

Response to consultation - updates to the Patents Manual of Practice and Procedure - 15 May

FPA Patent Attorneys

Melbourne
Level 19, South Tower
80 Collins Street
Melbourne VIC 3000
+61 3 8662 7300

Sydney
Suite 2, Level 9
275 George Street
Sydney NSW 2000
+61 2 8267 3900

Singapore
21 Merchant Road
#04-01
Singapore 058267
+65 6956 9944

Contents

1. Introduction.....	2
2. The governing legal position following <i>Aristocrat</i>	2
3. Mischaracterisation of the “Relevant Artificially Created State of Affairs”	2
4. Ongoing reliance on pre-Aristocrat reasoning	4
5. Concerns with categorical assessment framework (Categories a / b / c)	6
6. Use of the phrase “substance of the claimed invention”	8
7. Ambiguity in references to “the invention”	8
8. Conflation of “altered” and “improved” computer operation	9
9. Concerns with the “Performing Business Interactions Using Computing Devices” example .	9
10. Use of Patent Office decisions in the Examiner’s Manual	11
11. Patentable gaming machines should not be contrasted with generic computer implementation	12
12. Issue: Manner of Manufacture Is a Low-Threshold Inquiry, Applied on the Balance of Probabilities.....	13
13. Conclusion.....	15

1. Introduction

FPA welcomes the opportunity to provide feedback on the updated sections of the Patent Examiners' Manual addressing patentable subject matter, in particular computer-implemented inventions, following the decisions in *Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents*.

We acknowledge the substantial effort undertaken by IP Australia to update the Manual in light of evolving jurisprudence and support the objective of providing examiners, applicants and practitioners with clearer and more predictable guidance in this area.

While the revised Manual reflects the direction of recent decisions in a number of important respects, FPA considers that certain passages remain problematic and risk perpetuating reasoning that the courts have expressly rejected or cautioned against. These residual issues are significant because they are likely to influence examination outcomes in a manner inconsistent with binding authority.

This submission focuses on those issues and suggests refinements to better align the Manual with the current state of Australian law.

2. The governing legal position following *Aristocrat*

Although the High Court in *Aristocrat* [2022] HCA 29 was evenly divided, the Full Federal Court subsequently addressed the issue in *Aristocrat* [2025] FCAFC 131 and expressly adopted the approach reflected in the High Court's allowing reasons (Gordon, Edelman and Steward JJ).

In FPA's view, the position following *Aristocrat* may now be stated as follows.

- The determination of patentable subject matter turns on proper characterisation of the claimed invention as a matter of substance, having regard to the claim as a whole and the specification.
- The correct inquiry is whether the claimed invention is:
 - an abstract idea manipulated on a computer (not patentable), or
 - an abstract idea implemented on a computer so as to produce an artificial state of affairs and useful result (patentable).
- There is no requirement that a computer-implemented invention involve an advance in computer technology, a technical contribution as such, or an improvement in the operation of a computer "as a computer".

These principles are grounded in *NRDC* and reaffirmed in *Aristocrat* (2025). Any examination guidance must therefore avoid introducing additional thresholds or reframing the inquiry in ways that are inconsistent with this approach.

3. Mischaracterisation of the "Relevant Artificially Created State of Affairs"

3.1 The current text

In section 5.6.8.6, the updated Manual includes the following passage (emphasis added):

"A way of understanding the scope of the first category is that it recognises that the coherence of the law of manner of manufacture requires that an

unpatentable method not be found patentable merely because it is implemented on a computer. To the extent that there is an artificial effect that is the necessary result of merely implementing an unpatentable method on a computer, that effect will not be a relevant artificial state of affairs – such effects may be changes that occur in a computer’s memory, or the incorporation within the claim of physical elements such as the computer. Something more is required.

3.2 FPA’s concern

FPA considers that this passage is misleading and inconsistent with the reasoning now adopted in *Aristocrat* (2025).

In particular:

- The explanation introduces an additional criterion of evaluating whether an artificial effect is “relevant” or not. This formed no part of the determination in *Aristocrat*. Determining what is relevant serves only to beg the question that the court posed in distinguishing between manipulation of an abstract idea and implementing an abstract idea to produce an artificial state of affairs.
- The phrase “*something more is required*” is undefined and invites examiners to look for an additional, non-statutory criterion beyond proper characterisation.
- The language risks reintroducing a discretionary “*inventive concept*”, “*technical contribution*” or analogous threshold that the Full Federal Court has expressly rejected.
- The passage also suggests, impermissibly, that changes in state within a computer or the interaction of physical elements are inherently irrelevant, rather than matters to be assessed as part of characterisation of the claim as a whole.

In the allowing reasons of the High Court, which the Full Federal Court expressly adopted in *Aristocrat*, the Court did not require applicants to demonstrate “*relevance*” or “*something more*” beyond implementation. Rather, they required a correct assessment of whether the claim, properly characterised, is directed to mere manipulation of an abstract idea, or to its implementation producing an artificial state of affairs and useful result.

Further, with respect to “*artificially created state of affairs*”, in [76], the Full Federal Court in *Aristocrat* made it clear that –

“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: at [122]. The allowing reasons said that 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: at [122]. Further, the allowing reasons said that 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: at [123].”

In *Aristocrat*, the Court identified the artificial state of affairs as the altered electronic gaming machine as implemented and operating, not something external or additional to execution of the method.

In the allowing reasons, the High Court described the invention as:

“an EGM incorporating an interdependent player interface and a game controller which includes feature games and configurable symbols.” (see [79])

In [127], the Court further emphasised that:

“The configurable symbols and the feature games require implementation in the EGM, and in the operation of the EGM, they interact with, and are entirely dependent upon, other integers of the claim, especially the physical integers.”

That operational configuration, which was brought about by implementing the claimed method on the computerised system was treated as the artificially created state of affairs.

The Court did not suggest that there was any additional test of relevance or any additional requirements for the artificial state of affairs, for example a requirement that it be external to the computer, separate from execution of the method, or independent of standard computing infrastructure.

3.3 Suggested reframing

FPA recommends that this passage be revised to remove the suggestion of a “relevance” inquiry and to remove the “*something more*” formulation and instead explicitly anchor the inquiry to proper characterisation.

Further, to align the Manual with the reasoning adopted in *Aristocrat* [2025] FCAFC 131 and established authority following *NRDC*, FPA recommends that the passage be reframed as follows:

“A mere idea or scheme (see section 5.6.8.4 for what constitutes a mere idea or scheme) cannot constitute an artificial state of affairs and is not made patentable merely by instructions to apply it using a computer.

The relevant inquiry is whether, on proper characterisation of the claim as a whole, the invention merely involves the manipulation of an abstract idea within a computer, or whether it implements that idea so as to produce an artificial state of affairs and useful result.

An artificially created state of affairs may arise from the way in which a method is implemented on a computer or computerised system, including through changes in state, information, display, control or interaction within that system, where those effects form part of the claimed implemented invention.”

This reframing is consistent with the High Court's statement that the artificial state of affairs “*may be created by the way in which the method is carried out in the computer,*” and reflects the Full Federal Court's adoption of that approach in *Aristocrat* (2025).

4. Ongoing reliance on pre-Aristocrat reasoning

Coherence of the law across relevant decisions is, of course, desirable. No doubt, the Full Federal Court judges would have been aware of this, as a general principle, in reaching their conclusion in *Aristocrat* 2025 (and equally the High Court Judges, in reaching their 2026 HCA disposition).

The Full Court in *Aristocrat 2025* considered the earlier patentable subject matter authorities. It could have adopted the reasoning in those decisions, the ‘advance in computer technology’ approach, or the approach reflected in the dismissing reasons, but it did not do so.

Instead, *Aristocrat 2025* found compelling reasons for departing from the majority approach and preferred the approach of the allowing reasons which was confirmed by the High Court in 2026 to have applied the established principles concerning the assessment of manner of manufacture.

4.1 The ‘better way of expressing the point’ was not stated in isolation

Aristocrat 2025 did not position the question at [131] in isolation but rather provided the question as a broader test (not too rigid and narrow). Specifically, with agreement and reference to [122] of the allowing reasons, the question was positioned as “a better way of expressing the point” (i.e., a preferred alternative) relative to the reasoning of previous decisions rejecting the patentability of certain computer-implemented inventions.

While *Aristocrat 2025* indicated that the outcomes in those earlier cases were correct on their facts, the Court explained that this was because the inventions, as characterised in those decisions, would also have failed the broader test: see [132]. It was not because the narrower formulations used in those cases were themselves correct.”

4.2 Example inventions

FPA also has concerns with the sections in 5.6.8.6 of the Manual titled “Inventions found to constitute an abstract idea implemented on a computer to produce an artificial state of affairs and a useful result” and “Inventions found to constitute an abstract idea manipulated on a computer”.

In particular, the Manual currently recites (emphasis added):

*This section outlines examples of inventions found by the Federal Court to constitute an abstract idea manipulated on a computer. This category recognises inventions that will not satisfy the requirement of a relevant artificial effect. Included with each example are elements that **the court found relevant to their determination**.*

The Manual then refers to *Research Affiliates*; *RPL Central*; *Encompass*; *Rokt*; *Repipe*; and *Dei Gratia* and lists “Reasons why the invention was found unpatentable included”, i.e., the “elements that the court found relevant to their determination”.

Here, the Manual risks conflating the Full Court’s characterisation of those inventions in *Aristocrat* [2025] FCAFC 131 with the separate reasoning and fact-specific considerations relied on in the earlier decisions themselves.

While the conclusions reached in the various cases remain undisturbed, the courts in *Aristocrat* were clear that the reasoning employed in those cases must be treated with caution. For example, with reference to *Hytera*, the Full Court was explicit that reasoning was not relevant, only the result “although the actual reasoning in that case simply applied the proposed alternative analysis in the majority decision, as did the Full Court on appeal”.

In particular, the Full Federal Court rejected the notion that patentability depends on whether invention “lies in computerisation” or whether the invention advances computer technology.

4.3 Risk of misinterpretation

As currently drafted, these sections of the Manual risk conveying that the inventions in those cases were unpatentable **because** of the previous reasoning, including for example they didn’t

involve an improvement in the computer, didn't have steps that were foreign to the normal use of a computer, did not produce an unusual technical effect, failed to solve technical problems or improve computer operation.

However, *Aristocrat* made it clear that some of the reasoning in previous case was circumspect. In [131], they stated - *In our respectful view, 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"*.

Accordingly, the Manual's current framing risks overstating the doctrinal significance of those previous decisions and underplaying the fact that *Aristocrat (2025)* requires a fresh characterisation-based analysis in every case.

In contrast the Full Federal Court considered that on their specific facts, they were characterised as either abstract idea implemented on a computer to produce an artificial state of affairs and a useful result or abstract ideas manipulated on a computer.

4.4 Suggested clarification

FPA recommends that these sections be reframed to emphasise its illustrative, fact-specific nature. For example, by removing all references to the reasoning in the cases other than *Aristocrat* and instead using the description of the inventions (e.g., quoting from the Full Federal Court's factual paragraphs 132 and 133) as illustrative examples of inventions in each category.

Such clarification would provide useful examples for the examiners to refer to when considering a claimed invention by way of analogy and materially reduce the risk of inappropriate reliance on outdated reasoning.

5. Concerns with categorical assessment framework (Categories a / b / c)

5.1 The current framework

In section 5.6.8.6., the Manual proposes an analytical framework ("The decision-making framework"), for both characterising the invention and determining patentable subject matter, under which inventions are first classified into broad categories, including:

- Category a – If claim is to software alone;
- Category b – Where the physical features of the claim are standard features of a known (CGK) computer or computerised product/system, and those standard features include a computer processor; and
- Category c – If the physical features describe a new physical product or system (not CGK), and the claim defines a new combination having the required interaction between integers.

For Category a and b claims, the Manual states that additional factors must be considered, such as:

- whether the computerised product works in an improved or altered way generally (rather than merely in executing a method);
- whether a relevant technical effect occurs outside the computer; or
- whether a technical problem is solved outside the computer.

5.2 Structural concern

FPA considers that this categorical framework, particularly categories a and b, is not supported by *Aristocrat* and risks reintroducing, in substance, the very reasoning that the courts have rejected.

In particular:

- *Aristocrat* does not endorse a preliminary classification step that determines the applicable legal test.
- The Full Federal Court emphasised that characterisation is a holistic exercise, not one mediated through categorical gatekeeping.
- The fact that claimed physical elements are standard or CGK does not trigger an elevated or different test for patentable subject matter.

A significant problem with any decision-making framework, whether at the stage of characterising the invention or otherwise, that uses the proposed categorisation is that it, in effect, directs examiners to decide whether an invention is computer implemented (Category A or B) or not (Category C). This is contrary to *Aristocrat*, which states “The allowing reasons said that the question of whether a claim, as properly characterised, is the proper subject matter of a patent should not be deconstructed to require, separately from the general principles of patentability, consideration of whether the subject matter is “computer-implemented”: at [152] ... the implementation of a scheme or idea on a computer to create an artificial digital state of affairs should not be treated any differently from the implementation of a scheme or idea by any other machine to create an artificial physical state of affairs: at [153].”.

5.3 Problems with Category a and b “additional factors”

The additional factors listed for Category a and b claims reflect reasoning that gives undue weight to whether the computer works “better as a computer” irrespective of the claimed method, gives more weight to effects external to the computer over internal implementation effects; and requires a “technical problem” or “technical improvement”.

These considerations mirror the “advance in computer technology” or “technical contribution” approaches that were expressly criticised in *Aristocrat* and rejected by the Full Federal Court in 2025.

Under *Aristocrat*, the correct inquiry is not whether the computerised product works better generally, or whether a technical problem outside the computer is solved, but rather whether the claimed combination, properly characterised, implements an idea so as to produce an artificial state of affairs and useful result.

5.4 Risk of unlawful constraint on patentability

If applied as written, the Category a and b framework risks:

- treating standard computer implementation as presumptively suspect;
- imposing additional hurdles not grounded in statute or authority; and
- chilling patentability of legitimate computer-implemented inventions, contrary to *NRDC* and *Aristocrat*.

This is particularly concerning given the prevalence of inventions that rely on standard computing infrastructure but are nonetheless patentable as implemented systems or methods.

5.5 Suggested reframing

FPA recommends that the Manual de-emphasise or remove rigid categorical classification and instead anchor analysis directly in proper characterisation of the claimed invention.

The section “The decision-making framework” concerns characterising the invention (see the first line under the heading). It is important that the invention is first fully characterised and only then the question of patentability asked. It is therefore not appropriate for this part of the manual to make, in relation to a factor considered in characterising an invention, statements like “then there will be patentable subject matter”, “will be patentable subject matter even when the claim includes method integers”, “noting that an invention is not patentable merely because...” and so forth. Including these statements together with their relevant factor risks examiners elevating the factor to a mandatory requirement for patentability.

Further, the statement “Aristocrat ‘25 involved the use of a standard electronic gaming machine that included a computer (the ‘game controller’)” mischaracterises both the invention and the nature of a computer. The “game controller” in Aristocrat ‘25 is typically a form of processor. A processor forms a part of a computer but does not define a computer. A computer requires several other components, including memory, communication buses, input/output components and so forth. The Full Federal Court in the preceding Aristocrat decision found, as a matter of fact, that the EGM was a form of computer, not that it included a computer. That finding of fact was not challenged or overturned.

6. Use of the phrase “substance of the claimed invention”

6.1 Current context

Section 5.6.8.1 presently refers to characterising the “substance of the claimed invention” and continues to use that formulation in subsequent steps of the analysis.

6.2 FPA’s concern

FPA is concerned that this language may invite an approach that abstracts the claim from its actual integers, rather than characterising the claim itself as a matter of substance. Following *Aristocrat (2025)*, the task is to characterise the claimed invention as a matter of substance, not mere form, by reference to all claim integers read in light of the specification. The present wording therefore risks suggesting an unnecessary two-step analysis, in which an examiner first posits an abstract “substance” and then characterises that abstraction.

6.3 Suggested reframing

FPA recommends that the Manual align its language more closely with paragraph 72 of *Aristocrat* by referring to characterisation of the claimed invention itself, and by avoiding further references to the “substance” of the claim once that characterisation has been undertaken.

7. Ambiguity in references to “the invention”

7.1 Current context

Section 5.6.8.1 refers in several places to “the invention” when identifying matters said to be relevant to the manner of manufacture inquiry.

7.2 FPA's concern

FPA considers that the present drafting does not make sufficiently clear what is meant by “the invention”. As discussed in *Kimberly-Clarke*, that expression may bear different meanings depending on context. In this part of the Manual, the relevant concept should be the claimed apparatus or method as characterised from the claim language read in light of the specification, rather than an invention defined by reference to inventive step or some broader underlying concept.

7.3 Suggested reframing

FPA recommends either replacing “the invention” in this context with “the claimed product or method”, or expressly stating that the section is concerned only with characterisation of the claimed subject matter, and not with any assessment of inventive step.

8. Conflation of “altered” and “improved” computer operation

8.1 Current context

In its discussion of *Aristocrat*, the current draft appears in places to describe patentability by reference to an “improved” or “altered” machine. For example, the current Manual states that “*Aristocrat* ‘25 provides for an improved EGM (altered EGM)” and that the “*invention was to an improved/altered EGM*”.

8.2 FPA's concern

FPA is concerned that this drafting may conflate an “altered” machine with an “improved” machine, and in substance reintroduce a requirement that patentability depends on an improvement in computer technology or in the operation of the computer as a computer. In FPA's view, that is not what *Aristocrat* (2025) decided. The EGM of *Aristocrat* being an “*altered EGM*” was not parenthetical to it being an “*improved EGM*”, this mischaracterises the invention and the Full Federal Court's reasoning. The Full Federal Court made clear that it is too rigid and narrow to require an improvement in computer technology, and that the correct inquiry is whether the abstract idea is implemented on a computer so as to produce an artificial state of affairs and a useful result.

8.3 Suggested reframing

FPA recommends that the Manual avoid suggesting that an invention is patentable because it results in an “*improved*” computer or other device in any general sense. The preferable approach is to focus on the proper characterisation of the claimed combination and on whether its implementation produces an artificial state of affairs and a useful result.

9. Concerns with the “Performing Business Interactions Using Computing Devices” example

9.1 Current context

The Manual includes an example titled “Performing Business Interactions Using Computing Devices” as an illustration of an unpatentable computer-implemented business scheme.

The Manual states: “*The claim relates to a determination of whether a seller is within a predetermined distance of a user and subsequently communicating payment information to the user if the seller is within a certain distance of the user, merely implemented on a standard*

computer. It does not improve or alter the operation of a computer, nor does it address a technical problem. As a result, the invention is best characterised as a mere computer-implemented business rule or scheme for determining when to share information.”

9.2 FPA’s concern

The question whether an invention is a manner of manufacture depends on the issue of characterisation, to be decided on the construction of the claim in light of the specification as a whole and common general knowledge, and to be determined as a matter of substance, not merely the form of the claim (see [126] of *Aristocrat 2025*).

As an initial point, the isolated claim given in this example lacks any accompanying specification or priority date to establish the relevant common general knowledge and thus, cannot be properly characterised. The example also concludes that the claim is “*best characterised as a mere computer implemented business rule or scheme for determining when to share information*” without any enquiry as to whether such implementation produces an artificial state of affairs and a useful result.

Therefore, this example risks inappropriately encouraging examiners to summarily assess patentability based on the form of the claim rather than with reference to the properly characterised claimed invention and the principles as in *Aristocrat 2025*.

FPA further considers that this example is not an appropriate illustration of mere manipulation of an abstract idea on a computer in its current form. The claim, as described, configures a processor to receive location information from a user device, determine a user location from that information, identify whether a seller is within a specified distance of that location, and communicate payment information to the user device if that condition is satisfied.

That the invention may be implemented on standard computing infrastructure is not, of itself, determinative. In *Aristocrat*, the claimed invention was likewise implemented on a standard EGM incorporating standard components, and the game controller was described in the specification as a general-purpose processor. The Full Federal Court also made clear that use of conventional computer technology for its well-known and well-understood functions does not preclude patentability (see [130]).

FPA is also concerned that the example appears to proceed by reference to criteria that *Aristocrat (2025)* does not require, namely whether there is an improvement in computer technology or whether a technical problem is solved. In FPA’s view, the Manual should avoid presenting those considerations as if they were necessary and/or determinative indicia of patentability.

FPA further considers that the analysis may characterise the example by reference to those criteria, rather than by construing the claim and assessing it as a whole. Consistently with *Aristocrat*, the better approach is to characterise the claimed invention using ordinary principles of claim construction, having regard to the integers of the claim read in light of the specification. On that approach, the example may be understood as a processor configured to determine whether a seller is within a threshold distance of a user location derived from information received from a user device, and, if so, to communicate that seller’s payment information to the user device.

FPA is also concerned that the example may introduce ambiguity rather than reduce it, particularly because it appears close to factual scenarios such as *UbiPark*, where proximity-based transmission of information formed part of a patentable invention.

9.3 Suggested reframing

FPA recommends removing this example, in its current form, as it does not allow for proper characterisation. If this example is to be retained, FPA recommends revising it so that the analysis is explicitly framed by the characterisation inquiry endorsed in *Aristocrat (2025)*. Additionally, if retained, the example should not present any conclusion on the patentability of the invention and should instead only suggest potential alternatives with the caveat that patentability would ultimately turn upon the proper characterisation, to be determined from the specification as a whole and the common general knowledge.

10. Use of Patent Office decisions in the Examiner's Manual

10.1 Current approach

The updated Examiner's Manual includes extensive references to, and summaries of, Patent Office (APO) hearing decisions as illustrative guidance on patentable subject matter for computer-implemented inventions.

10.2 FPA's concern

FPA is concerned that the weight and role accorded to Patent Office decisions in the Manual are not appropriately calibrated following *Aristocrat*. FPA is concerned that, unless carefully contextualised, those decisions may be treated as statements of general principle despite having been decided before, or without the benefit of, the Full Federal Court's clarification in *Aristocrat (2025)*.

(a) APO decisions are not statements of the law

Patent Office decisions are administrative decisions, often made under significant constraints of evidence, procedure and jurisdiction. They do not constitute binding authority and are expressly subject to judicial review and correction.

Following *Aristocrat (2025)*, the governing principles for patentable subject matter, particularly for computer-implemented inventions, have been articulated by the Full Federal Court. Those principles must be treated as determinative.

There is a real risk that presenting Patent Office decisions alongside Federal Court authorities without clear qualification, and summarising them as if they express general legal rules, may encourage examiners to treat those decisions as normative or quasi-precedential rather than as fact-specific applications that may or may not reflect the law as subsequently clarified by the courts.

(b) Many APO decisions rely on reasoning now treated with caution

All the Patent Office decisions referred to in the Manual were decided prior to, or without the benefit of, the Full Federal Court's clarification in *Aristocrat (2025)*.

In particular, several APO decisions reflect reasoning that:

- places significant emphasis on "technical contribution" or "technical problem" analysis;
- treats implementation on standard computer infrastructure as presumptively insufficient;
- discounts internal computer states or interactive system behaviour as irrelevant; or
- discounts improving a user's cognitive ability as a useful effect.

As the courts made clear in *Aristocrat*, including through adoption of the High Court's allowing reasons, such approaches must now be treated with caution. To the extent that APO decisions reflect those lines of reasoning, they cannot be relied upon as accurate expositions of current law.

(c) Risk of compounding error in examination practice

FPA is concerned that continued reliance on Patent Office decisions in the Manual may entrench pre-*Aristocrat* analysis, exacerbate inconsistency between examination outcomes and judicial authority, and create confusion for applicants as to the correct legal test.

This is particularly problematic where Patent Office decisions are used to exemplify rejected reasoning (e.g. discounting implementation-based artificial states of affairs), without an explicit explanation of how those decisions should now be read in light of *Aristocrat*.

10.3 Suggested reframing and safeguards

FPA considers that one option is to remove previous Patent Office decisions from the Manual entirely. Alternatively, if they are retained, they should be used only illustratively and accompanied by clear contextual qualification. In particular, the Manual should state expressly that Patent Office decisions are not binding statements of law and that, where such a decision predates or is inconsistent with binding Federal Court authority, the latter must be followed.

Where APO decisions are cited in the context of computer-implemented inventions, the Manual should clarify that such decisions must be read subject to the principles articulated in *Aristocrat Technologies Australia Pty Ltd v Commissioner of Patents* [2025] FCAFC 131, including the requirement that assessment of patentable subject matter turn on proper characterisation of the claimed invention as a matter of substance.

Further, APO decisions should not be summarised in a way that suggests they establish general rules or thresholds (for example, that inventions must solve technical problems or improve computer operation). Any such summaries should be reframed to emphasise their fact-specific character.

For example:

"In this decision, the delegate concluded, on the specific facts before them and applying the law as then understood, that the claim was characterised as an abstract idea. Applicants and examiners should note that subsequent judicial authority has clarified the applicable principles."

11. Patentable gaming machines should not be contrasted with generic computer implementation

11.1 Current context

Section 5.6.8.7 appears to contrast a game implemented on a machine with interdependent physical features and a game implemented on a generic computer.

11.2 FPA's concern

FPA considers that this contrast is too simplistic. In *Aristocrat 2025*, it was common general knowledge that the hardware integers (1.1-1.6) were components of generic EGMs and that the game controller (integer 1.16) may include a processor which may include a general purpose computer. As *Aristocrat (2025)* demonstrates, the relevant inquiry is not whether some integers of the claim form part of common general knowledge, or whether a processor may in isolation be a

general-purpose computing device. Rather, the claim must be characterised as a whole, including the interdependence between the player interface, the game controller, and the claimed game features. Framing the issue as a contrast with a generic or general-purpose computer risks oversimplifying the characterisation exercise and understating the significance of the claimed interdependent combination.

Further, the distinction between a gaming machine and a generic computer cannot hold as a matter of fact and is an irrelevant consideration as a matter of law.

In *Commissioner of Patents v Aristocrat Technologies Australia Pty Ltd* [2021] FCAFC 202 the Court made factual findings, including that “First, an EGM is a computer”, “Is this arrangement a computer? It is hard to see that it is anything else”, and “We are unable to discern any material difference between an EGM and a personal computer which would justify the conclusion that the latter is a computer and the former is not. No doubt, an EGM is a particular kind of purpose-built computer but that does not mean it is not a computer. The same four features may be found constituting any number of modern devices all of which, in our opinion, are plainly computers: gaming consoles (such as Microsoft’s Xbox), smart phones, tablets and smart televisions, for example.” These factual findings were never challenged or overturned. In *Aristocrat (2025)* it was found that this simply was not relevant to the outcome – “The allowing reasons referred to it being common ground that integers 1.1–1.6 were, as a matter of common general knowledge, components of generic EGMs: at [145]. However, to characterise the proposed invention by focusing exclusively upon those integers would be artificially generalised and would entirely ignore the integers of claim 1 that provide its alleged novelty and inventiveness; in particular, core features of the game controller in integers 1.7–1.12, including the configurable symbols and feature games, were not part of common general knowledge: at [146].” – as such the Examiner’s Manual should not refer to this point, as it erroneously directs examiners.

11.3 Suggested reframing

FPA recommends that the Manual instead frame the analysis by reference to proper characterisation of the claim as a whole, including the interdependence of the physical and functional claim integers, rather than by contrasting the claimed machine with a generic computer implementation.

12. Issue: Manner of Manufacture Is a Low-Threshold Inquiry, Applied on the Balance of Probabilities

12.1. Current risk in the Examiner’s Manual

FPA is concerned that, taken as a whole, the updated Examiner’s Manual risks treating the requirement of manner of manufacture as a heightened or exclusionary threshold, particularly for computer-implemented inventions.

This concern arises from the cumulative effect of language suggesting that implementation effects are presumptively irrelevant, reliance on categorical frameworks that trigger “additional factors”, and emphasis on technical contribution or system-level improvements.

In FPA’s view, this approach is inconsistent with the High Court’s clear articulation, which was adopted by the Full Federal Court, that manner of manufacture is intended to be a low threshold inquiry, particularly at the examination stage.

12.2. Position established by the High Court in Aristocrat

In the allowing reasons in *Aristocrat* [2022] HCA 29 (paras 114, 116 and 117), the High Court reaffirmed the foundational principles governing manner of manufacture.

(a) The threshold is deliberately low

The High Court stated: *“A manner of manufacture thus requires only the existence of some material and artificial advantage, which was expressed, in the ‘watershed’ decision of this Court in National Research Development Corporation v Commissioner of Patents, as requiring the process or product which is said to be the proper subject matter of a patent to be part of the useful arts rather than the fine or intellectual arts.”*

The Court emphasised that: *“‘Manufacture’ does not bear its ordinary meaning ‘by reference to the idea of making tangible goods by hand or by machine’.”*

This makes clear that the manner of manufacture inquiry is not designed to impose a demanding or technical threshold, but rather to exclude only subject matter that is purely intellectual or abstract.

(b) Exclusion of “mere schemes” is narrow

The High Court reiterated that: *“It is well established that a ‘mere scheme or plan’, or any other merely intellectual endeavour, cannot be the subject matter of a patent. They are part of the fine or intellectual arts rather than the useful arts.”*

However, this exclusion is tightly confined. As the Court cautioned: *“In order for patentable subject matter to exist, there must be more than ‘a mere method or mere idea or mere desideratum’.”* The Court did not suggest that implemented methods face any elevated barrier beyond this.

(c) Embodiment in a physical or implemented form is sufficient

Critically, the High Court went on to say: *“It is, however, equally well established that one way in which a ‘mere method’ will become a manner of manufacture is when it is practised or used in a way that is embodied in a physical form.”*

The Court then expressly endorsed *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* [No 2], stating: *“Although an ‘idea simpliciter’ cannot be patented: ‘When an idea is incorporated into a means for carrying out an idea, the idea itself can be taken into account when considering validity, and inventiveness may repose largely in the idea.’”*

This passage directly confirms that an embodiment or implementation is a recognised pathway by which an otherwise abstract idea may fall within patentable subject matter.

12.3. Implications for examination practice

(a) Manner of manufacture for computer implemented inventions should not be treated as a higher bar than for other inventions.

In light of *Aristocrat*, FPA is concerned that the Manual may be interpreted as demanding more for computer-implemented inventions than other inventions, such as proof of technical contribution or system-level improvement, or treating implementation on standard computer infrastructure as inherently suspect. Indeed, even the headings adopted appear designed to invite objections to computer-implemented inventions – the heading of section 5.6.8.6 is “Computer Implemented Inventions, Mere Schemes, and Business Methods”, suggesting that computer implemented inventions are in a similar category as mere schemes and business

methods. This title is adopted despite there already being a section on “Discoveries, Ideas, Scientific Theories, Schemes and Plans”.

Such approaches sit uneasily with the High Court’s statements that manner of manufacture requires “*only the existence of some material and artificial advantage*”, that many inventions will fall within the useful arts once properly characterised and that “the implementation of a scheme or idea on a computer to create an artificial digital state of affairs should not be treated any differently from the implementation of a scheme or idea by any other machine to create an artificial physical state of affairs: at [153]”.

13. Conclusion

FPA supports IP Australia’s objective of improving clarity and consistency in the examination of computer-implemented inventions and acknowledges that the updated Manual reflects important aspects of *Aristocrat*.

However, certain residual formulations and the continued presentation of earlier Full Court authorities without sufficient qualification risk perpetuating approaches that the courts have now rejected.

FPA encourages IP Australia to refine the Manual so that: first, the governing inquiry is consistently framed by proper characterisation of the claim as a matter of substance; secondly, language suggesting additional requirements such as improvement in computer technology, solution of a technical problem, or “something more” is removed or carefully qualified; and thirdly, examples and Patent Office decisions are presented only in a way that is clearly subordinate to *Aristocrat* (2025) and *NRDC*. These changes would improve predictability, reduce disputation, and promote confidence in the Australian patent system.

We thank IP Australia for the opportunity to contribute to this consultation and would welcome further engagement on these issues.