Inspire

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Welcome

Australia's IP legislation includes many provisions, which while important, do not regularly receive consideration by our Courts, leaving their potential scope uncertain. Recent decisions regarding 'who can be an inventor', and what constitutes 'fair dealing' with a copyright work, provide valuable insight into the application of some underexplored areas of our law.

In this edition of Inspire, Helen McFadzean examines the ongoing controversy over whether an Artificial Intelligence machine can be nominated as the inventor for a patent application. As Helen notes, the recent decision in *Thaler v Commissioner of Patents* would seem to put the scope of who may be an inventor for a patent at odds with the position of who may be an author for copyright, or a designer for a design registration. Interestingly, the case also hints at how the recently introduced objects clause may play an increasing role in the interpretation of the Patents Act

Rather than a general 'fair use' defence, Australian copyright law provides a number of specific defences which apply where a work is used for a particular purpose and in a manner which constitutes 'fair dealing'. As Ye Rin Yoo explains, although the application of the defence is very fact specific, the decision in *AGL Energy v Greenpeace* provides some important guidance on the factors which a Court may considered in deciding whether a particular dealing is fair.

While Australian patent law includes specific grace periods to allow for public working of an invention for the purpose of reasonable trial prior to filing a patent application, as Greg Bartlett discusses, there are important limitations to these provisions. The decision in *Fuchs Lubricants v Quaker Chemical* illustrates that disclosures which are ancillary to a public trial may not be covered by the grace period, and should be avoided or made only subject to suitable confidentiality arrangements.

Also in the edition, Mark Williams looks at the application of the manner of manufacture test to blockchain related technology, Leigh Guerin explores the patentability of diagnostic methods, Annabella Newton looks at changes to patent term extension laws and we say congratulations to Jacqueline Leong on her recent promotion.

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Congratulations to our new Senior Associate Jacqueline Leong

We are pleased to announce the promotion of Jacqueline Leong to the position of Senior Associate. This promotion is a significant milestone that recognises Jacqueline's exceptional work, client service, and leadership.

Prior to working at POF, Jacqueline worked as a trade mark solicitor in the intellectual property department of one of Malaysia's top-ranked law firms where she managed and prosecuted large trade mark portfolios for many well-known global companies, assisted in court actions and participated in anti-counterfeiting activities with local law enforcement agencies and private investigators.

Jacqueline has assisted both local and international clients with their trade marks, specialising in the protection, enforcement and defence of trade marks in Australia and overseas.

"Jacqueline has been with us for over two years, and is a highly-valued member of our Adelaide office and our trade marks team. She also makes a significant contribution to our Trade Marks Committee, Health & Wellbeing Committee, and Diversity & Inclusion Subcommittee. This promotion is a reflection of Jacqueline's hard work and dedication to our clients and the firm."

Ross McFarlane, Managing Principal

Commissioner of Patents appeals decision allowing Artificial Intelligence as an inventor

The Commissioner of Patents has appealed the Federal Court decision of Justice Beach in *Thaler v Commissioner of Patents*[1] which recognised that an AI machine could be an inventor for a patent.

The Federal Court judgment, handed down on 30 July 2021, recognised an AI machine (DABUS) as an 'inventor' for Australian patent application 2019363177 and received widespread media attention.

As we reported earlier, AU2019363177 naming DABUS as the sole inventor is one of a family of related applications around the world. The applicant and creator of DABUS, Dr Stephen Thaler, has been actively campaigning for AI to be recognised as an inventor. In a number of jurisdictions including the US, UK and Europe, counterpart applications have been rejected on the basis that DABUS is not a natural person and therefore cannot be named as an inventor. The judgement therefore places Australia as the first country to judicially accept AI as an inventor.

In the words of Justice Beach, *we are both created and create, why cannot our own creations also create?* With this sentiment, his Honour noted that the word "inventor" is not defined in the Patents Act or Regulations, and according to its ordinary meaning, should be regarded as an agent noun similar to "computer", "controller", "regulator", "distributor", "collector", "lawnmower" and "dishwasher", in which the agent can be a person or a thing. Justice Beach was of the view that this broad and flexible interpretation was consistent with the object of the Patents Act to promote technology innovation, and the flexible interpretation given to "manner of manufacture" as defined in the Statute of Monopolies.

Justice Beach further stated that it was a misconceived assumption that the chain of title to an invention had to start with the inventor, and concluded that under Section 15(1)(c) of the *Patents Act 1990*, the rights of a person who derives title to the invention from an inventor can extend beyond assignments to encompass other means by which an interest may be conferred. Accordingly, Dr Stephen Thaler was capable of deriving title to the invention from the AI machine.

The decision is likely to have implications for the assessment of inventive step. According to Justice Beach, the 'person skilled in the relevant art' can be taken to be assisted by or have access to artificial intelligence, potentially raising the threshold for inventiveness. However, the question of whether the hypothetical person skilled in the art could be an AI machine remains open to debate.

Justice Beach also rejected the Commissioner's analogy between 'inventor' in the Patents Act and copyright law which requires a human author. Notably, the decision does not discuss any analogy between 'inventor' in the Patents Act and 'designer' in the Designs Act. Registered designs protect the visual appearance of a product and, like patents, provide IP owners with a limited time monopoly to incentivise innovation. The invention described in AU2019363177 relating to a food or beverage container with a unique wall profile could certainly be considered a registrable design. Interestingly, Section 13 of the Designs Act 2003 specifically refers to the designer as 'the person who created the design'. It would be a strange outcome if DABUS could be considered the inventor of a container for a patent application but couldn't be considered a designer for the same container in a design application.

We eagerly await the decision from the Full Federal Court.

[1] *Thaler v Commissioner of Patents* [2021] FCA 879

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Australian Patent Office in favour of Blockchain… for the moment

E-commerce giant Alibaba has had a win before the Australian Patent Office in relation to an application for their technology which improves privacy on the blockchain. In a recent decision[1], the Delegate found that Alibaba's patent application satisfies the manner of manufacture requirement, and that amendments made to address an objection were valid and supported by the specification as filed.

The Invention

Broadly speaking, the invention related to a solution to the consensus problem by way of blockchain. In blockchain technology, transaction data needs to be broadcast to consensus nodes for the blockchain to work effectively. However, broadcasting transaction data can create privacy issues since transaction data can contain identifying information, such as the subject matter of a transaction, an account address, ID information and other data, as well as timestamps, and dates.

The invention was directed to a method involving generation of a transaction abstract derived from the transaction data, but which obfuscates transaction details related to privacy. As part of the method, the consensus nodes accept the transaction abstract as being authentic, meaning there would be no need for all the consensus nodes to perform consensus verification on the transaction data *per se.*

Background

During prosecution of the application, the Examiner maintained an objection based on manner of manufacture, asserting that the invention was directed to the application of abstract rules associated with the implementation of a mere scheme for the management of transaction data.

Inventive step was initially raised before being overcome by argument and amendment by the Applicant. The examiner then raised objections on the ground that the specification didn't disclose the invention in a manner which is clear enough and complete enough for the invention to be performed by a person skilled in the relevant art and that the claims were not supported by specification. The Applicant requested to be heard in the matter.

[1] *Advanced New Technologies Co., Ltd.* [2021] APO 29 (21 July 2021)

The Decision

The Delegate agreed with the Applicant's arguments that the specification clearly discloses that the transaction abstract can be achieved by way of a hash function, and that obtaining digital signatures is known in the art. They were satisfied that there was no deficiency in the disclosure of the specification which would prevent a person skilled in the art performing the steps of the invention, without difficulty or exercise of invention. The Delegate was also satisfied that the specification provided a clear enough and complete enough disclosure to perform the invention across its full scope and that the claims were supported by the body of the specification.

Manner of Manufacture

Applying the guidelines in *Research Affiliates LLC v Commissioner of Patents*[2], as summarised in *Aristocrat Technologies*[3], the Delegate found that the 'substance' of the invention *"lies in a method of processing a transaction request within a blockchain wherein the transaction data is irreversibly converted into a non-recognisable form (data abstract) and using this data abstract to first get approval for the transaction only from transaction nodes and then use this approved data abstract to then get consensus validation from all of the consensus nodes".*

However, the Delegate was not persuaded that the invention solved a technical problem as opposed to a business problem relating to the content of the transaction data and the administrative rules for consensus validation within a blockchain. Further, the Delegate was of the view that the claimed method required only generic computer implementation and was at pains to distance the invention from the subject of *Aristocrat Technologies v Commissioner of Patents*[4].

Nevertheless, the Delegate was persuaded that the invention provided a technical solution to the problem in that each of the steps of the claimed invention related to the conversion of transaction data into an indecipherable form, or how this converted information is then sent to transaction nodes and consensus nodes for digitally approving the transaction, and for gaining consensus validation.

> **"While this decision is a good result for those in the blockchain space – it also highlights another issue with how the manner of manufacture test is applied to computer implemented inventions.**

The Delegate noted that a data abstract from which transaction data cannot be reversely obtained can be achieved using a one-way hash function, which although well-known, is none the less technical. Further, obtaining digital signatures of all of the transaction nodes as approval of the transaction and then generating a transaction abstract involves the application of encryption techniques – which satisfied the Delegate that there was a technical element to that step of the claim.

Finally, the Delegate found that the invention provided a practical and useful result on the basis that a breach of privacy is prevented by converting the transaction data into a transaction abstract, in which privacy information is obfuscated.

The Delegate noted that *"the present invention relates to blockchains, a computer implemented technology that, in my view, is not inherently unpatentable"* and *"I can see no reason why technical improvements to fundamental mechanisms related to consensus within a blockchain should not be patentable, even though these improvements might not necessarily be addressing technical problems. In my view, the balance of considerations weigh in favour of finding that the claimed invention is a manner of manufacture."*

It may however be a pyrrhic victory for the Applicant as the Delegate, in researching the operation of blockchain, cryptography and hash functions, formed the view that the claims lack an inventive step and pushed the issue back down to examination to be resolved.

Conclusions

This case illustrates some of the issues that Examiners and Applicants face in applying the manner of manufacture test as it pertains to computer implemented inventions.

Quite often, prosecution of an application starts with a fundamental disagreement between the Examiner and the Applicant on what the 'substance' of the invention is, whether it solves a technical problem, as well as inventive step objections. The latter are usually overcome by argument or amendment, but the manner of manufacture objection remains. Substantive claim amendments are then proposed to positively recite technical features to address the manner of manufacture objection which can result in disclosure or support issues.

While this decision is a good result for those in the blockchain space – it also highlights another issue with how the manner of manufacture test is applied to computer implemented inventions. The manner of manufacture test has become a moving feast as many features of computer implemented inventions become *"well known or ordinary functions of a computer"* in the eyes of the Australian Patent Office. For example, over the last ten years, features like gyroscopes and manometer sensors in smartphones anecdotally have become *"well known or ordinary functions of a computer"*, as have machine learning and AI more recently. It is perhaps only a matter of time before blockchain technology suffers the same fate.

More than ever, a patent specification which describes in great detail the technical problem being solved as well as detailed examples of *how* that technical problem is solved will go a long way to support an argument for patent eligibility and ensure that claim amendments, if required, are valid.

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[2] *Research Affiliates LLC v Commissioner of Patents* [2014] FCAFC 150
[3] *Aristocrat Technologies Australia Pty Ltd* [2016] APO 49
[4] *Aristocrat Technologies Australia Pty Limited v Commissioner of Patents* [2020] FCA 778

KEEP_IT_CONFIDENTIAL

When conducting an exempt 'reasonable trial' before filing can still cause you a problem!

In *Fuchs Lubricants v Quaker Chemical*[1], the Full Federal Court has clarified which of the ancillary activities that might occur before, around or in conjunction with a public working of an invention for the purpose of reasonable trial, before the lodgement of a patent application can be ignored (and thus will not be damaging), when it comes to assessing the prior art base.

The Court has confirmed that the actual working of an invention, for example by way of a machine physically operating in a supervised trial, can be exempt from being considered as prior art. However, verbal or printed disclosures made before, or even at the same time, might not be particularly where it might have been possible to have ensured that the verbal or printed disclosures were made confidentially.

In confirming this, the Federal Court has reminded patent applicants that it is always best not to rely on prior art exemptions, and that if a disclosure or use must occur before filing a patent application, that the disclosure or use is done confidentially and ideally within 12 months of lodging an Australian *complete* patent application.

In this case, the patentee (Quaker) sued Fuchs for infringement of two patents, a standard patent and a certified innovation patent, both of which had an earliest priority date of 2 September 2011 and a filing date of 2 February 2012. At first instance, the patents were found to be valid and infringed, but Fuchs appealed that decision essentially on the basis that the trial judge erred in finding that disclosures made by the inventor in late 2010 were exempt from consideration as prior art because they were instances of 'reasonable trial'.

Fuchs argued that those disclosures (or aspects of them) went further than what should be considered as a 'reasonable trial' and thus should have destroyed the novelty of all claims in both patents.

> **"...the Full Court was asked to consider the nature of two separate nonconfidential disclosures made by the inventor. If both qualified as reasonable trial, then the two Quaker patents would be valid.**

The Full Court agreed with Fuchs and held that both patents were wholly invalid on the basis of a lack of novelty, due to non-confidential oral disclosures made by the inventor in the lead up to the 'trials'.

Australian patent law provides two different forms of grace period for the filing of a patent application after the making of a non-confidential disclosure of an invention.

The first is a general grace period of 12 months for the filing of a patent application after making a non-confidential disclosure of any type. However, a *complete* patent application must be made within 12 months of that disclosure – if so made, the earlier disclosure can be ignored and will not be considered as prior art. Filing a provisional application within the 12 months, with a complete application filed after the 12 months, will *not* trigger the operation of this grace period.

The second is also a grace period of 12 months but is narrower, only operating after the making of a non-confidential disclosure of specific types, one of which is a *"working in public of the invention...for the purpose of reasonable trial"* provided that *"because of the nature of the invention, it is reasonably necessary for the working to be in public."* To trigger the operation of this grace period it is acceptable to only have lodged a *provisional* patent application – a complete patent application is not necessary.

In Quaker, the first grace period permitted any disclosure made by the inventor after 2 February 2011 to be ignored, while the second grace period additionally permitted disclosures made between 2 September 2010 and 2 February 2011 to be ignored, but only if those disclosures were for the purpose of reasonable trial, and only if it was reasonably necessary to make those disclosures non-confidentially.

[1] *Fuchs Lubricants (Australasia) Pty Ltd v Quaker Chemical (Australasia) Pty Ltd* [2021] FCAFC 65

In the circumstances, the Full Court was asked by Fuchs to consider the nature of two separate non-confidential disclosures made by the inventor between 2 September 2010 and 2 February 2011. If both qualified as reasonable trial, then the two Quaker patents would be valid and infringed. If either of them did *not* qualify as reasonable trial, then the Quaker patents would be invalid and therefore not infringed.

The evidence revealed that the inventor's first disclosure in about September 2010, to the operators of the Metropolitan Colliery in New South Wales, was the initial query to the mine operators about the possibility of testing the invention with mining equipment in a number of later trials. This disclosure revealed the claimed method to the mine operators and did so without any implied or explicit confidentiality obligations.

The second disclosure in about November 2010 was a simulation of the inventive method in the carpark of the mine, but was not a trial conducted using any actual mining equipment. The mine operators were still, at this point, determining whether there was enough in this method to warrant testing on actual mining equipment, which is what the inventor was proposing. Again, there were no confidentiality obligations placed on the mine operators for the second disclosure.

Subsequently, the mine operators did go ahead with trials of the method starting in December 2010 with some minor mining equipment and leading up to an (ultimately successful) underground trial with *in situ* longwall equipment in May 2011. However, the Court was comfortable that these activities either more squarely qualified as a reasonable trial under the relevant provisions and/or were trials that were conducted after 2 February 2011.

In concluding that the first and second disclosures did not enliven the reasonable trial exceptions, the Full Court said that the first and second disclosures:

> *"… were too distant in time from May 2011 which involved longwall trials and such a context to be sensibly considered to be part of the working. Now there was trialling on some equipment in December 2010…*
>
> *But it could not sensibly be said that the first and second disclosures were part of such a working or that the relevant information was made publicly available through such a working."*
>
> *"Further it was not reasonably necessary that they be in public. They could easily have been subject to confidentiality constraints."*

The Full Court also pointed out that:

> *"… the first and second disclosures concerned no more than (the inventor's) attempts to create interest in the method, with the hope that the Metropolitan mine might then take steps towards rigorous investigation and, potentially, implementation."*
>
> *"The first and second disclosures could have been the subject of an express or implied confidentiality obligation"*

The Full Court thus determined that the first and second disclosures were public disclosures of the claimed method which invalidated, for lack of novelty, both the standard and innovation patents.

The key lessons for prospective patent applicants are:

- ensure that no non-confidential disclosures or public trials are conducted before lodging a patent application;
- if public trials must be conducted, all ancillary and related disclosures, be they oral or in writing, should still be made confidentially; and
- a complete patent application should be lodged within 12 months of a first non-confidential disclosure or public trial, in order to benefit from the broader, general grace period provisions, and safeguard your Australian patent rights.

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Full Federal Court confirms diagnostic methods can be patented in Australia

In the recent appeal decision in *Ariosa v Sequenom*[1], the Full Federal Court of Australia confirmed that a method of 'yielding up' information was eligible to be patented. This is significant because it is contrary to the position taken by the Courts in the US. However, despite the method being patent-eligible, the information obtained from the method was held not to be a product, and therefore could be imported without infringing the patent.

[1] *Ariosa Diagnostics, Inc v Sequenom, Inc* [2021] FCAFC 101

Previous Decision

In 2016, Sequenom commence proceedings in the Federal Court of Australia alleging infringement of their Australian patent 727919 by Ariosa and its Australian licensees. In response Ariosa cross-claimed for invalidity of the patent on several grounds, including that the claims were not directed to patent eligible subject matter.

The patent claimed a method of detecting fetal DNA in the acellular fraction of maternal blood, namely the serum or plasma. The method did not include any specific steps other than the generic step of "*detecting the presence of a nucleic acid of foetal origin in the sample*".

At first instance, the Federal Court of Australia concluded that the method of detecting fetal DNA in the mother's plasma or serum was patent-eligible. Further, it was also found that the results of this method (i.e. the information about the fetus) constituted a product, which had economic value, such that importation of the information into Australia was considered an infringement.

The Appeal

Ariosa appealed, raising several grounds, the most notable of which were that the methods claimed did not constitute patent-eligible subject matter and that importation of the results did not infringe the patent.

Detecting Information is Patent-eligible

Consistent with the submission made by the Appellants at first instance, it was asserted in the appeal that the claimed methods were simply directed to detection of the information stored in the fetal nucleic acid, and there was no *"artificially created state of affairs"* generated by the claims.

The Full Court agreed that the application of the claimed methods 'yielded up' information – but disagreed that characterising the outcome of the claims as 'information' meant that they were not patent-eligible.

To reach this conclusion, the Full Court relied on the premise that the detection of the information could only come about by a process which required human interaction. As a result, and despite no specific method steps being claimed, the Full Court held that performing the method of the claim inherently required human intervention. Accordingly, the Full Court affirmed the earlier decision of the primary judge and confirmed that the method was patent-eligible.

> **"What constitutes a product is not defined in the Act and is therefore open to interpretation by the Courts.**

Information is Not a Product

For a period between 2014 and 2016 Ariosa and its Australian licensees offered a prenatal diagnostic test marketed under the name Harmony. The Harmony test utilised fetal DNA in maternal plasma to distinguish characteristics of the fetus, such as gender and trisomy 21. However, the Harmony test was not performed in Australia. Rather, blood samples were collected in Australia and sent to the US where they were analysed. The results of the method performed in the US, such as the sex of the fetus, were then conveyed to the parents in Australia. Importantly, an analogous claim in the US was found not to be patent-eligible[2].

As Sequenom could not assert that the method was being infringed in Australia, they needed to establish that conveying the results of the method was considered importation of a product of the method. This is because the *Patents Act* gives a patentee exclusive rights to 'exploit' a patented invention in Australia, with the term 'exploit' defined as including:

(a) where the invention is a product—make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or

(b) where the invention is a method or process—use the method or process or do any act mentioned in paragraph (a) in respect of a product resulting from such use.

As the claims of the patent were method claims, section (a) of the definition of exploit could not be met. Further, the Harmony test was not performed in Australia meaning the first part of section (b) was not met. To establish infringement, Sequenom needed to show that a 'product' resulting from the method was being sold or otherwise disposed of in Australia.

What constitutes a product is not defined in the Act and is therefore open to interpretation by the Courts. At first instance, the Federal Court concluded that the term 'product' covered anything resulting from a patented method that can be commercially exploited. Based on such a construction the Harmony test results were a commercially exploitable product.

However, the Full Court did not agree, deciding that the result of the claimed method was information. As has been long established, information itself is not able to be the subject of a patent. Therefore, if the position adopted by the primary judge was accepted, anything that resulted from a patentable method would be considered a product and this would create de facto protection for subject matter which was otherwise patent-ineligible.The Full Court concluded that the term 'exploit' does not extend to information and, as a result, Ariosa and its licensees did not infringe the claimed method by importing test results into Australia.

Conclusion

Ultimately, the decision of the Full Federal Court reaffirms the status quo in Australia regarding claims to methods of diagnosis. This aligns us with the position of the UK, and Europe more generally, but distinguishes us from the US.

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[2] *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371

The fine 'fair dealing' line between freedom of speech and infringement

The Federal Court has recently issued a decision in *AGL Energy v Greenpeace Australia Pacific*[1], holding that the use of another person's logo for parody or satirical purposes does not constitute copyright or trade mark infringement, but only if that use is a 'fair dealing'. This decision was the result of an urgent action brought by AGL against Greenpeace Australia in relation to an advertising campaign which used AGL's corporate logo.

On 5 May 2021, Greenpeace launched a campaign about AGL, a major provider of energy services in Australia, across several media platforms. An example of their banner is shown at right.

AGL made it clear that it did not seek to stop or prevent Greenpeace from engaging in such a campaign. What AGL did take issue with was Greenpeace's use of a modified version of AGL's logo (below left) in their campaign, that combined the logo with the tagline, *'Australia's Greatest Liability'* (below right), which was a play on AGL's initials.

agl | agl Australia's Greatest Liability

AGL took action against Greenpeace on two main grounds under the *Copyright Act 1968* (Cth) and the *Trade Marks Act 1995* (Cth). AGL claimed that:

1. Greenpeace had infringed AGL's copyright subsisting in the AGL Logo; and
2. Greenpeace had infringed AGL's registered trade mark 1843098 for the AGL Logo as the Modified AGL Logo was substantially identical with the AGL Logo and use was in relation to the same services covered by this registration.

[1] *AGL Energy Limited v Greenpeace Australia Pacific Limited [2021] FCA 625 (8 June 2021).*

Greenpeace did not dispute AGL's copyright and trade mark rights in relation to the AGL Logo. However, it denied both claims on the basis that:

1. Greenpeace had not infringed AGL's copyright as its use of the Modified AGL Logo was for criticism or review purposes, or alternatively parody or satirical purposes; and
2. Greenpeace had not infringed AGL's registered trade mark as its use of the Modified AGL Logo was not use 'as a trade mark' or, alternatively, was not used in relation to the same services covered by the registered trade mark.

Australia does not have a general 'fair use' defence like some other jurisdictions, but has a range of specific defences, each of which require an element of 'fair dealing'. The central question that was considered by Burley J, was whether Greenpeace had a defence of 'parody or satire' against the copyright infringement claim. The overarching purpose of this defence was to promote freedom of speech by permitting the use of humour in the form of parody or satire. His Honour confirmed that there are two elements to making out this defence:

1. must be a 'fair dealing' with the work; and
2. That 'fair dealing' must be for the purpose of 'parody or satire'.

A dealing is 'parody or satire' if *"…the impugned work is used 'to expose, denounce or deride vice', often in the context of a humorous or ridiculous juxtaposition"* but whether a dealing is 'fair' is less clear and depends upon *"…the nature of the work, the character of the impugned dealing, and the particular fair dealing purpose invoked"* which in turn determines the factors to be considered.

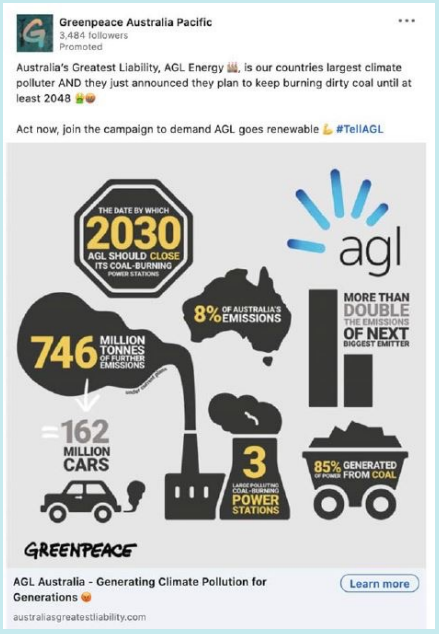
Burley J was satisfied that it was clear most of Greenpeace's campaign materials were for 'parody or satire' as the combination of the AGL Logo with the play on AGL's initials, and the non-corporate taglines that mimicked AGL's corporate look together with Greenpeace's images and the phrase *"Presented by Greenpeace"* created a 'ridiculous' and 'darkly humorous' juxtaposition.

However, Burley J did not find there to be 'parody or satire' for some campaign materials, particularly a protest poster, some protest placards, and some social media materials.

The campaign materials are compared below:

Parody or Satire

Not Parody or Satire



For these campaign materials, Burley J further considered whether the defence of 'criticism or review' applied instead, but was not satisfied as these materials were critical of AGL as a company, not of the AGL Logo itself or of any other copyright work.

The more difficult question was whether Greenpeace's campaign materials were a 'fair dealing'. As Burley J asked: *"Has Greenpeace crossed a line such that its dealing in the AGL Logo is unfair to AGL?"*. His Honour answered, *"In my view it has not…"*.

His Honour found Greenpeace's dealing to be 'fair' based on the following factors:

- clear attribution of authorship to Greenpeace;
- some adverse effect but mainly to spark debate about AGL's environmental impact;
- no commercial activity or competition to AGL;
- the 'simple' and 'homogenous' nature of the AGL Logo that could only be reproduced as a whole and not in parts;
- no realistic prospect of obtaining the AGL Logo within a reasonable time at an ordinary commercial price; and
- no financial gain and no harm stemming from use of the AGL Logo itself.

Burley J quickly dismissed AGL's trade mark infringement claim on the basis that Greenpeace's use of the Modified AGL Logo was not use as a trade mark as such use was for the purpose of identifying AGL for criticism or parody and not for identifying the trade origin of goods and/or services.

The decision highlights the highly case-by-case nature of this defence and the lack of clear distinctions about what makes something a 'parody' or 'satire' or a 'fair dealing'. The question of what is considered a 'fair dealing' must be considered in the context of the overarching purpose of promoting freedom of speech. This question has not been extensively tested in Australia, but this case certainly gives more direction as to how it should be determined in the context of the 'parody or satire' defence.

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Recent decision shakes up Australia's patent term extension provisions

A recent Federal Court decision, *Ono Pharmaceutical Co v Commissioner of Patents*[1], has significant implications for Australia's patent term extension (PTE) provisions.

Relevant Legislation

To compensate patentees who may lose time to exploit their invention due to the regulatory delay involved in bringing a new pharmaceutical substance to market, some pharmaceutical patents are eligible for a term extension of up to 5 years. Section 70 of the Patents Act specifies that an eligible patent must meet the following requirements:

- The patent must both claim and disclose one or more pharmaceutical substances per se (and/or one or more pharmaceutical substances when produced by a process that involves the use of recombinant DNA technology);
- goods containing, or consisting of, the substance must be included in the Australian Register of Therapeutic Goods (ARTG);
- the period beginning on the date of the patent and ending on the *first regulatory approval date* for the substance must be at least 5 years; and
- the term of the patent must not have been previously extended.

Section 71 outlines the deadline for filing a PTE request, which is the latter of:

(a) 6 months from the date the patent was granted; or

(b) 6 months from the date of commencement of the *first inclusion in the ARTG* of goods that contain, or consist of, any of the pharmaceutical substances.

If a PTE application is granted, s 77 provides that the term of the extension is equal to the period of time beginning on the date of the patent, and ending on the earliest first regulatory approval date reduced by 5 years (but not below zero), up to a maximum of 5 years.

[1] *Ono Pharmaceutical Co, Ltd v Commissioner of Patents* [2021] FCA 643

Background

The present decision relates to whether, even if the requirements outlined above may have been satisfied at an earlier point in time in relation to one pharmaceutical substance, a PTE application can be made at a later point in time based on another pharmaceutical substance which also satisfies the requirements.

The patentees, Ono Pharmaceutical and E.R. Squibb & Sons, made two applications to extend their Australian patent titled *"Human monoclonal antibodies to programmed death 1 (PD-1) and methods for treating cancer using anti-PD-1 antibodies alone or in combination with other immunotherapeutics"*. The first application was based on their own pharmaceutical product marketed under the name OPDIVO which was included in the ARTG on 11 January 2016. The second application was based on an earlier pharmaceutical product called KEYTRUDA marketed by a third party competitor of the applicants, Merck Sharp & Dohme, which was included in the ARTG on 16 April 2015.

The applicants' preferred application was the OPDIVO application because, if granted, it would entitle the applicants to a longer extension of term than the KEYTRUDA application. Moreover, the KEYTRUDA application was made out of time and required an extension of time under s 223.

Historically, the Commissioner's position has been that, where two substances within the scope of the patent had been included in the ARTG at different times, the PTE request had to be based upon the earliest included good on the ARTG. When the matter was considered by the Patent Office, the Delegate held that the OPDIVO application was not based on the good on the ARTG with the first regulatory approval date, which was KEYTRUDA.

Appeal to Federal Court

The patentee appealed to the Federal Court, arguing that the relevant 'first regulatory approval date' should be the approval date of their own product, not the approval date of a third party's goods.

They contended that where two substances within the scope of the patent had been included in the ARTG at different times, the PTE could be based on any one of the pharmaceutical substances which fulfilled the requirements of s 70 and that the relevant 'first regulatory approval date' is that of the good containing the pharmaceutical substance specified in the PTE request.

The Court agreed with the patentees' construction, and held that the relevant goods and pharmaceutical substance for the purpose of PTE were those of the patentee, OPDIVO, and not those of a third party having nothing to do with the patentee. His honour, Beach J, considered that the Commissioner's construction would *"lead to manifest absurdity or unreasonableness"*, resulting in *"serious practical problems which would be unduly onerous and not beneficial to any patentee"* such as having to review each and every approval granted on the ARTG.

> **"At this stage, it is unclear how the Court would rule where two substances within the scope of the patent had been included in the ARTG at different times which both belonged to the patentee.**

Change to Patent Office Practice

The Patent Office have interpreted this to mean that an unconnected third party's ARTG listing will not provide the relevant *"earliest first regulatory approval date"*.

As a result of this decision, the patent office have changed their practice and are asking that, where the sponsor of the ARTG listing is not the patentee, the patentee indicates whether the application for inclusion in the ARTG was made by them, or with their consent.

It remains to be seen whether or not this is the correct interpretation, as the Court also stated that it was for the patentee *"to stipulate the pharmaceutical substance"* in the PTE request.

At this stage, it is unclear how the Court would rule where two substances within the scope of the patent had been included in the ARTG at different times which both belonged to the patentee. The Court did appear to agree that a patentee should not be *"permitted to pick and choose which of its products to nominate as the substance"* which could be taken to mean that, in such a situation, the PTE request must be based on the earliest included good of the patentee.

The Commissioner has appealed the decision and so future decisions should provide further clarity on this important area of patent law.

Conclusions

For now, a patentee's PTE request is no longer likely to be affected by the earlier registration of a third party's product that happens to fall within the scope of their claims.

This is a good outcome for patentees. Applicants for PTE are usually doing so because they have a connection to the listed goods. Therefore, the number of patentees who will no longer be able to rely upon unrelated registered goods to extend their patents is likely to be small.

Patentees may wish to review their PTE portfolio because this decision opens up the possibility that, where a PTE request has been allowed on the basis of an earlier-listed third party product, it may now be possible to obtain a longer extension based on the patentee's own later-listed product.

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