit the scope of patentable inventions in that field have not, to my knowledge, hindered or slowed down the researches and innovations in that sector.

Question 5 – Other reasons for limiting patentable subject matter.
Other than economics, ethics and national security, can placing limits on inherently patentable subject matter be justified on any other grounds?

All of the reasons that could be readily accepted as grounds for limiting patentability of inventions could fall in one of those 3 categories (economics, ethics or national security). Thus I don't see what other reason could lead to the addition of new grounds to do so.

Question 6 – Content and structure of current Australian law (Part 7)
Does the content of current Australian law meet the objectives of the system? Are decision makers focusing on the appropriate principles?
Is the legislative structure of current law appropriate for the content?
Is the current law clear to decision makers and users of the system? Does the content or structure of the current test cause you any significant problems?

I think that the current system is distorting the original test too much. If you stop for a second and consider what is now being included in the meaning of the test, in comparison with the actual wording of the test, the difference is striking.

Clarifying and modernising the structure of the system could only be positive and align the Australian legislation on the topic with the most advanced ones.
I have the feeling that the current position partially results from the will to stick to a 400-year-old test just for the sake of it – while at the same time twisting its meaning so that it could be said that this test is adaptable. To me, it's too artificial a position – some would use the word "dogmatic" – and not the best solution. A lot of energy is used in defending an old concept, that could be used more efficiently otherwise.

By opposition, for the most part the content of the system is reasonably adapted to modern constraints of patents.

Question 7– Issues with current Australian law
Do you have any comments on issues A to H identified in Part 11.3.1?
- combination of flexible and proscriptive tests
- value of existing body of case law
- general inconvenience, mischievous to the state and hurt of trade
- archaic language
- threshold of inventiveness
- threshold of utility
- scope of rights awarded
- requirement for grant

The ideas underlying the "general inconvenience, mischievous to the state and hurt of trade" could benefit from that wording being replaced by a clearer one. That could lead to these conditions being effectively enforced while assessing the patentability of an invention.
To take an example, the *Rolls Royce (1963)* case could be resolved identically using other, clearer, grounds – economics if safety is not deemed endangered using the method, or national security (which could include / is already including public safety) if the method is seen as potentially dangerous in that it adds to the burden of pilots' tasks.

Replacing archaic language would of course improve the comprehension of the Patents regulations by all (public, patent practitioners, patent examiners, courts …) and lead to clearer arguments.

The threshold of utility as present in the "Manual of practices and procedures" might need to be changed as well.

Scope of rights awarded: a problem is that on fields that are technically very specific (such as genetics for instance), it will be difficult for a patent examiner to determine the real extent of the patent, as even with good knowledge in the field it might not be possible (without having proceeded to thorough researching) to effectively assess whether the claim is too wide or not.

Requirement for grant: the suggestion in the issues paper is interesting and could be a good thing.

Question 8 – International integration
Is it more important to achieve best practice or to harmonise with a major jurisdiction? Are any jurisdictions preferable over others?

Harmonising with a major jurisdiction just for the sake of it should not be an objective *per se*. I don't think that applicants for patents would renounce to apply in the jurisdictions they're interested in just because the system is different and consequently adds to the cost they have to bear, especially when thanks to different mechanisms (PCT mainly) the costs of doing so can be deferred long enough to assess the financial viability and trade value of the invention and spread the costs.

On the contrary, striving to reach the best possible practice should be the goal to set – and that could in turn inspire other countries.
To do so, observing what's done in other countries or regions and taking the best of their practices is the way to go – after maybe a necessary adaptation to the Australian context and history.

I don't think any jurisdiction should be favoured; there are interesting elements in all of them.

Question 9 – International compliance of current Australian law
Is current Australian law compliant with our international obligations?

I unfortunately am not familiar enough with the different agreements (such as the AUSFTA) entered into by Australia to answer. I don't believe though that any sensible change to Australian legislation would cause a major breach of TRIPS, as Art. 7 and 8.2 could justify any (reasonable) limitation (as well as Art. 27.3 (a) for medical treatments and methods).

Question 10 – Preferred patentable subject matter
According to what you believe are the appropriate objectives and constraints of the patent system, what sorts of subject matters do you think should be inherently patentable and what should not?
Would your preferred content be compliant with Australia's international obligations?

To me, a system close to option 3 (basically the European Patent Convention system) but at the same time including wording allowing courts to adopt a flexible approach on some subjects would be the best way to go.
By that, I mean a system that could clearly exclude some subject matters (in designating types of "inventions" that could not be patented, e.g. business methods, etc), but which would also give judges some leeway by referring to existing concepts that vary in time and when confronted with new technologies. Saying that, I refer for instance to the way "ordre public" is used.

Such a system would not, in my opinion, add burden to inventors/applicants as the patent examiner would have to prove that an invention is not entitled to a patent. Moreover, the system would be very predictable for its users, which means that a lower numbers of conflicts would probably arise.

Regarding the type of subject matters that should be included or excluded from the field of patentable inventions, I'm afraid I can't answer that without referring mainly to the European system – with a few adaptations though, notably on the way softwares are treated. I think a middle ground (if possible!) between the US and EU solutions would be good. Maybe linking softwares to innovation patents?

Question 11 – Legislative structure
What sort of legislative structure would be appropriate to achieve your preferred content identified in Question 10? Are any foreign structures preferred?
In principle, when should statutory provisions excluding specific subject matters be used? Should such provisions be expanded, such as by including the exceptions from patentability allowed under TRIPS?

Question 12
Do you have any other comments?