

# HAS THE FULL COURT 'ROKT' THE BOAT

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Legal Briefings - By **Emma Iles and Helen Cousins**

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*Commissioner of Patents v Rokt Pte Ltd* [2020] FCAFC 86 is the most recent in a string of decisions by the Full Court of the Federal Court in which the Court has yet again rejected a computer-implemented invention in this instance a digital advertising system and method as patentable subject matter.

While no doubt a disappointing outcome for tech start-ups and software developers, the decision is consistent with previous decisions of the Court on similar subject matter and does not signal the demise of the patentability of computer-implemented inventions in Australia. Rather, the decision leaves the door open for inventions implemented using computers to be patentable if they are more than an abstract idea. The decision also demonstrates that common law principles applied in Australia under the rubric of 'manner of manufacture' are flexible and able to adapt to the development of new technologies.

Key takeaways from the decision:

- Computer-implemented technologies can be manners of manufacture, and therefore patentable, but the computer must be more than a mere tool in which an invention is performed.
- In assessing whether there is a manner of manufacture, and a patentable invention, (rather than a mere "scheme"), construction of the specification to identify the invention described and claimed is critical. For this purpose, prior art, including common general knowledge, can be used.
- There are no rigid rules to be applied in the case of computer-implemented technologies. Each patent specification and claimed invention must be considered on its own merits.
- To be patentable, it is critical that an invention is claimed at a level of particularity that goes beyond providing a list of steps to be implemented using computer technology for its well-known and understood functions.

## BACKGROUND

Rokt's patent application titled 'A Digital Advertising System and Method' is a computer-implemented system and method to enhance consumer engagement with digital advertising. Broadly speaking, it does so by linking a computer user to an advertisement by first presenting the user with an intermediate engagement offer, such as a coupon, discount, voucher, free games and the like. The intermediate offer is selected by the system from an offer pool based on the user's interactions with digital content as well as from behavioural metrics gathered from other similar users. Once the user clicks on the engagement offer, the system then presents the user with targeted advertising.

During examination before the patent office, the Commissioner determined that the substance of the claimed invention amounted to a business innovation and was not patentable subject matter.<sup>1</sup>

In the appeal of the Commissioner's decision to the Federal Court, Justice Robertson concluded that the invention as claimed was a manner of manufacture, finding that the invention solved both a business problem of attracting the attention of the user and having the user choose to interact with the advertiser, and a technical problem of how to utilise computer technology to address the business problem.<sup>2</sup> In particular, Justice Robertson found that 'the use of computers was integral, rather than incidental, to the invention', noting that, '[t]he data analysis claimed in the patent could not be performed without a computer or computers, particularly having regard to the gathering, manipulation and subsequent use of the data by the engagement engine.'<sup>3</sup>

## THE FULL COURT DECISION

The Court overturned the decision of Justice Robertson, finding that 'the invention is a scheme or, more accurately, a marketing scheme', and not a patentable invention.<sup>4</sup> The Court found that 'nothing about the way that the specification describes the computer hardware or software indicates that either is any more than a vehicle for implementing the scheme, using computers for their ordinary purposes.'<sup>5</sup> Having first identified the invention to be a marketing scheme, noting that 'the problem that the invention sets out to address is to enhance consumer engagement levels' the Court then stated that '[t]he question that arises is whether it can broadly be described as an improvement in computer technology; whether the computer is a mere tool in which the invention is performed or whether the *invention* lies in the computerisation'.<sup>6</sup>

In this regard, the Court found that the 'specification does no more than describe the architecture of the hardware in a most general sense' noting that statements in the specification were 'to the effect that the method may be implemented on *any form* of suitable server computer capable of communicating with consumer devices (such as smart phones) using *typical* web server hardware'. Furthermore, 'the Background to the Invention recites the prior use of digital advertising systems whereby online consumers' reactions to content are targeted by reference to their online interactions and personal attributes'.<sup>7</sup>

The Court reiterated previous Full Court authority on the importance of the task of characterising the invention claimed in determining whether or not a computer-implemented invention is a patent-eligible manner of manufacture. The Full Court stated that '[t]his is a matter of substance, not merely of claim form' and '[i]t requires definition of the allegedly patentable invention, based on the construction of the claims'.<sup>8</sup> Importantly, the Court found that despite the length and detail of the claim in question, '[t]he level of abstraction at which it is expressed demonstrates that it does no more than provide a list of steps to be implemented using computer technology for its well-known and understood functions'.<sup>9</sup> In responding to Rukt's submission that it is not the role of the specification or the claim to set out an algorithm or any coding for computer software, the Court cited with approval the primary holding of the Full Court in *Encompass*,<sup>10</sup> stating,

'In *Encompass* the Court found that where the claims in suit do not secure, as an essential feature of the invention, any particular software or programming that would carry out the method *and* the method is entirely left to those wishing to use the method to devise and implement a suitable program for that purpose *and* all the specification teaches is that the processing system may be "suitably programmed" *then* the method is really an idea for a computer program, it being left to the user to carry out the idea in a computer system...In making these observations, the Court did not purport to preclude a scheme implemented using computer software from patentability. It manifestly did not lay down principles of general application... It was considering whether *invention* lay in the implementation of computer technology based on the disclosure of the specification. By the claim and the specification leaving entirely to those wishing to use the method to devise and implement a suitable computer program for purpose, it was apparent that the invention did not rise above the level of being an instruction to use computer technology for its well-known and understood functions to implement the scheme'.<sup>11</sup>

The Court confirmed that in arriving at a characterisation of the invention (for the purposes of assessing whether there is a manner of manufacture, and a patentable invention, rather than a mere scheme), there are no rigid rules to be applied in the case of computer-implemented technologies. Each patent specification and claimed invention must be considered on its own merits.<sup>12</sup>

The Court also touched on the extent to which prior art, including common general knowledge, is relevant to the determination of whether an invention is a patent-eligible manner of manufacture. Following the High Court's approach in *D'Arcy v Myriad Genetics Inc.*,<sup>13</sup> the Court identified the relevant inquiry in the present appeal to be 'whether, upon construction, claim 1 as read in light of the specification as a whole in light of the relevant prior art, which in the present case is the common general knowledge, is a manner of manufacture'.<sup>14</sup> The Court also made it clear that the use of prior art, including common general knowledge, is limited to the extent necessary to inform the construction of the specification.<sup>15</sup> In considering previous cases that made reference to, for example, the use of computers for their 'well-known' purposes, the Court stated that these were not findings as to common general knowledge, but the result of a careful review of the specification to ascertain, by construction, the nature of the invention described.<sup>16</sup>

## **IS THE FULL COURT DECISION CONSISTENT WITH PREVIOUS AUTHORITIES AND THE APPROACH TAKEN IN FOREIGN JURISDICTIONS TO "COMPUTER IMPLEMENTED INVENTIONS"?**

This latest decision of the Court is not only consistent with previous decisions of the Full Court on the patentability of computer-implemented inventions, it is also broadly consistent with the approach taken to the patentability of such inventions in other jurisdictions including the United States<sup>17</sup> and the United Kingdom.<sup>18</sup> Like Australia, the Courts in both these jurisdictions have grappled with assessing the patentability of computer-implemented inventions. Unlike the position in Australia and the United States, in the United Kingdom there is a statutory exclusion on the patenting of business schemes and computer programs but only to the extent that a patent or patent application relates to the subject matter or activities “as such”. Whether or not a claim is to a business scheme or computer program “as such” is determined by applying the ‘test’ of whether the invention makes a ‘technical contribution’ to the known art. Notwithstanding the differences in the legislative regimes across the jurisdictions, several decisions of the Australian Federal Court have referred with approval to United Kingdom and United States authorities on computer-implemented inventions,<sup>19</sup> demonstrating the similarity in approach to this type of subject matter.

## Endnotes

1. *Rokt Pte Ltd* [2017] APO 34.
2. *Rokt Pte Ltd v Commissioner of Patents* [2018] FCA 1988, at [207].
3. *Ibid* at [208] - [209].
4. *Commissioner of Patents v Rokt Pte Ltd* [2020] FCAFC 86, at [108].
5. *Ibid* at [109].
6. *Ibid* at [108], citing *Commissioner of Patents v RPL Central Pty Ltd* [2015] FCAFC 177; 238 FCR 27 at [96].
7. *Ibid* at [110].
8. *Ibid* at [69].
9. *Ibid* at [115].
10. *Encompass Corporation Pty Ltd v InfoTrack Pty Ltd* (2019) 372 ALR 646.
11. *Commissioner of Patents v Rokt Pte Ltd* [2020] FCAFC 86, at [114].
12. *Ibid* see [74], [79], [114].
13. (2015) 258 CLR 334.
14. *Commissioner of Patents v Rokt Pte Ltd* [2020] FCAFC 86, at [68].

15. Ibid at [85].
16. Ibid at [91].
17. See eg *Enfish v. Microsoft Corp* 2015-1244 (Fed. Cir. May 12, 2016); *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016).
18. See eg *Aerotel Ltd v Telco Holdings Ltd and others; Re Patent Application GB 0314464.9 In the name of Neal William Macrossan* [2006] EWCA Civ 1371; *Symbian Ltd v Comptroller General of Patents* [2008] EWCA Civ 1066; *In re AT&T Knowledge Ventures LP and In re CVON Innovations Limited* [2009] EWHC 343 (Pat); *HTC Europe Co Ltd v Apple Inc* [2013] EWCA Civ 451.
19. See for example *Research Affiliates LLC v Commissioner of Patents* (2014) 316 ALR 135; *Encompass Corp Pty Ltd v InfoTrack Pty Ltd* (2018) 130 IPR 387.



## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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