



Thursday, 14 May 2026

IP Australia
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AUSTRALIA

Dear Sirs

Consultation submissions to IP Australia
IP Australia Patents Manual Update —March 2026

The accompanying submissions are made in regard to the IP Australia Patent Manual Update—March 2026.

The submissions are restricted to section 5.6.8.6 but apply to aspects of the other associated sections 5.6.8.1, 5.6.8.4 and 5.6.8.7 to a greater or lesser extent.

The structure of the submissions is first covering the state of the current law in brief (PART A), characterisation (PART B), established principles (PART C), the two-limb formulation (PART D), existing material which is incorrect or believed misleading (PART E), and suggestions for a revised structure of the section (PART F).

The last two Parts are supported by the first four Parts, with some incidental observations regarding examination guidance within the first four Parts. These first four Parts cover the relevant material in far greater depth than they should rightly need.

And especially since *Aristocrat* returns the law of manner of manufacture back to the status quo of “established principles”. Nonetheless, the detail is supplied for reference as there is a such a significant reversal and shift from the line of precedents that have developed over more than a decade.

Yours sincerely

A handwritten signature in black ink, appearing to read "David Perkins".

David Perkins

Consultation Submissions to IP Australia

IP Australia Patents Manual Update—March 2026

Proposed Deletion and Re-Drafting of Patent Manual of Practice and Procedure Section 5.6.8.6: Computer Implemented Inventions, Mere Schemes, and Business Methods

In Light of Commissioner of Patents v Aristocrat Technologies Australia Pty Ltd [2022] HCA 29; [2025] FCAFC 131; [2026] HCADisp 15

These submissions are made in the interests of ensuring that the Patent Manual of Practice and Procedure accurately reflects the state of Australian law as established by the High Court's Special Leave Disposition of 5 February 2026 and the Full Federal Court's decision in Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents [2025] FCAFC 131, and as grounded in the established principles of National Research Development Corporation v Commissioner of Patents [1959] HCA 67 and D'Arcy v Myriad Genetics Inc [2015] HCA 35.

PART A: STATE OF THE LAW

PART B: CHARACTERISATION AS ANTECEDENT EXERCISE

PART C: ESTABLISHED PRINCIPLES AND THE ONE QUESTION

**PART D: TWO-LIMB FORMULATION:
PROVENANCE, ROLE AND PURPOSE**

PART E: MATERIAL TO BE REMOVED FROM SECTION

PART F: SUGGESTED STRUCTURE FOR SECTION

PART A: STATE OF THE LAW

Overview

- The High Court's last words are “established principles” and “characterisation”. The two-limb formulation is not a test that displaces the “one single question” or is even a suitable assisting enquiry.
- Any examination practice that continues to apply the *Research Affiliates/RPL Central/Encompass/Rokt* analytical framework is applying a framework from which the Full Court has formally departed and which the High Court has declined to rescue.

The High Court's Last Words

2.1 The starting point for these submissions is the Special Leave Disposition of 5 February 2026, in which a seven-Justice bench of the High Court refused the Commissioner special leave to appeal from the Full Court's decision in *Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents* [2025] FCAFC 131.

2.2 The Disposition contains two phrases that define the state of the law and should govern the re-drafting of the section:

(a) The Full Court “applied **established principles** concerning the assessment of manner of manufacture”; and

(b) The Full Court “reached a **unanimous and clear conclusion as to characterisation**”.

2.3 The language of the second paragraph was no doubt carefully selected from many alternatives and warrants attention. Notably, their Justices did not “doubt the correctness of the decision of the Full Court”. “Established principles” pointedly refers backwards to *NRDC* and *Myriad*. The High Court is clear indicating that *Aristocrat* restores the orthodox Australian position. And that there is no novel departure.

PART B: CHARACTERISATION AS THE ENGINE OF THE ANALYSIS

Overview

- Characterisation of the claims is the antecedent exercise prior to the manner of manufacture assessment.
- Characterisation must be performed afresh on each invention as claimed. Reasoning by analogy to the characterisation reached in a prior case is not a permissible method.
- The idea and its implementation are both part of the characterisation. An examiner who identifies “a mere scheme” and then asks what the implementation adds is performing the wrong exercise.
- There is ample guidance in the decisions on how characterisation (and the one single question) is to proceed in the High Court of Full Court decisions.

4. The antecedent exercise of characterisation

4.1 The allowing reasons, adopted by the Full Court and endorsed by the High Court, establish that characterisation is the “starting point” of the manner of manufacture analysis: allowing reasons at [101]. It is not a step that occurs within, or after, the application of any test. It is the exercise that precedes everything else.

5. The prohibition on filleting

5.1 The allowing reasons at [99] identify the Commissioner’s error in *Aristocrat* as having been achieved “by filleting from the claim essential and interdependent integers providing for the implementation of the game on the EGM”. This is a prohibition with direct examination consequences.

5.2 Where physical integers interact with and are dependent upon software integers (which is the ordinary case in computer-implemented inventions) the examiner cannot strip the physical integers out and proceed as if the residue were a mere scheme. The Full Court at [127] adopts this approach, observing that the preferred characterisation “better reflect[s] the integers of the claim viewed as a whole, encompassing the combination of both the inventive and the non-inventive elements”.

5.3 The current section instructs examiners to assess “the nature of the physical elements” and then to determine whether they are “standard features of a known (CGK) computer or computerised product/system”, after which “additional factors” are applied. This is structurally a filleting exercise separating the physical from the non-physical and then applying a different analysis depending on whether the physical elements are novel. The revised section should abandon this structure.

6. The idea and its implementation both relevant to characterisation

6.1 An error of the displaced analytical framework was the separation of “the idea” from “the implementation”, followed by an enquiry into whether the implementation added anything beyond generic computer functionality. The allowing reasons reject this separation.

6.2 At [105], the allowing reasons state in terms:

“the characterisation of the claim at the appropriate level of generality should include **all of the matters that properly form part of the idea, as well as its implementation**. Only then can the questions required by s 18(1) or s 18(1A) properly be answered.”

The idea and its implementation are not separate objects to be weighed against each other. They both contribute to the characterisation. An examiner who identifies the idea and then asks what the implementation adds is performing the wrong exercise. The correct exercise is to characterise the claim as a whole, the idea and the implementation together, and then ask the single *NRDC* question of that characterisation.

7. Characterisation is claim-specific and not analogical

7.1 The allowing reasons at [149] describe characterisation as “an exercise of judgment with regard to all of the integers of the claim”. The Full Court at [79] adopts this, holding that characterisation is “to be decided on the construction of the claim in light of the specification as a whole and common general knowledge”.

7.2 The current section instructs examiners that “[p]roperly characterising the invention using the guidance below may involve turning to examples in the case law discussed above to guide decision making”. This is the opposite of what the *Aristocrat* trilogy requires. Characterisation must be performed fresh on each claim, by reference to its own integers and its own specification. Prior cases may illustrate what the *NRDC* principle looks like in operation, but they cannot supply the characterisation itself.

7.3 The revised section should make clear that reasoning by analogy to the characterisation reached in a prior case is not a permissible method of characterising a new claim. It should also be emphasised that what is being characterised is the claim not the preponderance of the disclosure itself.

8. Reference guide to characterisation exercise

The following principles are extracted from the allowing reasons in *Aristocrat* [2022] HCA 29, the Full Court's reasons in *Aristocrat* [2025] FCAFC 131, and the Special Leave Disposition [2026] HCADisp 15, with references. These principles can be extracted and organised in various ways, but the main point is there is ample guidance as to how characterisation is to be approached. And the High Court indicated that Full Court had reached “a unanimous and clear conclusion as to characterisation”.

- i. Characterisation is the antecedent exercise. The “starting point” and the “first step in the analysis”, allowing reasons [101]; FCAFC [126].
- ii. Characterisation must be undertaken “as a matter of substance, not mere form”, allowing reasons [102]; FCAFC [126].
- iii. Characterisation demands the claims be read as a whole. Requires “consideration of all of the integers of the claim in light of the relevant facts and matters in the specification”, allowing reasons [102]; FCAFC [126].
- iv. Characterisation must not overlook interdependent integers. Interdependence must not be compromised “filleting” from the claim, allowing reasons [97].

- v. Characterisation must not be “artificial”, neither “artificially specific” (which could deny any obvious manner of manufacture) nor “artificially generalised” (which could strip novelty from any claim), allowing reasons [103]. Characterisation must be at “the proper level of generality” and involves “an exercise of judgment with regard to all of the integers of the claim”, allowing reasons [149]; FCAFC [127].
 - vi. Characterisation “should include all of the matters that properly form part of the idea, as well as its implementation”, allowing reasons [105].
 - vii. Characterisation must “not give undue or preponderant weight to the inventive aspects of the claim over the non-inventive aspects” and must give “due recognition to those physical elements which are non-inventive yet fundamental to the operation”, FCAFC [127].
 - viii. Characterisation is informed by the common general knowledge but not determined by it, elements that are common general knowledge are not excluded from characterisation, allowing reasons [145]–[146], FCAFC [79].
 - ix. Characterisation exercise is settled, Special Leave Disposition.
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PART C: ESTABLISHED PRINCIPLES AND THE “ONLY ONE QUESTION”

9. Overview

- There is only one question, the *NRDC* question. Any analytical structure or verbal formula that interposes additional steps between characterisation and the *NRDC* question departs from established principles, which *Myriad* confirmed. Even *NRDC*'s own formulation is only a guide. This prohibition applies to the two-limb formulation with equal force as that of *RPL Central* [96].
- The enquiries on the single question are non-exhaustive and their limits are “not narrow”. An approach that is too confined is “unsound to the point of folly”.
- Conventional computer technology can constitute a manner of manufacture. The Full Court: “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’”.
- Computer implementation need not be inventive. The ingenuity may lie only in the idea. *CCOM* established that there need not be “anything new and unconventional in computer use”, which is expressly approved.

10. The single NRDC question

10.1 The allowing reasons at [151] state the law categorically:

“The proper approach to assessing whether a manner of manufacture exists is that which was enunciated by this Court, as described above, in *National Research Development Corporation*. **There is only one question:** is there a manner of manufacture within s 6 of the *Statute of Monopolies*?”

10.2 The “one question” of *NRDC* and the law that developed around that decision represents the “established principles” the Special Leave Disposition endorses. It is the *NRDC* question, stated in its original form.

11. The non-exhaustive enquiries

11.1 The allowing reasons at [151] continue:

“The focus of that question **commonly leads to enquiries such as:** whether the process or product is part of the useful arts rather than the fine or intellectual arts; whether there is an artificially created state of affairs with a useful result including a result of economic significance; and whether the subject matter of a claim is no more than a mere intellectual idea, scheme, or game. But, as the authorities have long shown, the limits involved in each of these enquiries are not narrow. To take an approach to a manner of manufacture that is too confined is ‘unsound to the point of folly’.”

11.2 The language is carefully non-exhaustive: “commonly leads to enquiries such as”. These enquiries are illustrative of how the single question operates; they are not steps, not factors, and not a checklist.

11.3 Critically, the allowing reasons immediately add: “But, as the authorities have long shown, **the limits involved in each of these enquiries are not narrow**. To take an approach to a manner of manufacture that is too confined is ‘unsound to the point of folly’.”

11.4 The revised manual should present [151] of the allowing reasons in full, along with FCAFC [128].

12. The prohibition on verbal formulae

12.1 *NRDC* at [15] rejected attempts to place upon the idea of manner of manufacture “the fetters of an exact verbal formula.” *Myriad* at [20]–[21] reaffirmed this, holding that even the *NRDC* formulation — artificial state of affairs, economic utility — is “a guide rather than a rigid formula”. The Full Court in *Aristocrat* 2025 at [128] expressly recites both authorities.

12.2 This prohibition has direct consequences for the drafting of examination guidelines. Any formulation that is presented as a definitive test is to be avoided. This is whether it is “the invention must lie in the computerisation” (*RPL Central* at [96]) or the two-limb formulation from the allowing reasons at [122], such criteria risk becoming the kind of verbal formula that *NRDC* prohibits. The revised section should not install any formulation as “the test”.

13. Established principles of manner of manufacture affirmed

Again, as with characterisation, *Aristocrat* provides significant guidance or re-iteration on the matter of “established principles” of manner of manufacture which is re-presented largely to correct the decisions it displaces. And again, this material can be extracted and organised in many ways.

- i. **Manner of manufacture is a low bar.** The “threshold is low” and “the threshold necessarily imposes a less stringent requirement than the independent requirements of novelty and inventiveness”, allowing reasons [111], FCAFC [72].
- ii. **There is no special test for computer-implemented technologies.** The manner of manufacture question “should not be deconstructed to require, separately from the general principles of patentability, consideration of whether the subject matter is ‘computer-implemented’”, allowing reasons [152]–[153], FCAFC [81]. Digital implementation should not be treated any differently.
- iii. **There is no exacting verbal formula.** The single question “commonly leads to enquiries such as” whether the subject matter is part of the useful arts, whether there is an artificial state of affairs with a useful result, and whether the subject matter is a mere idea, but these enquiries are non-exhaustive and “the limits involved in each of these enquiries are not narrow”, allowing reasons [151]. “To take an approach to a manner of manufacture that is too confined is ‘unsound to the point of folly’”, allowing reasons [151], quoting *NRDC*.
- iv. **Manner of manufacture is not a proxy for inventive step.** The threshold is to be “assessed by reference to the face of the claim in the context of the specification” not by reference to the prior art base, allowing reasons [108].
- v. **Manner of manufacture need not be physical.** “The artificial state of affairs may be a physical change in something, but it need not be.”, allowing reasons [122].
- vi. **Manner of manufacture need not be an improvement in computer technology.** “The artificial state of affairs may be an improvement in computer technology, but it need not be.”, allowing reasons [122].

- vii. **Manner of manufacture can be simply the way the computer operates.** “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’”, allowing reasons [123].
 - viii. **Manner of manufacture need not be inventive or ingenious.** “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. 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 manner of manufacture.”, allowing reasons [123]. “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’”, FCAFC [131]. Also: it was “not necessary that there be ‘anything new and unconventional in computer use’”, *CCOM*, approved in allowing reasons [124] and FCAFC [129].
 - ix. **There is no ‘relevant’ artificial state of affairs.** UK and US authorities in the area of computer-implemented inventions are “at best, of limited assistance and, at worst, dangerously misleading” due to the different legislative frameworks, allowing reasons [127]. Consideration of the above should make that clear enough in any event.
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PART D: TWO-LIMB FORMULATION: PROVENANCE, ROLE AND PURPOSE

14. Overview

- There is significant confusion around the two-limb formulation which is, in short, a retrospective rationalisation of the conclusions of *Research Affiliates*, *RPL Central*, *Encompass*, and *Rokt*, presented as “a better way of expressing” the discredited framework of “an improvement in computer technology”. Refer [122] of allowing reasons and accompanying footnotes 190, 191. It is side commentary referencing prior cases, not the Aristocrat claims subject of the case. The operative test for manner of manufacture is stated twenty-nine paragraphs later at [151] of the allowing reasons, in different language, and does not reference [122].
- The two-limb formulation in effect re-explains cases for which the outcome is already decided, but is not assistive for new cases in which the outcome is to be decided. It has no value other than as a way of categorising certain historical cases.
- Adopting the two-limb formulation as an examination standard would repeat the same structural error of *RPL Central* [96], just with different words. *RPL Central* [96] was a contextual observation elevated into a rigid formula.
- While “consistent with the ultimate single question of whether there is a manner of manufacture within s 6 of the *Statute of Monopolies*” the two-limb formulation is semantically empty except for the close of limb (ii), which requires “an artificial state of affairs and a useful result” according to the *NRDC* formulation, which makes the two-limb formulation “consistent”. On analysis, the semantic content of “manipulated” versus “implemented” collapses as these terms hold no more meaning than as markers differentiating the conclusions of the footnoted decisions.
- The two-limb formulation is never described or presented as a test in any of the three decisions. The relational language is exclusively expressive: “a better way of expressing the point”, “consistent with”, “would be to ask”, “as described in”.

15. Provenance of the two-limb formulation

15.1 Any assessment of the role the two-limb formulation should play in examination guidelines must begin with how and why it came into existence. When that provenance is examined, it becomes clear that the formulation was offered as a retrospective re-formulation of discredited language, not as a prospective test for new cases.

15.2 The formulation appears at [122] of the allowing reasons, within a three-paragraph sequence of [121], [122], [123] that performs a specific and limited function.

15.3 **Paragraph [121]** walks through five decided cases, namely *Grant*, *Research Affiliates*, *RPL Central*, *Encompass*, and *Rokt*, and describes each as involving the use of a computer to “manipulate an abstract idea rather than involving the implementation of the idea on a machine to produce an artificial state of affairs and a useful result.” The footnotes pin each case to its specific facts. The paragraph is retrospective and descriptive: these cases fell on the wrong side of the line, and here is why.

15.4 Footnote 190 traces the genealogy of that expression. It pins “improvement in computer technology” to *Rokt* at [108] and *Repipe* at [4], with a “compare” to *Encompass* at [107]–

[110]. The Full Court in *Aristocrat* at [130] makes the genealogy even more explicit: the “improvement in computer technology” expression “was taken from *Rokt* at [108], where the Full Court was paraphrasing the effect of the statement in *RPL Central* at [96]”. The chain is therefore: *RPL Central* [96] to *Encompass* [95] to *Rokt* [84] and [108]. The Full Court aligns with the allowing reasons, and provides no suggestion of deviation from the allowing reasons on this point.

16. Role and purpose of the two-limb formulation

16.1 It is only after this identification of the offending expression, its genealogy, and its role in the now-displaced framework that the two-limb formulation appears: “A better way of expressing the point in such cases, consistent with the ultimate single question of whether there is a manner of manufacture within s 6 of the *Statute of Monopolies*, would be to ask whether...” The formulation is introduced as a replacement for “improvement in computer technology”, which was itself a paraphrase of *RPL Central* [96], which was rejected. The two-limb formulation is a reframing for discredited language. The purpose it serves is to refashion the discredited and displaced reasoning of these cases but preserve the outcome. As this point was not at issue in the decision, it can only be given very limited weight. And especially as none of the particular details or claims of the footnoted cases were given any consideration, the conclusion was simply asserted as “plainly correct”.

16.2 At [151], the allowing reasons state:

“The proper approach to assessing whether a manner of manufacture exists is that which was enunciated by this Court, as described above, in *National Research Development Corporation*. **There is only one question:** is there a manner of manufacture within s 6 of the *Statute of Monopolies*? **The focus of that question commonly leads to enquiries such as:** whether the process or product is part of the useful arts rather than the fine or intellectual arts; whether there is an artificially created state of affairs with a useful result including a result of economic significance; and whether the subject matter of a claim is no more than a mere intellectual idea, scheme, or game. But, as the authorities have long shown, **the limits involved in each of these enquiries are not narrow.** To take an approach to a manner of manufacture that is too confined is ‘unsound to the point of folly’”. You will notice that [151] does not reference [122] at all. The only reasonable reading is that the two-limb formulation is retrospective, its role is limited, to explain decided cases in language “consistent with *NRDC*, with some semantic window dressing. Paragraph [151] is prospective and states the law to be applied.

16.3 The two-limb formulation collapses to *NRDC* and contains no independent analytical content on any analysis. When the formulation is examined on its own terms and deconstructed, this limited function is confirmed. Both limbs assume an abstract idea without telling the examiner how to identify one. The differentiating language of “manipulated” versus “implemented” provides no independent criteria for sorting claims. The words are semantic placeholders that describe a conclusion without providing the reasoning that leads to it. The only operative content is in limb (ii): “an artificial state of affairs and a useful result”. The first limb (i) is simply the absence of *NRDC*, given a label. The formulation on analysis reduces entirely to the established principle it was said to be “consistent with” and adds nothing to it. The two-limb formulation contains no analytical content beyond the *NRDC* question itself. It cannot guide the decision of new cases, which must be decided through characterisation and the single *NRDC* question, on their own facts.

PART E: MATERIAL TO BE REMOVED FROM SECTION

17. Overview

- The overall problem with the section is that it does at times acknowledge certain developments brought about by *Aristocrat*, while still clinging to many concepts displaced by *Aristocrat*. The effect is that examination practice will not change at all (as we seem to be experiencing) as the section gives examiners no need to change examination practice.
- There are so many problems with the section that the opportunity should be seized to rewrite the section in its entirety in a way that meaningfully aligns examination guidance and practice with the law, which is *Aristocrat* restoring *NRDC* and *Myriad* with full effect.
- *Aristocrat* was created by the Commissioner through successive appeals. It would be a perverse outcome if examination guidance is not aligned fully with *Aristocrat*, given it represents legal advice the Commissioner purchased at very great expense. Given this, a commensurate effort in rewriting the section is more than warranted, and should not in fact be overly difficult, time-consuming or expensive given that the law is returned to its status quo.

18. Introduction

18.1 ***NRDC* and *Myriad*.** These decisions should be given more prominence and emphasis than currently, embracing broader discussion of their implications and connecting to the “established principles” and “characterisation” mentioned by the Special Disposition, but also the allowing reasons and Full Court.

18.2 **Two-limb formulation.** The current introduction presents the two-limb formulation as the analytical framework confirmed by the Full Court and structures the remainder of the section around it. This framing should be removed for the reasons in Part D. The two-limb formulation should only be included in the context in which it is presented in the decisions. This involves a clear and unambiguous statement that it reinterprets the conclusions of select cases where the reasoning is now displaced and discredited, and not to be applied. As presented, the two-limb formulation is presented as the method by which manner of manufacture is to be assessed (“so as to determine whether it involves”). Introduction section should instead be structured around the single *NRDC* question, approached through characterisation.

18.3 ***Research Affiliates* implies an endorsement that is unwarranted.** The allowing reasons at [153] state the principle more accurately: “the implementation must do more than merely manipulate an abstract idea. In the language of *National Research Development Corporation*, it must create an artificial state of affairs and a useful result”. The revised section should use the formulation in the allowing, instead of referencing *Research Affiliates*, which can by its inclusion only mislead examiners.

18.4 **Confusion on characterisation and the one question.** The emphasis that follows on “merely implemented” flies in the face of the nature of the characterisation antecedent exercise outlined in Part B. This encourages examiners to separate the idea and

implementation. Similarly, the emphasis in “a computer-implemented invention is also not *necessarily* unpatentable merely because it is *possible* to characterise the invention as involving the implementation of an idea in a computer using conventional computer technology for its well-known and well-understood functions”.

18.5 *Relevant artificial state of affairs.* Introduction closes with “*relevant* artificially created state of affairs”. As a concept, a “relevant” artificiality does not appear in the allowing reasons, the Full Court, or the Special Leave Disposition. The *NRDC* question is whether there is an artificial state of affairs and a useful result. The qualifier “relevant” invents a filtering step that is not supported by the authorities. This is simply incorrect, and risks being used to re-introduce the displaced analysis for use during examination ‘through the back door’. This concept should be removed. The allowing reasons at [127] discuss how unhelpful foreign decisions can be, referencing the import “technical effect” and allied concepts. The allowing reasons at [127] go out of their way to warn that UK and US authorities in this area are “at best, of limited assistance and, at worst, dangerously misleading”. A significant proportion of the reasoning in the current section, particularly the “technical effect”, “technical problem”, and “improvement in computer technology” concepts, bears the influence of EPO and UK jurisprudence. Any residue of this language should be removed.

19. Forms of computer implemented inventions

19.1 This section which mentions different claims specifies should cover the nature and approach to the characterisation exercise, and some of the more important guiding principles that affect computer-implemented inventions covered in Part B, such the prohibition on filleting, the idea and implementation being indivisible, and so on.

20. Inventions found to constitute an abstract idea implemented on a computer to produce an artificial state of affairs and a useful result

20.1. The title implicitly endorses the two-limb formulation as a decision-making framework, rather than focussing on the tail of limb (ii): “artificial state of affairs and a useful result”.

21. Inventions found to constitute an abstract idea manipulated on a computer

21.1. The title again implicitly endorses the two-limb formulation as a decision-making framework. While the opening paragraph is not incorrect (“inventions *found*”, “category *recognises*”) but fails to correct the implication that the two-limb formulation is a decision-making framework. None of the case notes refer to the actual claims of these cases and always refers to the “invention” or “inventive concept” as a brief summary, as specifically rejected by primary judge (Burley J in *Aristocrat*). This implies that the characterisation process as an antecedent exercise is not applicable and encourages poor examination practice.

22. The decision-making framework

22.1 Understanding the physical elements of the claimed invention. The physical-elements triage in the current framework instructs examiners first to assess “the nature of the physical elements” and then to triage claims into three categories: software alone, known CGK hardware, and new physical product. This is a filleting exercise, outlined in Part B. It separates the physical from the non-physical and applies different analyses. The allowing

reasons prohibit this: characterisation must encompass “all of the integers of the claim” and must not sever interdependent physical and software integers. This triage structure should be removed entirely.

22.2 Factors relevant to characterising the claimed invention. The four-factor test in the current section presents four factors said to be “relevant to characterising the claimed invention”:

(1) Whether the computerised product or system works in an improved or altered manner; (2) Whether there is a relevant technical effect occurring outside the computerised system; (3) Whether a technical problem is solved within the computerised system; (4) Whether a computer is essential for performing the invention.

These factors are drawn from the *Research Affiliates / RPL Central / Encompass / Rokt* reasoning, supplemented by *Hytera* and *Dei Gratia*. They repackage the displaced analytical framework under new labels. Specifically:

- Factor 1 (“improved or altered manner”) is a restatement of “improvement in computer technology”, which is the very formulation the allowing reasons at [122] identified as imprecise and replaced.
- Factors 2 and 3 (“technical effect” / “technical problem”) import EPO/UK concepts the allowing reasons at [127] warned are “at best, of limited assistance and, at worst, dangerously misleading” in Australian law.
- Factor 4 (“pen and paper”) is pure invention and has no basis in the allowing reasons or the Full Court's analysis.

The four-factor structure should be removed. The revised section should not present any multi-factor checklist but reference the nature of characterisation and assessment of the “one question” in Parts B and C.

23. Example: Performing Business Interactions Using Computing Devices

23.1 A worked example would be a commendable addition. Presenting a claim in full is a great starting point, as characterisation starts with the claim and follows into the “one single question”. But there are problems here. For example: “Here, the ‘processor’ and ‘user device’ are merely performing their usual independent function, there being no improved operation of relevance.” This section should be entirely revised in accordance with Parts B and C.

24. Case Law Summaries (positive cases)

24.1 The positive case summaries for *CCOM*, *IBM*, *UbiPark*, *Hytera*, and *Aristocrat* are less problematic but still require revision.

24.2 The *Aristocrat* '25 summary. The summary draws on the correct source but includes “While EGM technology was well known, the invention was more than a mere abstract idea manipulated on generic computer technology.” This framing of “more than” a mere abstract idea on “generic computer technology” implicitly carries forward the displaced analysis. The allowing reasons and the Full Court do not ask whether the invention is “more than” something; they ask whether, properly characterised, the invention produces an artificial state of affairs and a useful result.

24.3 The *IBM* and *Hytera* summaries. These continue to rely on "improvement in computer technology" and "technical problem" reasoning. They should be re-framed in *NRDC* language.

25. Worked Example

25.1 The worked example of a financial transaction claim applies reasoning that is no longer available: "merely uses generic computer technology", "no improved operation of relevance", "does not improve or alter the operation of a computer, nor does it address a technical problem", as indicated in Part C.

25.2 A revised worked example should demonstrate the correct methodology: characterise the claim as a matter of substance, considering all integers; then ask the single *NRDC* question. If the claim falls on the "manipulated" rather than "implemented" side of the line, that conclusion should be expressed in the language of the [122] illustration, not in the language of the displaced factors.

26. Case Law Examples (negative cases)

26.1 **The bullet-point reasoning from displaced cases.** Each negative case summary (*Research Affiliates*, *RPL Central*, *Encompass*, *Rokt*, *Repipe*, *Dei Gratia*) is accompanied by bullet points identifying "reasons why the invention was found unpatentable". These bullet points draw on reasoning that has been displaced:

- "The invention operated on generic or general-purpose computers", allowing reasons at [122] and the Full Court at [131] hold that an invention is not necessarily unpatentable merely because it uses conventional computer technology.
- "It involved no improvement of the operation of a computer", this is the displaced "improvement in computer technology" formulation.
- "The invention solved a marketing/business/operations problem, not a technical problem", this imports the UK/EPO "technical problem" distinction the allowing reasons warned against at [127].
- "No steps foreign to the normal use of computers", this formulation has no basis in the allowing reasons or the Full Court.
- "No utilisation of an unusual technical effect", same objection.

26.2 These bullet points cannot be maintained. They teach examiners to apply reasoning derived from decisions whose reasoning has been displaced. The revised section may include the former cases as factual examples of claims that were found to involve the manipulation of an abstract idea (limb (i) of [122]), but must be careful not to reproduce the reasoning by which those outcomes were originally reached. For sake of avoiding all confusion, the two-limb formulation should be handled with care.

26.3 The distinction between outcomes and reasoning is critical. The former cases are preserved as to result. This though has very legal weight, as the only supporting comment is a mere assertion of the conclusion: "all of these cases are plainly correct", allowing reasons [122]. Decisions whose reasoning has been displaced and whose outcome has been affirmed only in passing and without re-analysis cannot hold weight. It cannot be cited as establishing principles of law, which starts afresh on the content of each claim, as a low bar, acting as a gateway to more assertive filtering via other grounds.

27. The Patent Office hearing decisions

27.1 **The *Bio-Rad* summary.** This summary states: “In *Research Affiliates* and *RPL Central* ... there is a need for the substance of the invention to lie in the computerisation for patentability to be present.” That proposition is drawn from *RPL Central* at [96], which the Full Court [130] identified as reasoning that “appears to have been an important aspect of the majority decision's reasoning” and that contributed to the approach “ultimately rejected by all members of the High Court”. It cannot be carried forward.

27.2 **The remaining hearing decisions.** These should be reviewed for reasoning that relies on the displaced analytical framework and either removed or re-framed.

PART F: SUGGESTED STRUCTURE FOR SECTION

28. Suggested Framework for Revised Guidelines

These submissions invite IP Australia to consider a revised section 5.6.8.6 structured to embrace the following:

- (a) An opening statement that the assessment of manner of manufacture for claims involving computer technology is governed by the same established principles that apply to all other classes of subject matter, and that the "only one question" is whether there is a manner of manufacture within s 6 of the *Statute of Monopolies* per *NRDC*; *Myriad*; allowing reasons at [151], adopted FCAFC at [126]–[128].
 - (b) A statement that manner of manufacture is a low threshold that functions as a gateway to the filtering criteria of prior art grounds and internal grounds that are dealt with subsequently.
 - (c) A section on characterisation as the antecedent exercise: performed as a matter of substance, with regard to all of the integers, without filleting interdependent integers, at the proper level of generality, and as a fresh exercise of judgment on each claim, and not by analogy to prior characterisations, amongst the many guides provided in *Aristocrat*.
 - (d) A statement that the *NRDC* question is approached through non-exhaustive enquiries such as whether there is an artificially created state of affairs with a useful result, whether the subject matter is part of the useful arts, and whether the claim is no more than a mere idea, but that these enquiries are guides, and their limits are not narrow. There is no exacting verbal formula.
 - (e) An illustrative statement that, in the computer-implemented context, the two-limb formulation is suitably contextualised, via examples, per allowing reasons [121]–[122]. And not as a framework for deciding new cases, but in their categorisation of already decided cases. Even the conclusion as to the results of these cases is of very doubtful legal weight as they were not subject of the decision and did not involve any actual consideration or analysis. The conclusion was assumed, and reframed language presented accordingly.
 - (f) Factual summaries of decided cases, framed exclusively in *NRDC* language, without reproducing reasoning from the displaced analytical frameworks or the two-limb formulation. Focussing on the actual claims, and not the “inventive concept” (refer Part B, section 8, and comment of primary judge referenced in allowing reasons [139], FCAFC [46]) and a suitably embracing characterisation, then the single question.
 - (g) A replacement worked example demonstrating correct methodology similar to (f). Any worked examples should emphasise characterisation of the claims rather than referring vaguely to the “disclosure” or encapsulating the invention by reference to what amounts to an “inventive concept”.
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