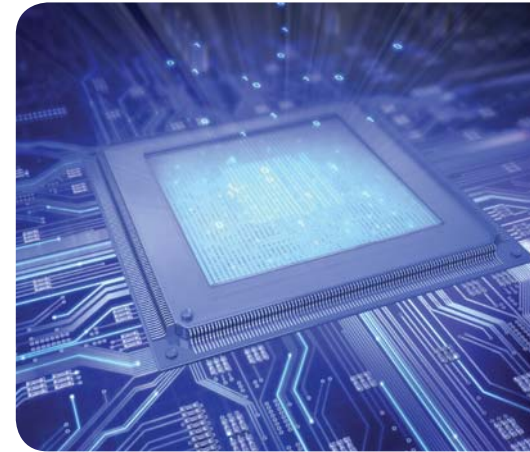


# Method in the Madness

## Business method patent update



computer to implement one or more features of a business method may not be sufficient to create the required “tangible effect” and so distinguish the method from a mere abstract idea or algorithm.

### Practice Tips

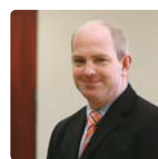
- » Business methods are not excluded from patentability – the usual patentability criteria apply.
- » Computer-implementation is not necessarily sufficient to satisfy the requirement for patentable subject matter.
- » There must be a real, tangible result arising from the operation of the claimed processes.



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## Patent Infringement Worldwide

Spruson & Ferguson is pleased to announce the recent publication of the text *Patent Infringement Worldwide* edited by Jan Busche, Michael Trimborn, and Bernd Fabry.

John McCann and Gavin Adkins of Spruson & Ferguson contributed the Australian section to *Patent Infringement Worldwide* (pp 374-449) in which reputable local experts in over 25 countries provide a detailed overview of substantive patent law in the areas of:

- » Claim interpretation
- » Direct and indirect infringement
- » Damages

Patent infringement disputes can involve considerable financial risks for the companies involved and are commonly not limited to a single country. Therefore, it is essential to be able to evaluate situations with regard to different and sometimes extremely diverging national case law. The object of *Patent Infringement Worldwide* is to address the core aspects of substantive patent law in the most important industrial nations of the world, and is directed towards legal practitioners requiring precise information in various jurisdictions in the field of patent infringement.

*Patent Infringement Worldwide* is published by Heymanns Verlag GmbH and is available at [www.amazon.co.uk](http://www.amazon.co.uk).

In a recent decision (*Invention Pathways Pty Ltd [2010] APO 10 (21 July 2010)*), the Australian Patent Office held that a business method directed to a method for commercialising inventions did not meet the requirements for patentable subject matter. In arriving at this decision, the Patent Office cited the much-anticipated recent US Supreme Court decision in *Bilski v Kappos (561 U. S. \_\_\_\_ (2010) (Case No. 08-964)*).

Significantly, the business method was held not to be a patentable invention, even though the claims included the feature of a computer-implemented checklist. The Deputy Commissioner held that the use of computers “as elements in a business scheme without something more, some substantial physical effect produced in the operation of the method, does not ... result in an ‘artificial state of affairs’... and therefore ... does not constitute a manner of manufacture”.

The Deputy Commissioner also referred to the decision of *Grant v Commissioner of Patents (2006) FCAFC 120* and considered that the “concrete effect or phenomenon or manifestation or transformation” referred to must be one that is significant both in that it is concrete but also that it is central to the purpose or operation of the claimed process or otherwise arises from the combination of steps of the method in a substantial way.”

Whilst business methods *per se* are not excluded from patentability, the Deputy Commissioner concluded that patentability of a business method may not arise merely from being implemented by a computer or related device in an incidental way. In so doing, the Deputy Commissioner noted with reference to *Bilski* that in the US “the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of the formula to a particular technological environment” or adding “insignificant post-solution activity”.

The decision held that “patentable subject matter cannot be achieved merely by pointing to some physical effect or transformation that, while present in the claimed method, does not alter its fundamental character”.

This decision reaffirms that business methods, while generally patentable, must satisfy the usual criteria for patentability. Use of a