



**THE AUSTRALIAN ASSOCIATION OF THE  
FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS  
FICPI AUSTRALIA**

27 September 2025

Michael Schwager, Director General  
Dr. Andrew Wilkinson, Commissioner of Patents

IP Australia  
PO Box 200  
Woden ACT 2606

**Re: *Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents*  
[2025] FCAFC 131 (Aristocrat 2025)**

Dear Director General, and Commissioner,

FICPI Australia notes the recent decision by the Full Court of the Federal Court of Australia (FFC) in *Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents* [2025] FCAFC 131 (**Aristocrat 2025**) and takes an early opportunity to present our views as follows.

### **About FICPI Australia**

FICPI Australia is the Australian National Association of the International Federation of Intellectual Property Attorneys (FICPI).

FICPI is the only international NGO whose membership consists exclusively of IP attorneys in private practice. FICPI, therefore, represents a key constituency of the international IP system.

Founded more than 100 years ago in 1906, FICPI now has more than 5,000 members, including the US and Japan, Australia and New Zealand, a strong European membership and national sections in India and China. Further details regarding FICPI can be found at [www.ficpi.org](http://www.ficpi.org).

## **2. Effect of the Decision**

The *Aristocrat 2025* decision is, in our view, a welcome reinforcement of foundational principles for the patentability of computer-implemented inventions (CII). The FFC's decision is not in reality a new or fringe development in the law. Rather, it affirms established principles on patent-eligible subject matter being a manner of manufacture (MoM). We consider that the court has clearly indicated that the approach advocated for by the Commissioner of Patents throughout the *Aristocrat* case, and as practiced in examination and in hearings in recent years, is the incorrect approach.

In approaching patent-eligibility criteria, it should be remembered that the threshold for acknowledging that a claim is directed to a MoM is low – [73] of *Aristocrat 2025*. The majority of the work to be done in examination is to decide whether the invention is novel and inventive, and meets the requirements of s40.

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Examination that involves abstraction of the claim and subtraction of common general knowledge in an effort to identify the substance of the invention is an incorrect approach according to *Aristocrat 2025*, consistently with other FFC cases. Employing this approach in examination has incorrectly raised MoM to be a high barrier, completely at odds with the idea of it being a low threshold test, which was intended to determine whether the substance of the claimed invention belongs to the useful arts rather than the fine arts (Para 29. *Supplementary Explanatory Memorandum for the Patent Bill 1989* in which the IPAC recommendation that this flexible threshold test of patentability be retained was accepted).

The higher barrier currently applied also ignores the asymmetry between a permanent injustice if the rejection of a patent application is wrong and the alternative of a lesser, non-permanent injustice with multiple opportunities to correct a wrong acceptance – opposition, re-examination, revocation by parties with a real commercial interest.

Further, the outcome of consideration of whether there is a MoM should be highly predictable but because of the uncertainty arising from the outcomes in the various FFC decisions, and the split High Court, there has not been uniformity of opinion on what the law is, which has resulted in MoM outcomes being highly unpredictable. This is unsatisfactory:

- i) to applicants who have what they believe to be meritorious applications rejected;
- ii) to attorneys attempting to advise clients in an environment without a clear indication on what the law is by the courts; and
- iii) the Office because of the time spent examining MoM under the higher, but as per this decision erroneous, standard.

Moving forward, Patent Office practice needs to be urgently updated to align with the law as provided in *Aristocrat 2025*, and the other FFC decisions not overruled by this decision. The result should be a predictable, low threshold test that takes account of the correct manner of characterising the invention articulated at [72], [78], [126] and [127], and the correct manner of determining whether the *properly characterised* claimed invention, is directed to a MoM, as articulated at [131].

*Aristocrat 2025* stated at:

[127] – the better characterisation reflects ‘the integers of the claim as a whole, encompassing the combination of both inventive and the non-inventive elements’. [Noting that the patents in question were innovation patents and did not need to provide an inventive step. The point being that the non-inventive (or non-innovative) elements are not omitted from the characterisation of the substance of invention];

[131] – ‘it is too rigid and narrow an approach to say that the implementation of an idea in a computer, using conventional computer technology for its well-known and well-understood functions, cannot constitute a “manner of manufacture”.... a better way of expressing the point in such cases is to ask whether, properly characterised, the subject matter that is alleged to be patentable is: (i) an abstract idea which is manipulated on a computer; or (ii) an abstract idea which is implemented on a computer to produce an artificial state of affairs and a useful result.’

Therefore, we urge rapid correction of the current MoM examination and hearing practices to ensure these are aligned with the law as articulated in *Aristocrat 2025*. As such, we urge you to consider the following changes to the Patent Manual of Practice and Procedure (PMPP) and your internal training:

- **Immediately revise the PMPP** to reflect the Court's return to first principles and the correct characterisation of inventions as a whole, giving due recognition to its physical

elements, and proper application of the *NRDC* guidance as being ordinarily sufficient and applicable to both non-CII and CII patent applications. We share with you, annexed hereto, our suggestions on the general nature of changes to be implemented.

- **Commence a comprehensive training and guidance program** for all patent examiners and hearing officers to ensure the consistent and correct application of the law, which we believe will ultimately lead to a more predictable and transparent examination process, improved patent application acceptance rates for meritorious inventions, and we hope a marked improvement in customer experience for patent applicants who have been dealing with unacceptable uncertainty.
- **Undertake a full revamp of the PMPP** on a more considered thorough basis to ensure any immediately implemented changes are fully considered.

FICPI Australia is keen to work with IP Australia to discuss the implications of this decision and assist in drafting updated guidance to ensure our patent system provides an appropriate and consistent framework for protecting computer-implemented inventions.

We urge early engagement with the IP Attorney profession as a whole so as to avoid any unintended consequences arising from views being implemented within the Office without wider consultation with Attorney profession.

We look forward to early contact to assist in developing the necessary changes in cooperation with IP Australia.

Yours sincerely

Rohan Wallace  
President  
FICPI Australia

## Early Thoughts on Immediate Changes required by *Aristocrat 2025* decision.

- Abandon the phrasing ‘identify the substance of the invention’ – it is the first step in going down the wrong path.
- Use the court’s terminology of characterising the claimed invention according to its substance, not merely by the form of the claim.
- Abandon characterisation of the invention by looking for a technical contribution over the prior art / common general knowledge
- Perform the characterisation first and separately from then determine whether the properly characterised claimed invention is directed to an artificially created state of affairs having economic significance. Abandon any other test for whether determining whether the characterised invention is a manner of manufacture.
- What follows is a blueprint for assessing manner of manufacture:
  - The claims need to be construed to understand what they mean. If they are plain on their meaning, then the construction is the ordinary meaning. If the meaning of a claim needs to be determined, due to controversy in the meaning of terms in the claim, then it is construed using the standard principles of construction. This is to determine the meaning of the claim taking what a person skilled in the art of the invention, in possession of the common general knowledge that that person would have, would understand the term to mean (take a purposive construction) in light of the specification as a whole. (FCAFC 131, [125, 126, 69, 70, 72])
  - The characterisation of the claim must be undertaken as a matter of substance, not mere form. Importantly, the characterisation of the claim requires consideration of all of the integers of the claim in light of the relevant facts and matters in the specification. (Both the High Court's allowing reasons, which are endorsed by *Aristocrat 2025*, and the High Court's dismissing reasons, confirm these principles of characterisation.) A good starting point is to identify what the specification says is the problem that the invention addresses. Not every specification will do this and in some cases due to the prosecution history the claimed invention will no longer be aimed at addressing the stated problem.
  - When the claims are construed, taking account of relevant facts and matters in the specification does not permit taking account of external information, such as the prior art. Common general knowledge is only used to construe the meaning of the claims. Elements are not excluded because they are known or not inventive.
  - Having construed the claims, based on the content of the whole specification, characterise the substance of the invention by identifying the contribution that the inventor alleges (explicitly in the specification, or implicitly or by inference) the claimed invention makes in order to implement a solution to, or manner of addressing, the stated (or if unstated, inferred) problem.
  - The risk of artificially characterising a claim is particularly pronounced where the claim contains interdependent integers. In the *Aristocrat* case the claims under consideration did not assert a monopoly in any single integer, but involved interdependent integers. Instead, Examiners ought to rely on the full description of the alleged invention, considering the relevant features in combination. Artificially characterising the claimed invention by ignoring various claimed features should be actively avoided.

- The resulting characterisation will in many cases clearly fall into a class of invention for which it is known that the ordinary principles of patentability suffice. This will be the case when the contribution the inventor has made is a technical solution to a problem. In this context 'technical' means that there is a way of bringing about that solution, that is an implementation of the solution claimed, as opposed to merely having the idea to have a solution. (FCAFC 131)
- The threshold requirement for "an alleged invention" is to be assessed by reference to the face of the claim in the context of the specification. The threshold is low, and is a less stringent requirement than the independent requirements of novelty and inventiveness. (FCAFC 73, 74)
- In some cases, the contribution might not appear to be in the known classes of manner of manufacture. In these cases, it needs to be determined whether the contribution is a manner of manufacture or is not, such as when there is immaterial implementation, for example when all there is that is contributed is merely an idea, or intellectual information, without enough to implement the idea or use the intellectual information in a manner that brings into existence some material and artificial advantage. (FCAFC 74)
- *RA*, *RPL*, *Rokt*, and *Encompass* identified that more than a mere idea is required. Identifying whether there is more requires thorough investigation to seek this 'more'. Where after searching for more than a mere idea or mere intellectual information, it is concluded that there was only a machine used to manipulate an abstract idea, rather than the implementation of the idea on a machine to produce an artificial state of affairs and a useful result, then in line with *RA*, *RPL*, *Rokt*, and *Encompass* the result is that the characterisation of the substance of the invention should be that the invention is merely the idea (such as merely a business scheme) because, for example, the manner of implementation beyond 'put it in, or do it with, a computer' is absent; or the characterisation is mere intellectual information, such as the case in *Myriad*, because, for example, there is the absence of using that information in a useful manner to diagnose a disease or predisposition to contracting a disease.
- The question to ask is whether, properly characterised, the subject matter that is alleged to be patentable is:
  - (i) an abstract idea which is manipulated on a computer; or
  - (ii) an abstract idea which is implemented on a computer to produce an artificial state of affairs and a useful result. (FCAFC 76)
- The artificial state of affairs and useful result may be a physical change in something, but need not be. And similarly, the artificial state of affairs may be an improvement in computer technology, but it need not be. (FCAFC 76)
- It is enough that the artificial state of affairs and useful result are created by the way in which the method is carried out in the computer. The method of carrying out the idea in the computer, and the artificial state of affairs and useful result, need not be inventive or ingenious, in that the ingenuity may lie only in the idea but, when the idea is applied to produce an artificial state of affairs and a useful result, there will be a manner of manufacture. (FCAFC 68, 76) The characterisation stage is therefore looking for how the idea behind the invention is carried out, and what the useful result is.
- New classes of claim can be dealt with by taking account of the *Myriad* factors in addition to the *NRDC* guidance, which normally suffices. (FCAFC 128, 129)