COVER SHEET

PATENTS FOR INTANGIBLE INVENTIONS IN AUSTRALIA AFTER *GRANT v COMMISSIONER OF PATENTS* - PART 1

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ABSTRACT

An issue currently attracting attention in a number of jurisdictions is the patentability of 'pure' business methods, which are business methods that do not involve a physical aspect. This issue was dealt with recently in Australia by the Full Court of the Federal Court which considered the patentability of a method of protecting an asset from the claims of creditors.

I INTRODUCTION

The question of whether a purely intangible invention is or ought to be patentable is a conceptually-challenging conundrum for intellectual property lawyers. It is a question that draws opposition from those who believe these patents award an unjustifiable monopoly and prevent ordinary people doing ordinary things such as making use of the law in areas such as taxation or commerce. It is a difficult concept that strikes at the heart of issues such as what an invention is, how it differs from a mere idea and what aims patent law is supposed to achieve. Unfortunately, it must be resolved in the absence of foresight as to what technological advances may bring in the future and in accordance with constraints imposed by the existing law.

The question arises when considering the patentability of 'pure' business methods. A business method can broadly be described as a method of operating any aspect of an economic enterprise. A 'pure' business method is a means of carrying out commercial activities which lacks a physical manifestation or effect, in that it is not implemented in, or does not cause an alteration to, a physical device such as a computer.

Whether an intangible invention is patentable remains a contentious question in a number of jurisdictions. It is a question that was not resolved in the United States Federal Circuit decision of *State Street Bank & Trust Co v Signature Financial Group*.[1] It was considered in respect of a 'non-machine-implemented' process by the Board of Patent Appeals and Interferences in the United States Patent and Trademark Office in *Ex parte Carl A Lundgren*.[2] It has been at issue in the recent debates as to whether tax minimisation schemes are patentable in the United States.[3] It was also at

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[1] 149 F 3d 1368 (Fed. Cir. 1998); 525 U.S. 1093 (1999) (denying certiorari); Christopher L Ogden, 'Patentability of Algorithms After *State Street Bank*: The Death of the Physicality Requirement' (2000) 82 *J. Pat. & Trademark Off. Soc'y* 728.

[2] 76 USPQ 2d 1385 (Board of Patent Appeals & Interferences 2005).

[3] United States House of Representatives Joint Committee on Taxation, *Background and Issues Relating to the Patenting of Tax Advice* (JCX-31-06), July 12, 2006; Andrew A. Schwartz, 'The Patent Office Meets the Poison Pill: Why Legal Methods Cannot Be Patented' (2007) 20(2) *Harvard Journal of Law and Technology* (draft available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=937398).

issue before the Court of Appeal in the United Kingdom in *Aerotel Ltd v Telco Holdings Ltd*.[4]

The Full Court of the Federal Court of Australia has for the first time considered the patentability of a pure business method in *Grant v Commissioner of Patents*.[5] Mr Grant's invention is described as an asset protection method. It is a legal structure designed to allow a person to protect an asset from the claims of creditors. It involves creating a trust, the person making a gift of money to the trust, the trustee lending a sum of money to the person, and the trustee securing the loan by taking a charge over the asset. The aim of the method is that the trustee, by virtue of having taken a charge over the asset, would thereby have priority over other creditors of the person in whose favour debts may arise later in time. The patent involves reserving the ability to apply certain aspects of the law in a particular way to achieve a useful result to one individual.

For the purposes of determining whether this method is patentable subject matter, it is not necessary to understand in workings of the trust arrangement. It is sufficient to know that the invention can be categorised as an intangible legal business method, being a sequence of steps that a lawyer might advise a client to follow to achieve a particular result. The key issue to understand is that this is a purely intangible method that does not produce, operate or alter a physical object or produce a physically-observable effect.

After an examination hearing, the Deputy Commissioner of Patents held that the invention is not patentable subject matter. This decision was upheld on appeal by Branson J, a single judge of the Federal Court of Australia. A further appeal was brought by Mr Grant before the Full Court of the Federal Court. In a controversial decision, the Full Court unanimously rejected the appeal, and in doing so, introduced a new test that in order to be patentable, an invention must disclose a physically-observable effect.

In what follows, the questions of whether the existing law requires that a patent must have a physical aspect in order to be patentable and whether the Full Court's decision was correct are addressed. The examination of these issues is divided into two parts. In part 1, it is suggested that there is no requirement in Australian law that an invention disclose a physical aspect in order to be patentable. In part 2, the different reasons for not upholding the validity of the patent given in the Federal Court and by the Deputy Commissioner of Patents are analysed and the view that the patent should not have been revoked on the ground that it was not patentable subject matter is put forward. Possible approaches that the High Court of Australia might take in relation to the matter should Mr Grant obtain special leave to challenge the Federal Court's decision on appeal are then discussed.

II PHYSICALITY AND THE MANNER OF MANUFACTURE TEST

[4] [2006] EWCA Civ 1371. Text of judgment is available at *www.bailii.org*.
[5] [2006] FCAFC 120. Australian judgments are available at *www.austlii.edu.au*.

To properly determine whether the Full Court of the Federal Court was correct in holding that Australian law requires an invention to disclose a physical effect in order to be patentable subject matter requires an examination of the existing law.

The view taken by the courts in Australia is that it has long been accepted that methods of calculation, discoveries, abstract ideas, laws of nature, scientific theories, intellectual information, and theoretical business schemes are not patentable unless they are applied to a new and useful purpose.[6]

Australia is one of a number of countries that still uses the manner of manufacture test to determine the scope of patentable subject matter. The requirement stems from section 6 of the now repealed Statute of Monopolies 1623[7] which rendered void all monopolies, provided that the invalidating provisions of the statute:

> shall not extend to any letters patents and grants of privilege for the term of fourteen years or under, hereafter to be made of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor and inventors of such manufactures, which others at the time of making such letters patents and grants shall not use, so as also they be not contrary to the law or mischievous to the State by raising prices of commodities at home, or hurt of trade, or generally inconvenient. (Modern spelling)

The test does not expressly require that an invention be of industrial application or technologically implemented.

The manner of manufacture requirement forms part of section 18 of the *Patents Act 1990* (Cth). Section 18 requires that for a standard patent, an invention be new, novel, a manner of manufacture within the meaning of section 6 of the Statute of Monopolies, involve an inventive step, be useful and not have been used in secret.[8] The requirements for an innovation patent are similar, the difference being that the requirement for an inventive step is replaced by the need for an innovative step.[9] The courts have held that the heads of validity in section 18 are to be considered separately and the issues that relate to one head are not applicable to another,[10] so it is important not to confuse issues of novelty, inventiveness, or utility with the manner of manufacture concept.

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[6] Much reliance in this regard has been placed on the oft cited J Lahore, 'Computers and the Law: The Protection of Intellectual Property' (1978) 9 *Federal Law Review* 15, 22 – 3, which was approved in *CCOM v Jiejing* (1994) 122 ALR 417, 447.

[7] 21 Jam 1, Ch 3 (1623) (Eng).

[8] Section 18 and schedule 1 (which defines 'invention') *Patents Act 1990* (Cth).

[9] Section 18(1A) *Patents Act 1990* (Cth). An innovation patent is a second tier patent that is intended to provide less expensive monopoly rights for lower level or incremental inventions for a shorter period than for a standard patent. Currently, the term of protection for an innovation patent is 8 years, rather than the 20 year term of a standard patent.

[10] *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* [2004] HCA 58, [43] – [46]; *CCOM v Jiejing* (1994) 122 ALR 417, 446 – 447.

Mr Grant applied for an innovation patent. An innovation patent is granted after the application passes a formalities check, rather than a substantive examination.[11] After an innovation patent has been granted the patentee may request that a substantive examination be conducted to have the innovation patent certified, which is needed before the patent can be enforced.[12] Mr Grant was awarded a patent, but it was revoked by the Deputy Commissioner of Patents after a substantive examination had been conducted.

How the antiquated terminology of the manner of manufacture test from a now repealed English statute is to be applied in modern times was explained by the High Court of Australia in the watershed case of *National Research Development Corporation v Commissioner of Patents*[13] (‘*NRDC*’).

The case was an appeal to the High Court challenging the rejection of a patent application by the Deputy Commissioner of Patents. The application was for a method of applying a herbicidal composition of known chemicals to certain broad-leafed crops to kill weeds but not harm the crops. This patent application was for a method of treating crops using a mixture of known chemicals, rather than for a physical product being the mixture of chemicals.

The High Court in a unanimous decision (Dixon CJ, Kitto and Windeyer JJ), said that the expression, manner of manufacture, is not to be interpreted literally and warned against limiting the meaning of the phrase by attempting to precisely define the term, ‘manufacture’. Instead, the court said that the expression is a general title which is to be interpreted in accordance with the purpose of the Statute of Monopolies and in line with common law principles established for the application of that purpose. In answer to the question of whether the process claimed was a ‘manner of new manufacture’ the court said that it was a mistake to restate the question in the form: ‘Is this a manner (or kind) of manufacture?’ The court said that this causes problems as it tends to limit one’s thinking to goods produced by hand or machine, which is too restrictive an approach to take. Rather, the court said that the correct question to ask is:

> Is this a proper subject of letters patent according to the principles which have been developed for the application of section 6 of the Statute of Monopolies?[14]

That is, the court indicated that the approach to take is one that is consistent with the principles that can be observed from a reading of the case law on the matter.

The court made it clear that a manner of manufacture need not result in the production of a physical article. In the course of its judgment, the court referred to what had become known as Morton’s rule. In *Re GEC's Application*,[15] Morton J, while disclaiming the intention of laying down any hard and fast rule applicable to all cases, put forward the proposition that:

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[11] *Patents Act 1990* (Cth) s 52. What a formalities check should entail is set out in the *Patents Regulations 1991* (Cth).
[12] *Patents Act 1990* (Cth) s 101A, 101E, 120(1A).
[13] [1959] HCA 67; (1959) 102 CLR 252.
[14] *NRDC* (1959) 102 CLR 252, 269.
[15] (1942) 60 RPC 1.

> a method or process is a manner of manufacture if it (a) results in the production of some vendible product or (b) improves or restores to its former condition a vendible product or (c) has the effect of preserving from deterioration some vendible product to which it is applied.[16]

The High Court adopted this definition with reservation, accepting the requirement that a patentable invention be a vendible product, but rejecting any idea that Morton J's rule was conclusive and thereby limited the concept of a product to the three activities of production, improvement or restoration, and preventing deterioration. In laying down a test for determining whether an invention is a vendible product, the court set out the following requirements. It said that Morton J's rule may be accepted as long as the term, *product* is taken to cover every end produced and *vendible* is taken to point only to the requirement of utility in practical affairs.[17]

The court said that an invention must be an artificially-created state of affairs that is of economic significance, meaning that its value to the country must be in the field of economic endeavour, and that it must have 'an industrial, commercial or trading character'. Further, it must offer some advantage that is material in the sense that it must be part of the 'useful arts' rather than the 'fine arts'.[18] The fine arts are normally taken to include the products of human intellectual activity which seek expression through aesthetic creations such as painting, sculpture and music.[19]

The High Court held that the method of selectively exterminating weeds created an artificial state of affairs, in the form of a greater crop yield, which had a remarkable advantage in the area of agriculture, which is an area of economic endeavour. The court did not see any reason to hold that agricultural and horticultural process were a class of invention excluded from patentability[20] and held that the application disclosed a patentable invention since it claimed:

> a new process for ridding crop areas of certain kinds of weeds, not by applying chemicals the properties of which were formerly well understood so that the idea of using them for this purpose involved no inventive step, but by applying chemicals which formerly were supposed not to be useful for this kind of purpose at all.[21]

The High Court observed that the term, manner of manufacture, is a dynamic concept whose meaning has evolved over time. It said that the principles are to be applied flexibly, as technological developments and inventions are excitingly unpredictable and accordingly, the concept of patentability must be able to accommodate inventions that have not yet been envisaged.[22] This is consistent with the approach used in the United States.[23]

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[16] (1942) 60 RPC 1, 4 cited in *NRDC* (1959) 102 CLR 252, 272.
[17] *NRDC* (1959) 102 CLR 252, 276.
[18] *NRDC* (1959) 102 CLR 252, 275.
[19] Australian Patent Office Manual of Practice and Procedures Volume 2 - National, para 2.9.2.4 ('Fine Arts').
[20] *NRDC* (1959) 102 CLR 252, 277 – 279.
[21] *NRDC* (1959) 102 CLR 252, 264.
[22] *NRDC* (1959) 102 CLR 252, 271; *Grant v Commissioner of Patents* [2006] FCAFC 120, [7] – [8].
[23] *AT&T Corp v Excel Communications, Inc*, 172 F 3d 1352, 1356; 50 USPQ 2d 1447, 1450 (Fed Cir 1999).

One question the High Court clearly left open in *NRDC* was the principal issue in dispute in *Grant v Commissioner of Patents,* being whether an intangible invention is patentable. In the words of the High Court:

> But a question which appears still to await final decision is whether it is enough that a process produces a useful result or whether it is necessary that some physical thing is either brought into existence or so affected as the better to serve man's purposes.[24]

It can be seen throughout its judgment that the court seemed to be at pains to avoid importing any requirement that there must be some physical result from the working of a patent. This would appear to be a deliberate strategy in keeping with the idea that the concept of patentability must be able to respond flexibly to inventions not yet envisioned. It never once stated that an invention must involve a physical article and it did state that Morton's rule was useful, but only to the extent that 'what is meant by a "product" in relation to a process is only something in which the new and useful effect may be observed'.[25] The High Court said:

> But the judgment in the Elton and Leda Chemicals Case (1957) RPC 267 is also valuable for present purposes by reason of a suggestion which it contains as to the true office of the word "product" in such contexts as that of Morton J.'s "rule". The learned judge said: "There has been no question, at any rate since before the year 1800, that the expression 'manner of manufacture' in the Statute of James I must be construed in the sense of including a practice of making as well as the means of making and the product of making. It has thus been appreciated that, although an inventor may use no newly devised mechanism, nor produce a new substance, none the less he may, by providing some new and useful effect, appropriate for himself a patent monopoly in such improved result by covering the mode or manner by means of which his result is secured. Seeing that the promise which he offers is some new and useful effect, there must of necessity be some product whereby the validity of his promise can be tested" (1957) RPC, at pp 268, 269
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> Notwithstanding the use of the word "making", which but for the context might have been taken to indicate the narrow view that an article or material must result if a process is to be a "manufacture", the tenor of the passage seems to be that what is meant by a "product" in relation to a process is only something in which the new and useful effect may be observed.[26]

However, immediately following this passage, the High Court made one ambiguous statement, which may be the basis for some confusion regarding a physicality requirement, when it went as far as to say:

> Sufficient authority has been cited to show that the "something" need not be a "thing" in the sense of an article; it may be any physical phenomenon in which

[24] *NRDC* (1959) 102 CLR 252, 270.
[25] *NRDC* (1959) 102 CLR 252, 276.
[26] *NRDC* (1959) 102 CLR 252, 275 – 276.

> the effect, be it creation or merely alteration, may be observed: a building (for example), a tract or stratum of land, an explosion, an electrical oscillation.[27]

This statement makes the court's position ambiguous because it is unclear what is meant by the use of the word 'may'. If the word 'may' is used in an exclusive sense to demonstrate the form an invention must take, it would indicate that an invention must have a physical aspect to be patentable.

The preferable view would be that the court was giving one example of the form patentable subject matter might take, being a form consistent with Morton's rule. That is, the court was saying: there are many forms that patentable subject matter may take; it may be any physical phenomenon, as was described in Morton's rule; or it might be something other than a physical phenomenon. That this is the better view is supported by the very next sentence of the judgment.

> It is, we think, only by understanding the word "product" as covering every end produced, and treating the word "vendible" as pointing only to the requirement of utility in practical affairs, that the language of Morton J's "rule" may be accepted as wide enough to convey the broad idea which the long line of decisions on the subject has shown to be comprehended by the Statute.[28]

Here we have a clear attempt by the court to explain that a product is every useful end produced without associating that end result with the word, 'physical'. Given that this passage follows directly after the court's discussion of Morton's rule and the court expressly said that those rules by themselves were far too restrictive, it would seem fair to suggest that the High Court was merely giving an example of what might be patentable and not imposing a requirement that an invention have a physical aspect. This would also be consistent with the statement made by the court that the physicality issue was unresolved.

The High Court's decision in *NRDC* has been considered in a number of Federal Court decisions. The Full Court of the Federal Court in *CCOM v Jiejing*[29] considered whether a Chinese language word processor was patentable subject matter. In upholding the validity of the patent the court noted that a physical aspect was inherent in the invention in *NRDC*,[30] and that a number of computer software inventions considered in previous cases[31] had physical aspects,[32] but did not say that the manner of manufacture test requires that a computer program be embodied in a physical device.[33]

Heerey J, a member of the Full Court in *CCOM v Jiejing* and *Grant v Commissioner of Patents*, while sitting as a single judge in the Federal Court in *Welcome Real-Time*

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[27] *NRDC* (1959) 102 CLR 252, 276.
[28] *NRDC* (1959) 102 CLR 252, 276.
[29] (1994) 122 ALR 417.
[30] *CCOM v Jiejing* (1994) 122 ALR 417, 446.
[31] *International Business Machines Corporation's Application* (1980) FSR 564; *International Business Machines Corporation v Commissioner of Patents* (1991) 33 FCR 218; *Burroughs Corporation (Perkin's) Application* (1974) RPC 147.
[32] *CCOM v Jiejing* (1994) 122 ALR 417, 446, 448 – 449.
[33] *CCOM v Jiejing* (1994) 122 ALR 417, 450.

v Catuity,[34] noted that the High Court had not determined the issue of whether an invention requires a physical aspect to be patentable.

The invention in *Welcome Real-Time v Catuity* involved a process and device for the operation of smart cards in connection with traders' loyalty programs. The smart cards contained microprocessors or chips able to receive and store information. The problem with the smart cards was that they had a small memory capacity, which could only store loyalty-points information in relation to a limited number of traders, being less than the number of traders who use loyalty programs. The invention used an ingenious method to overcome this problem by dynamically storing loyalty-points information on the cards, so they could be used across thousands of merchants each operating their own proprietary loyalty programs, rather than the cards being preconfigured to recognise a limited number of traders.

The invention involved both a method and a device. It did not involve the creation of a physically observable product, but it did involve a method operating to alter the state of the smart cards, which are physical objects. Since the invention involved an alteration of a physical product, this is not what could be described as a pure business method patent. It instead was a business method which involved an interaction with a physical device. His Honour found that this method and device were patentable.[35]

On the question of whether a business method could be patentable, His Honour did not regard the law as necessarily requiring that there be a physically observable effect. He said:

> What is disclosed by the Patent is not a business method, in the sense of a particular method or scheme for carrying on a business ... Rather, the Patent is for a method and a device, involving components such as smart cards and POS terminals, *in* a business; and not just one business but an infinite range of retail businesses. The respondents' argument for distinguishing *CCOM* - the supposed lack of "physically observable effect" - turns on an expression not found in *CCOM* itself. Nor does such a concept form part of the Full Court's reasoning. In any event, to the extent that "physically observable effect" is required (and I do not accept that this is necessarily so) it is to be found in the writing of new information to the Behaviour file and the printing of the coupon.[36] (original emphasis)

In the course of judgment, Heerey J stated that he had found the US Court of Appeals decision in *State Street Bank & Trust Co v Signature Financial Group* persuasive, despite the United States having a different test for what is patentable subject matter.[37] According to the decision of the United States Court of Appeals for the Federal Circuit, an invention will be patentable subject matter if it involves some practical application and 'it produces a useful, concrete and tangible result.' The court determined that business methods were to be subject to the same legal requirements for patentability that applied to any other process or method and that they were not to be treated as a special class of process not worthy of patent protection.

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[34] [2001] FCA 445.
[35] *Welcome Real-Time v Catuity* [2001] FCA 445, [127].
[36] *Welcome Real-Time v Catuity* [2001] FCA 445, [128].
[37] *Welcome Real-Time v Catuity* [2001] FCA 445, [129].

Some commentators have attempted to discern from these cases the existence of what they describe as a technicality requirement.[38] They argue that the need for an invention to be an artificially-created state of affairs limits the scope of what can be patented to technological innovations and that organisational, business, theoretical or scientific innovation as such are not patentable, on the understanding that 'technology' is the practical application of knowledge or a manner of accomplishing a task using technical processes, methods or knowledge.[39] Thus, the idea of a technicality requirement confines patentable subject matter to processes and products that have a practical effect, and it excludes unimplemented theoretical knowledge and methods.

However, the existence of a technicality requirement does not imply that an invention must have a physical aspect to be patentable, as it is possible that an intangible product or process may render a practical or technical effect. For example, the practical effect in *Grant v Commissioner of Patents*, assuming that the method is effective, is that the asset protection method makes an asset immune from the claims of creditors. This is an artificially-created state of affairs which has a practical effect, but does not involve a physical aspect. It is not mere theoretical knowledge, such as an understanding of how the law operates, but it is the technical implementation of that knowledge to achieve a valuable effect that constitutes the invention.

An additional point to consider is the argument that this is not an appropriate patent for the patents office to issue. Reasons to support this argument are that it would stifle the ability of citizens to engage in what would appear to be fairly routine means of structuring financial arrangements, or it would unduly hamper the work of legal advisors, who would need to be cognisant of the possibility that they and their clients could be infringing a patent by giving or implementing legal advice.

Although patent law necessarily involves finding a balance between competing and sometimes conflicting policy considerations, the courts have taken the view that it is not their role to entertain these questions when they are deciding whether to uphold a patent. Instead, questions of policy are to be determined by the legislature, which does so in the terms set out in the Act. For a court to hold that a particular class of invention is not patentable on policy grounds would be inconsistent with the approach established in this regard by the Full Court of the Federal Court in *Anaesthetic Supplies Pty Limited v Rescare Limited*.[40] The Full Court in that case reviewed decisions dealing with the manner of manufacture test and methods of treating humans and decided that it is the role of Parliament, rather than the courts, to decide whether matters of ethics or social policy are to have any impact on what is patentable.

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[38] William van Caenegem, 'The technicality requirement, patent scope and patentable subject matter in Australia' (2002) 13 *Australian Intellectual Property Journal* 41, 43; Andrew Christie, 'Some Observations on the Requirement of Inherent Patentability in the Context of Business Method Patents' (2000) *Intellectual Property Forum* 16; Ross McFarlane describes this requirement as a 'technical or tangible environment' in 'Business Process Patents' (2000) 13 *Australian Intellectual Property Law Bulletin* 38, 38.

[39] William van Caenegem, 'The technicality requirement, patent scope and patentable subject matter in Australia' (2002) 13 *Australian Intellectual Property Journal* 41, 51 – 52.

[40] (1994) 122 ALR 141 (Lockhart, Sheppard and Wilcox JJ).

Lockhart J in commenting on methods of treating human beings, noted:

> There is no statutory provision in Australia prohibiting the grant of a patent for a process of medical treatment of a human ailment or disease in a human being. It is noteworthy that Parliament had the opportunity to exclude methods of treating the human body when it enacted the 1990 Act, but the limit of the exclusion was s. 18(2), namely: 'human beings, and the biological processes for their generation, are not patentable inventions'.[41]

Similarly, Wilcox J also commented that Parliament had the opportunity to make provisions under the 1990 Act relating to matters of ethics or social policy and chose not to. He said:

> I find unpersuasive the alternative bases for the exception advanced by some judges. They involve matters of ethics and social policy upon which the courts have no special expertise. In my opinion, for the courts to resort to any of them, in order to engraft onto a recently enacted statute an exception that Parliament has chosen not to adopt, would be to usurp that institution's role.[42]

Finally, Heerey J in *Welcome Real-Time v Catuity* made short shrift of these arguments when he said in relation to general inconvenience that:

> But if an invention otherwise satisfies the requirement of s 18 it can hardly be a complaint that others in the relevant field will be restricted in their trade because they cannot lawfully infringe the patent. The whole purpose of patent law is the granting of monopoly.[43]

It can be said in respect of Mr Grant's case that Parliament had the opportunity to make provision under the 1990 *Patents Act* dealing with inventions that lack a physical effect and chose not to. Therefore, it is inappropriate for a court to introduce an artificial fetter on what may be patentable because it considers the consequence of a patent being granted as being undesirable.

A final point worthy of note is that from an Australian perspective, while the broad issues raised in *Grant v Commissioner of Patents* are being considered in other jurisdictions, it is not necessarily instructive to look to those other jurisdictions for guidance as to how Australian courts should resolve the issue. The reason for this is the peculiarity of the Australian test for patentability. While courts in Australia may approve of the reasoning in United States decisions, most notably *State Street Bank & Trust Co v Signature Financial Group*, this does not indicate that they consider themselves compelled to follow or even consider them. For this reason, consideration of decisions from other jurisdictions such as the decision of the Court of Appeal in the United Kingdom in *Aerotel Ltd v Telco Holdings Ltd*, or the recent debate as to the patentability of tax avoidance schemes in the United States, may be of interest, but are not necessarily useful for Australian courts deciding matters in accordance with domestic law.

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[41] *Anaesthetic Supplies Pty Limited v Rescare Limited* (1994) 122 ALR 141, 159.
[42] *Anaesthetic Supplies Pty Limited v Rescare Limited* (1994) 122 ALR 141, 183.
[43] *Welcome Real-Time v Catuity* [2001] FCA 445, [132].

III CONCLUSION

For these reasons it is suggested that the existing Australian law, set out in the High Court's landmark decision in *NRDC* and subsequent cases, does not require the existence of a physical aspect for an invention to be patentable.

This view will form the basis of a critique of the Full Court's decision in *Grant v Commissioner of Patents*, in which it sought to read into the existing law a requirement that in order to be patentable a method must disclose a physical aspect. That critique is contained in part 2, which is a separate article, that evaluates the approaches taken in *Grant v Commissioner of Patents* by the Deputy Commissioner of Patents, Branson J, and by the Full Court of the Federal Court, all of whom held that the asset protection method is not a patentable invention. A particular focus is given to the Full Court's decision and its interpretation of the existing law, before an overview of the issues that the High Court might consider if it hears the matter on appeal is set out.