PATENTS IN AN ONLINE ENVIRONMENT

PRESENTED BY NIK RAMCHAND

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INTELLECTUAL PROPERTY TECHNOLOGY AND COMMERCIAL LAW

CONTEXT AND BACKGROUND

1. 2006 – *Grant v Cmr of Patents*
   - Asset protection method involving trust loans
   - No computer involvement
   - Need a physical effect

2. 2014 – *Research Affiliates*
   - Upheld primary judge
   - Method of constructing a weighted index and portfolio of securities
   - The mere use of a computer does not give patentability

3. 2015 – *RPL Central*
   - Overturned primary judge
   - Method for gathering data and automatically generating questions
   - Need a technical innovation
   - High Court refuses special leave

4. 2019 – *Encompass (5 judges)*
   - Upheld primary judge
   - Method for displaying network of related entities
   - Reinforced requirement to identify substance of invention

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ROKT - FIRST INSTANCE

- Related to a digital advertising platform
  - User analytics – engagement data is analysed, engagement trigger is detected, engagement offer presented, then ad presented

- Primary judge focused on substance being the *combination* of features
  - Considered that the invention solved a technical problem
  - Needed to develop a personalised ranking of engagement offers by connecting transactional data, user context data and user engagement data
  - Voluminous expert evidence in relation to technical difficulties was persuasive.

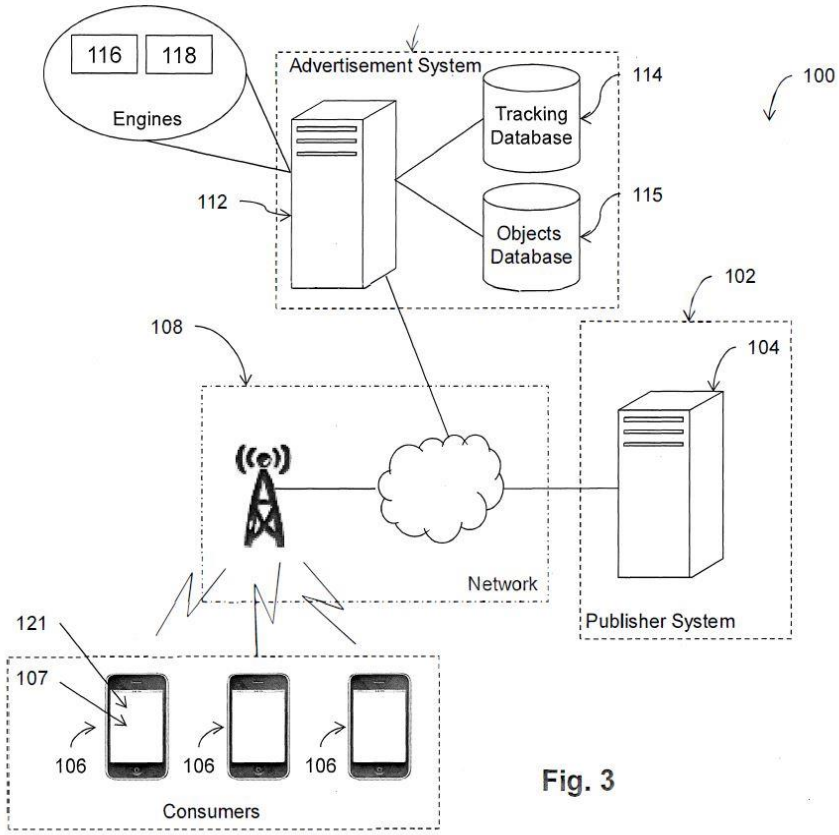

Fig. 3

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ROKT – APPEAL (2020)

Characterising the substance of the invention

- Statements in the Background section of specification are not part of invention
- Problem identified in specification – low levels of consumer engagement
- The specification stated that all the examples related to a four-dimensional **advertising model**
- Consumers are taken on an "engagement journey"
- Rokt says that incorporating known features of online advertising with an engagement offer is at the centre of the invention
- The Court highlighted the generality of the invention:

  the example scoring regime *should not be seen as limiting and that any suitable scoring regime could be implemented for the recorded metrics*

  it will be understood any measure of revenue could equally be utilised for determining revenue depending only on the desired implementation

> *"It may be seen from the generality of this description that no aspect of the system configuration, or the component parts of the system, rises above the most general level of abstraction."*

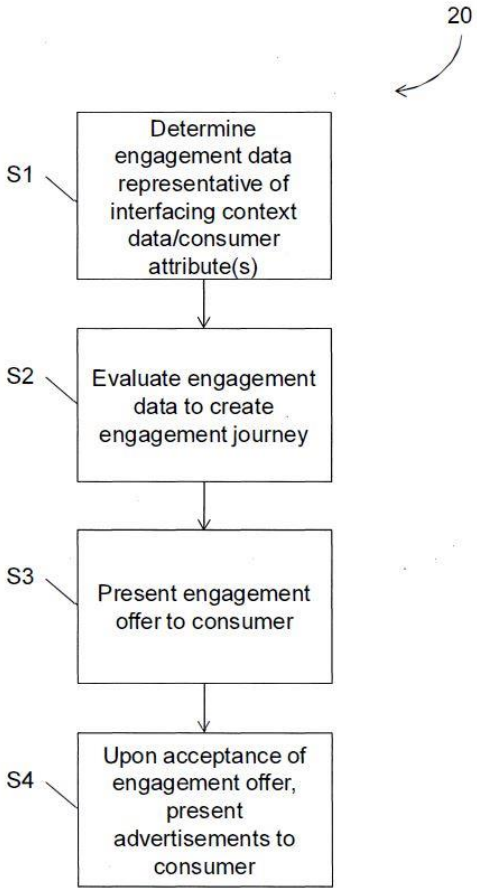

Fig. 2

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ROKT APPEAL – KEY FINDINGS

- Patentable subject matter is a legal question, not one for expert witnesses
- In assessing the "well-known and understood functions" of a computer, only use common general knowledge to the extent necessary to construe the specification
  - Primary mechanism is a careful review of the specification
- Endorses a two-step approach that that had been developed:
  - Is the method a scheme?
  - Did its implementation mechanism make it nonetheless patentable?
- Lack of any particular software or hardware implementation is a "litmus test" for whether software/hardware was just means for implementing scheme
- The asserted technical solution (including a tracking database and objects database on a single platform) was not claimed
- Non technical problem (lack of consumer engagement), non technical solution (advertising model, "idea" of presenting "click bait" followed by advertising offer) => a marketing scheme
- Computer is nothing more than "a vehicle for implementing the scheme, using computers for their ordinary purposes"

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A GLIMMER OF HOPE - ARISTOCRAT

- 1 month later – *Aristocrat v Comr of Patents*
- Endorses the two step test
- Characterised past cases

In each of these cases, the question for consideration was whether or not a mere scheme, or plan, was nonetheless a manner of manufacture because invention lay not only in the scheme or plan, but also the means by which it was realised using computerisation.

Central to Encompass*, and the other cases to which I have referred, is the finding that after close examination of the specification and the claims in issue, the invention as disclosed and claimed is no more than a scheme or mere idea.*

I do not consider that, properly understood, the invention described and claimed, when understood as a matter of substance, is to a mere scheme or plan. It is to a mechanism of a particular construction, the operation of which involves a combination of physical parts and software to produce a particular outcome in the form of an EGM that functions in a particular way.

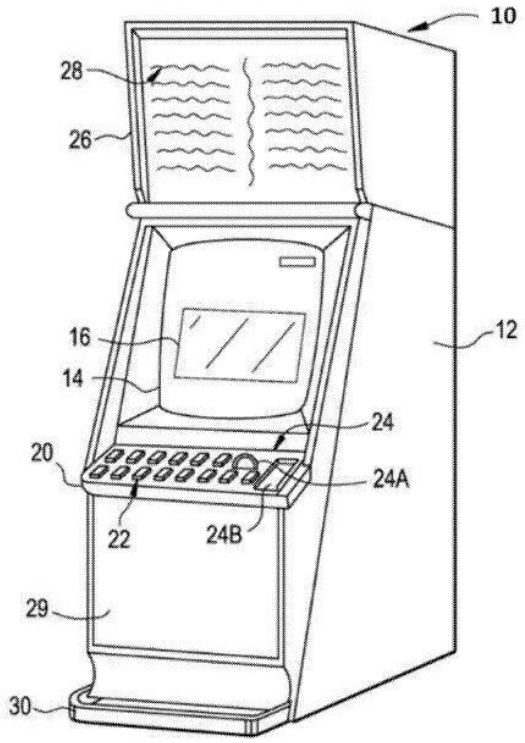

Figure 2

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WHAT DOES THIS ALL MEAN?

- Crucial step is working out what the invention is
  - Contribution to the invention test puts cart before horse
- Special purpose hardware helps
  - Unlikely to be part of an internet-based invention
- Likely to require a new technology
  - Amazon’s one-click patent
  - Google’s search algorithms
  - Using registration details to identify tyre size