

# **A Public Law Perspective on Intellectual Property**

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## **Introduction**

Ordinarily, public lectures are named in honour of people who are either deceased or considerably older than the presenter of the lecture. The Francis Gurry Lecture honours a person who is alive, younger than me and, so far as I know, well. Francis Gurry has been, since October 2008, the Director of the World Intellectual Property Organization ('the WIPO'). He has had a distinguished career in the field of intellectual property law including a period as a member of the academic staff of this University. He has continued that association in his role as a Professorial Fellow in the Faculty of Law. I am pleased to be able to deliver this lecture named in his honour and in recognition of the importance of the field to which he has so substantially contributed and continues to contribute.

To consider public law and intellectual property together is like undertaking a wrestling match with Proteus. The object of such an exercise in Greek mythology was to hold fast the shape-shifting old man of the sea until he yielded a true prophecy. Menelaus succeeded in that task. I am no Menelaus. Indeed the shape of the topic has shifted upon reflection. It might more accurately be styled 'Intellectual Property as an Emanation of Public Law'. Fortunately, true prophecy is not the purpose of this lecture. Its modest goal is to provide occasion for reflection on the important intersection between the nature and purposes of intellectual property law and the rights to which it gives rise, the public policy underpinning such rights and their constitutional and administrative law dimensions.

## **Definition - intellectual property**

Given that this lecture is in honour of the Director of the WIPO, it seems a fairly safe course to adopt the non-exhaustive definition of intellectual property set

out in the Convention establishing the WIPO ('the WIPO Convention'). Under that definition intellectual property includes rights relating to:

- literary, artistic and scientific works;
- performances of performing artists, phonograms, and broadcasts;
- inventions in all fields of human endeavor;
- scientific discoveries;
- industrial designs;
- trademarks, service marks, and commercial names and designations;
- protection against unfair competition,

and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.<sup>1</sup>

As the WIPO Intellectual Property Handbook points out, scientific discoveries are not the same as inventions and are defined in Art 1(1)(Li) of the *Geneva Treaty on the International Recording of Scientific Discoveries (1978)* as 'the recognition of phenomena, properties or laws of the material universe not hitherto recognised and capable of verification.'

## **Definition - public law**

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<sup>1</sup> *Convention Establishing the World Intellectual Property Organization*, signed 14 July 1967 and as amended on 28 September 1979, 828 UNTS 3 (entered into force 26 April 1970) art 2 (WIPO Convention).

Public law is a term of contested definition and utility. For present purposes it means the field of law which has to do with the exercise by public officials of powers, rights, privileges, obligations and immunities created by law for public purposes.

At its highest level public law, according to that definition, is constitutional law which confers upon the three branches of government, legislative, executive and judicial power respectively. Statutes made under the Constitution may confer upon officers of the Executive Government powers to do various things affecting the subject and, relevantly for present purposes, the power to create, vary or revoke entitlements or property rights where legal criteria for the exercise of such powers are satisfied. In the field of the common law, in which aspects of intellectual property law find their origins, there are rules which would also answer the description of public law in its broadest sense.

Intellectual property statutes confer public functions on officers of the Commonwealth. The *Patents Act 1990* (Cth) ('Patents Act 1990') creates the office of Commissioner of Patents.<sup>2</sup> Various powers and duties are conferred upon the Commissioner under the Act. They include the grant of standard<sup>3</sup> and innovation patents,<sup>4</sup> the extension of standard patents,<sup>5</sup> the grant of patents of addition<sup>6</sup> and the revocation of patents.<sup>7</sup>

The Registrar of Trade Marks is a statutory officer of the Commonwealth created by the *Trade Marks Act 1995* (Cth) ('Trade Marks Act 1995').<sup>8</sup> That officer's powers include the acceptance or rejection of applications for registration of trade marks, the registration of trade marks,<sup>9</sup> the cancellation of registrations,<sup>10</sup> and the correction of the Register.<sup>11</sup> The *Designs Act 2003* (Cth) creates the Office of

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<sup>2</sup> Patents Act 1990 s 207.

<sup>3</sup> Patents Act 1990 s 61.

<sup>4</sup> Patents Act 1990 s 62.

<sup>5</sup> Patents Act 1990 s 76.

<sup>6</sup> Patents Act 1990 s 81.

<sup>7</sup> Patents Act 1990 s 101.

<sup>8</sup> Trade Marks Act 1995 s 201.

<sup>9</sup> Trade Marks Act 1995 s 68.

<sup>10</sup> Trade Marks Act 1995 s 84.

<sup>11</sup> Trade Marks Act 1995, s 81.

Registrar of Designs with powers relating to the registration of designs and their revocation.<sup>12</sup>

The *Copyright Act 1968* (Cth) ('Copyright Act 1968') does not condition the rights it creates upon the decisions of public officers. However specific statutory functions are conferred under the Act upon the Copyright Tribunal, the Chief Executive Officer of Customs, the Attorney-General and the relevant Minister in relation to the declaration of collecting societies.

The powers and duties conferred upon officers of the Commonwealth under the various intellectual property statutes are constrained by the criteria for their exercise and the controls generally applicable to statutory discretions or duties. The exercise of those powers and the discharge of those duties takes place in the field of public law. In addition to such administrative and judicial appeal rights as are created by the various Acts, they attract the general supervisory jurisdiction of the High Court under s 75(v) of the Constitution and of the Federal Court under s 39B(1) of the *Judiciary Act 1903* (Cth) ('the Judiciary Act') and under the provisions of the *Administrative Decisions (Judicial Review) Act 1977* (Cth) ('ADJR Act').

## **The purposes of intellectual property law**

The rights referred to in the WIPO Convention<sup>13</sup> definition of intellectual property do not exist as legal rights except as the creatures of municipal legal rules. They can be described as proprietary in character. In Australia, the rights created by patents, registered trade marks and registered designs are expressly designated by statute as personal property.<sup>14</sup> Those rights and copyright can be assigned or be the subject of licences or of securities or the other myriad dealings that are possible with transmissible property. This raises the question whether the creation of tradeable rights is the ultimate purpose of all intellectual property laws. If the answer to that question is 'yes' then, applying the philosophical taxonomy used by Professor Peter Drahos, it might be said, as he wrote in 1996, 'that proprietarianism is the dominant

<sup>12</sup> *Designs Act 2003* (Cth) ch 10.

<sup>13</sup> *Convention Establishing the World Intellectual Property Organization*, signed 14 July 1967 and as amended on 28 September 1979, 828 UNTS 3 (entered into force 26 April 1970) art 2.

<sup>14</sup> *Patents Act 1990* s 13(2); *Trade Marks Act 1995* s 21(1); *Designs Act 2003* s 10(2).

normative influence on intellectual property law and policy' today.<sup>15</sup> On the other hand, if intellectual property rights are created as a means to publicly beneficial ends, then the underlying purpose may properly be characterised as instrumental. Professor Drahos said of that approach:

The practical import of the theory would be that the interpretation of intellectual property law would be driven in a systematic fashion by the purpose of that law rather than more diffuse moral notions about the need to protect pre-legal expectations based on the exercise of labour and the creation of value.<sup>16</sup>

In Dr Gurry's acceptance speech to the General Assembly of the WIPO on his appointment as Director-General in 2008, he clearly identified with the instrumental approach observing:

intellectual property is not an end in itself. It is an instrumentality for achieving certain public policies, most notably, through patents, designs and copyright, the stimulation and diffusion of innovation and creativity on which we have become so dependent and, through trade marks, geographical indications and unfair competition law, the establishment of order in the market and the countering of those enemies of markets and consumers: uncertainty, confusion and fraud.<sup>17</sup>

All that being said, the public purposes of intellectual property laws and the merits of those purposes are contested and contestable. That phenomenon is not only of interest to academia and the legal profession. It is a matter with which policy makers, rights holders and the wider public should be concerned for at least two reasons:

1. As a general proposition it is difficult to secure respect for and enforce rights deriving from laws which lack moral clarity. A law has moral clarity when its public beneficial purpose is capable of explanation in relatively straight forward terms to those whom it binds. It is a fact of contemporary society that the complexity of some of our laws obscures their public purposes.

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<sup>15</sup> Peter Drahos, *A Philosophy of Intellectual Property* (Ashgate, 1996) 203.

<sup>16</sup> Ibid 220.

<sup>17</sup> Francis Gurry, 'Acceptance Speech'(Speech delivered to the WIPO General Assembly, Geneva, 22 September 2008).

2. Related to the first, is the complexity of the issues thrown up by debates about the extent of the protections which are or should be conferred by intellectual property rights and the absence of underlying consensus about their purpose. Professors Bohannon and Hovenkamp have recently argued that in the United States intellectual property laws have been the subject of special interest capture and thereby have become more disconnected from their purpose of promotion of innovation. They contend:

The classic public choice paradigm clearly favors IP rights holders: they are fewer in number, have individually greater stakes, and typically have interests that are much more homogeneous. On the other side, the users of IP rights tend to be more numerous and heterogeneous. As a result, rights holders are much better organized than IP users and communicate their wishes to Congress much more effectively.<sup>18</sup>

Whether or not the second concern is directly reflected in the Australian experience may be a matter for debate involving political scientists, lawyers and economists. It is difficult to exclude this second concern particularly in relation to the content of obligations assumed by States, including Australia, under international conventions, treaties and free trade agreements which are then translated into domestic law.

Intellectual property laws create rights which are based upon intellectual or creative activity. Their original justifications do not lie in some antecedent grand theory of natural law. The abuse of grants of monopolies in the reign of James I led to the enactment in 1624 of the Statute of Monopolies<sup>19</sup> which declared all monopolies void. Section 6 excepted from that Declaration 'any letter patent and grant of privilege' for the 'making of any manner of new manufactures within this Realm, to the true and first inventor and inventors of such manufactures which others at the time of making such letters patent and grants shall not use.' Like an outdated technology which is not replaced because it has too many sunk costs, 'the manner of new manufacture according to s 6' still forms part of the definition of patentable invention in s 18 of the Patents Act 1990. Nevertheless its purpose then and now is

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<sup>18</sup> Christina Bohannon and Herbert Hovenkamp *Creation without Restraint: Promoting Liberty and Rivalry in Innovation* (Oxford, 2012) 47.

<sup>19</sup> 21 Ja 1 c 3.

clear enough. As Cornish, Llewellyn and Aplin observed of s 6 in the 7th edition of their textbook on Intellectual Property:

the terms of the section make it plain that an act of economic policy was intended: the objectives were the encouragement of industry, employment and growth, rather than justice to the 'inventor' for his intellectual percipience.<sup>20</sup>

Legislative change affecting intellectual property rights can dilute their original purposes. Professor Drahos has made a similar point about the divergence of trade mark law:

Within trademark law proprietarian beliefs manifest themselves in an expanded view of what may be used as a trademark. More things in the negative commons are now capable of serving the trademark proprietor.<sup>21</sup>

And further:

Trademarks become tradeable entities in their own right that serve the interests of their owners. The importance of consumer and public interests in trademark law, which was recognised in early trademark thinking, quietly slips from view.<sup>22</sup>

Importantly, there is no judicial doctrine which provides generally for the protection of the products of intellectual effort. In *Campomar Sociedad, Limitada v Nike International Ltd*<sup>23</sup> the Court, in a unanimous judgment, affirmed, as an authoritative statement of contemporary Australian law, the statement by Dixon J in *Victoria Park Racing and Recreation Grounds Co Ltd v Taylor*<sup>24</sup> that courts of equity have not:

thrown the protection of an injunction around all the intangible elements of value, that is, value in exchange, which may flow from the exercise by an individual of his powers or resources whether in the organization of a business or undertaking or the use of ingenuity, knowledge, skill or labour. This is sufficiently evidenced by the history of the law of copyright and by the fact that the exclusive right to invention, trade marks, designs, trade name and

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<sup>20</sup> William Cornish, David Llewellyn and Tanya Aplin, *Intellectual Property: Patents Copyright Trade Marks and Allied Rights* (Sweet & Maxwell, 7th ed, 2010) 125.

<sup>21</sup> Drahos n 15, 204 (footnotes omitted).

<sup>22</sup> Ibid.

<sup>23</sup> (2000) 202 CLR 45.

<sup>24</sup> (1937) 58 CLR 479, 509.

reputation are dealt with in English law as special heads of protected interests and not under a wide generalization.<sup>25</sup>

In their discussion of the scope and purpose of the Trade Marks Act 1955 in *Campomar*, their Honours characterised Australian trade marks law as having 'manifested from time to time a varying accommodation of commercial and the consuming public's interests.'<sup>26</sup> The relevant interests include those of consumers in recognising a trade mark as a badge of origin of goods or services and avoiding deception or confusion as to that origin. The trader's interest lies in the protection of its goodwill through the creation of a statutory species of property and in turning that property to valuable account by licensing or assignment. Other interests may be affected including traders who have no registration but claim to have built up common law rights which would be protectable in a passing off action. Of these and the public interest generally their Honours said:

For present purposes, it is significant that the balancing of all these interests has been struck differently between one statute and the next as markets and trade methods and practices have changed.<sup>27</sup>

What that phenomenon can engender is dispute about the true purpose of intellectual property laws.

There is contention about the normative basis or bases for intellectual property laws today and indeed in some quarters their very merits. The spill-over of that debate from the battlefields of the cognoscenti into what might be called the intellectual commons, is demonstrated by an online dictionary called *YourDictionary: The Dictionary You Can Understand*. It shows its reader how to use any given word in sample sentences. The examples it offers for the word 'normative' include:

Recent debates about intellectual property rights have been marked by a spurt of critiques aimed at the very **normative** basis of intellectual property.

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<sup>25</sup> (2000) 202 CLR 45, 54 [4].

<sup>26</sup> (2000) 202 CLR 45, 65 [42].

<sup>27</sup> (2000) 202 CLR 45, 68 [49].

A comprehensible normative basis for an intellectual property right is necessary to its moral clarity. The practical significance of an understanding of the reason for an intellectual property right may be found in the search for effective anti-piracy messages on DVDs. Professor Robert Stevens, Professor of Commercial Law at University College, London, made the point recently in an essay entitled 'Rights and Other Things'.<sup>28</sup> Discussing what he called 'private rights created for instrumental reasons' he referred to a shift in the anti-piracy messages on DVDs of Hollywood films. The long established message of the kind with which many will be familiar shows a leather jacketed youth breaking into a Mercedes Benz with the caption 'You wouldn't steal a car'. The moral force of the theft analogy is weak because, as Professor Stevens points out, 'in a world which is not one of limitless abundance, we need rules for determining who is entitled to physical things, but these rules of first possession have little application to ideas or information which cannot be possessed.'<sup>29</sup> Professor Stevens points to a more recent example of an anti-piracy message developed by the United Kingdom's Industry Trust for Intellectual Property Awareness, which uses satire under the title 'You make the movies', to convey the proposition that infringing copyright deprives producers of the revenues that enable them to make good films.<sup>30</sup> There are other approaches. One is a simple and blunt threat of fines and incarceration for infringers.

The jury is no doubt still out on the effectiveness of such messages, particularly since they would appear to be directed, in the first instance, at people who have paid for their DVDs. The hurdle that has to be overcome by even the most sophisticated anti-piracy message is that the sections of the community likely to engage in infringement of film copyright do not see it as harming individuals. The anti-piracy message is clearer when it can be related to the individual creator of the work. Louis C K, an American performer, made a video of his performance for online purchase for \$5 with this message:

Please bear in mind that I am not a company or a corporation. I'm just some guy. I paid for the production and posting of this video with my own money. I

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<sup>28</sup> Robert Stevens, 'Rights and Other Things' in Donal Nolan and Andrew Robertson (eds) *Rights and Private Law* (Hart Publishing, 2012) 115.

<sup>29</sup> *Ibid* 138-139.

<sup>30</sup> *Ibid*.

would like to be able to post more material to the fans in this way, which makes it cheaper for the buyer and more pleasant for me. So, please help me keep this being a good idea. I can't stop you from torrenting; all I can do is politely ask you to pay your five little dollars, enjoy the video, and let other people find it in the same way.<sup>31</sup>

The question: why is it wrong to infringe a person's intellectual property rights? may be susceptible of more than one answer depending upon the nature of the right and its legislative infrastructure. Sometimes it may be that there is no clear answer because the legislation which defines the right has been influenced by considerations reflecting the agendas of particular interest groups. Indeed in some cases the term 'normative' may be too grand to apply to the result of such influences on legislative processes. Intellectual property law is not unique in this respect.

The challenge of interpretation of intellectual property legislation reflecting compromises not informed by a single normative model was illustrated in *Stevens v Kabushiki Kaisha Sony Computer Entertainment*.<sup>32</sup> The case concerned the interpretation of a provision of the Copyright Act 1968 which provided for civil remedies against the vendors of 'circumvention devices', being devices whose purpose was to circumvent or facilitate the circumvention of technological protection measures. The term 'technological protection measure' was defined and its construction was the subject of contention in *Stevens' case*. The Court held that the combination of access codes on CD-ROMs used in Sony PlayStation consoles and Boot-ROM readers of such access codes which prevented use of copied CD-ROMs were not technological protection measures within the meaning of the Act. A mod chip device designed to bypass the access code requirement and allow the use of copied CD-ROMs in the PlayStations was therefore not a circumvention device.

In the judgments of the Court, there were reflections upon the influences affecting the evolution of the Copyright Act 1968 and the approach to its interpretation. In the joint judgment of Gleeson CJ, Gummow, Hayne and Heydon JJ, their Honours referred to the requirement to construe the Act according to its

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<sup>31</sup> Louis C K, '*Word - Live at Carnegie Hall*  
<https://buy.louisck.net/purchase/word-live-at-carnegie-hall>  
<sup>32</sup> (2005) 224 CLR 193.

underlying purpose or object.<sup>33</sup> They found little in the way of useful indicators of the statutory purpose. The extrinsic materials gave no clear indication of how the Bill for the amending legislation, which introduced the relevant provision, took the final form that it did. Their Honours said:

Indeed, the very range of the extrinsic materials, with shifting and contradictory positions taken by a range of interest holders in the legislative outcome, suggests that the legislative purpose was to express an inarticulate (or at least not publicly disclosed) compromise.<sup>34</sup>

The difficulty of expressing an inarticulate compromise speaks, if I may say so, for itself. Their Honours cautioned that to fix upon 'one purpose' and bend the terms of definition to that purpose risked 'picking a winner' when the legislature had stayed its hand from doing so. There was a risk of unintended consequences in the selection of a sole or dominant purpose particularly where the substratum of the legislation was constantly changing technologies. Justice McHugh also made reference to evidence that the legislative provisions concerned were the product of a 'compromise agreed to, or forced upon, interest groups in the industry affected by the legislation.'<sup>35</sup> Justice Kirby quoted Professor Ricketson's description of copyright as 'one of the great balancing acts of the law' in which '[m]any balls are in play and many interests are in conflict.'<sup>36</sup> He used Professor Ricketson's metaphor of 'the dance' and observed that:

the multiplicity of participants and interests now involved in its rhythms inevitably affect the contemporary judicial task of resolving contested questions of interpretation of the *Copyright Act*.<sup>37</sup>

Intellectual property is a product of public law reflecting competing interests and norms whose resolution must necessarily occur at the political, rather than at the judicial level. But the discernment of the balance that has been struck is not a straight forward matter. Where contested interpretations depend upon a view of where that balance is struck, the constructional choice may involve difficult judgments. This

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<sup>33</sup> *Acts Interpretation Act 1901* (Cth) s 15AA.

<sup>34</sup> (2005) 224 CLR 193, 207-208 [32] (Gleeson CJ, Gummow, Hayne and Heydon JJ).

<sup>35</sup> (2005) 224 CLR 193, 231 [127].

<sup>36</sup> (2005) 224 CLR 193, 241 [169] citing Sam Ricketson, 'Copyright' in Tony Blackshield, Michael Coper and George Williams (eds) *The Oxford Companion to the High Court of Australia* (Oxford University Press, 2001) 152, 154.

<sup>37</sup> (2005) 224 CLR 193, 241 [169].

raises the general question of the relationship between statutory interpretation and public policy.

## **Statutory interpretation and public policy**

Intellectual property rights of course are affected by traditional areas of the general law, such as contract, torts, property and equity. For the most part, however, they are created by an array of Acts and Regulations which condition their existence on the satisfaction of a range of criteria and contestable decision-making processes which involve public officials including, ultimately, judicial officers. Intellectual property rights created by law can also be regulated, modified and destroyed by law. As such, the scope and content of these rights is defined by statutory text. In this respect, as Professor Ricketson has observed, '[m]atters of dry statutory and textual construction can have far-reaching economic and financial effects.'<sup>38</sup>

The recent decision of the High Court in *Roadshow Films Pty Ltd v iiNet Pty Ltd*<sup>39</sup> will no doubt be seen by some as having significant economic or financial implications for film producers and distributors and for internet service providers. The case involved the construction and application of a section of the Copyright Act 1968 which provides that copyright is infringed by a person who, not being the owner of the copyright and without the licence of the owner of the copyright, authorises the doing in Australia of an act comprised in the copyright. The question raised in the case was whether an internet service provider, having been notified that one of its customers was uploading a copyright film using the Bit Torrent system, had authorised infringement by that user by failing to issue a warning notice and, if appropriate, terminate the construction of the provision of its services to that person. The focus in law was on the word 'authorise'. The focus in fact was on that word's application in the case. In deciding such legal and factual questions the Court does not act upon its view of what is a desirable public policy. In any event, as Gummow and Hayne JJ said:

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<sup>38</sup> Sam Ricketson, 'Patents and Designs' in Tony Blackshield, Michael Coper and George Williams (eds) *The Oxford Companion to the High Court of Australia* (Oxford, 2001) 525.

<sup>39</sup> (2012) 86 ALJR 494.

The history of the [Copyright Act] since 1968 shows that the Parliament is more responsive to pressures for change to accommodate new circumstances than in the past. Those pressures are best resolved by legislative processes rather than by any extreme exercise in statutory interpretation by judicial decisions.<sup>40</sup>

That approach is consistent with the general proposition enunciated recently by the Court in a case which had nothing to do with intellectual property, but was about teachers' jobs. In *Australian Education Union v Department of Education and Children's Services*<sup>41</sup> four Justices of the Court pointed out:

In construing a statute, it is not for a court to construct its own idea of a desirable policy, impute it to the legislature, and then characterise it as a statutory purpose.<sup>42</sup>

## **Evaluative criteria in intellectual property law**

The exercise of interpretation of intellectual property statutes and the exposition of the criteria they establish for the creation of intellectual property rights will always be a matter of economic and/or financial significance. However the criteria are frequently cast in evaluative terms. Their application depends upon the opinions of official decision-makers, initially administrative and ultimately, if the matter be disputed, judicial. There is more than one example but probably none better than the requirement in s 18(1) of the Patent Act 1990 that an invention in any claim involve an inventive step when compared with the prior art base as it existed before the priority date of the claim. Section 7(2) of the Patents Act 1990 tells us:

An invention is to be taken to involve an inventive step when compared with the prior art base unless the invention would have been obvious to a person skilled in the relevant art in the light of the common general knowledge as it existed in the patent area before the priority date of the relevant claim...

As was explained in the High Court in *Aktiebolaget Hassel v Alphapharm Pty Ltd*<sup>43</sup> and subsequently in *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd (No 2)*<sup>44</sup> obviousness or lack of inventive step did not emerge as a ground of

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<sup>40</sup> Ibid 516 [120].

<sup>41</sup> (2012) 86 ALJR 217.

<sup>42</sup> Ibid 224 [28] (French CJ, Hayne, Kiefel and Bell JJ).

<sup>43</sup> (2002) 212 CLR 411.

<sup>44</sup> (2007) 235 CLR 173.

invalidity of a patent, distinct from want of novelty, until late in the 19th century. That common law ground of invalidity eventually found its way into legislation in the United Kingdom in 1932 and in Australia with the enactment of the *Patents Act 1952* (Cth) ('the Patents Act 1952'). The threshold of the inventiveness required was raised by the Patents Act 1990 by requiring consideration as part of common general knowledge, of publicly available information.<sup>45</sup> As was said in the joint judgment in *Lockwood*:

The emergence of the independent requirement for an inventive step, first in case law, then in legislative requirements for patentability as occurred in the United Kingdom, the United States and Australia, has always reflected the balance of policy considerations in patent law of encouraging and rewarding inventors without impeding advances and improvements by skilled non-inventive persons.<sup>46</sup>

There has been much judicial exposition in this and other jurisdictions of the variously stated statutory requirements for an inventive step. Verbal missiles have been exchanged around the globe about the way in which inventive step is to be assessed. In an essay written in 2010, Professor Ann Monotti discussed divergent approaches particularly between the United Kingdom and Australia in defining the appropriate level of inventiveness in patent law.<sup>47</sup> She referred to the decision of the High Court in *Alphapharm* which applied the test of inventive step, under the Patents Act 1952, which had been enunciated in *Wellcome Foundation Ltd v V R Laboratories (Aust) Pty Ltd*.<sup>48</sup> In the latter case it was said:

The test is whether the hypothetical addressee faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention, whether they be the steps of the inventor or not.<sup>49</sup>

Former Lord Justice Jacob in the Court of Appeal of England and Wales, in language which typically was not understated, characterised the approach of the majority in *Alphapharm* as 'over-elaborated' and 'coupled with a massive citation of authority' so

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<sup>45</sup> Ibid 193.

<sup>46</sup> Ibid 194 [48].

<sup>47</sup> See generally Ann Monotti 'Divergent Approaches in Defining the Appropriate Level of Inventiveness in Patent Law' in Catherine Ng, Lionel Bently and Giuseppina D'Agostino (eds) *The Common Law of Intellectual Property: Essays in Honour of Professor David Vaver* (Hart Publishing, 2010) 177.

<sup>48</sup> (1981) 148 CLR 262, 286.

<sup>49</sup> Ibid.

as to have become 'metaphysical or endowed with unwritten and unwarranted doctrines, sub-doctrines or even sub-sub-doctrines.'<sup>50</sup>

Much importance is understandably attached to the threshold of inventiveness required for patentability. There are times, however, when given the inescapably evaluative nature of the decision that has to be made, and the constructed perspective of a skilled but non-inventive worker in the field, there might be a question about whether the range of correct decisions within any two divergent verbal formulae overlaps, and to what extent the difference matters. In administrative law there is nothing unusual about the possibility that the exercise of a discretion or of an evaluative judgment may yield more than one possible outcome, neither of which can be said to be wrong in a sense that is judicially reviewable.

It is not unusual, in statutes conferring power on public officials, to find that the power is conditioned by the existence of a criterion which is ostensibly of a factual nature. However, an apparently factual criterion may consist of what was described in *Enfield City Corporation v Development Assessment Commission*<sup>51</sup> as a 'complex of elements'. When a factual criterion requires assessments and value judgments by the official applying it, it may be difficult to say that the answer reached is wrong provided that it was open as a matter of law. The characterisation of such criteria for the purposes of judicial review is a matter of statutory interpretation. It will always be the case that if a decision-maker misconstrues a criterion which conditions his or her power, he or she will have committed a jurisdictional error and the purported decision will be vitiated.

I am not to be taken as placing the criterion of patentability that requires an inventive step in any particular category. Nevertheless, its evaluative character means that at least in marginal cases more than one view of whether it is satisfied may reasonably be open.

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<sup>50</sup> *Angiotech Pharmaceuticals Inc v Conor Medsystems Inc* [2007] EWCA Civ 5, [42]-[44]; [2007] RPC 20.

<sup>51</sup> (2000) 199 CLR 135, 148 [28].

Analogous issues arise where an evaluative judgment is made based upon the perspective of a constructed person in determining whether a judge or decision-maker should be disqualified for reasonable apprehension of bias. There the court is required to adopt the perspective of a fair-minded lay observer. In a case which the High Court decided in February last year the Court divided, not on the test, but on its application.<sup>52</sup> That outcome reflected what Aickin J once said of the test for reasonable apprehension of bias:

It is a test which is not always easy to apply for it may involve questions of degree and particular circumstances may strike different minds in different ways.<sup>53</sup>

These observations about the nature of the judgment involved in determining whether an invention as claimed in a patent involves an inventive step are made in light of my own experience in endeavouring to make that judgment at an appellate level. The last time I was confronted with that task was in the Full Federal Court in 2005 in a case concerning proceedings between the manufacturer of the drug Viagra and the manufacturer of its competitor Cialis.<sup>54</sup>

In that case, Eli Lilly had begun proceedings against Pfizer alleging its patent was invalid on a number of grounds including obviousness. Pfizer counterclaimed, alleging that Eli Lilly was infringing its patent by the manufacture and sale of Cialis. I should say that the case did not deliver the excitement which at first blush it promised. There was no exploration of the mystery and ecstasy of human love - only the history of a protracted search for a workable erection. The obviousness judgment required consideration of a considerable body of 'prior art' including a number of publications in scientific journals which had predated the claimed invention of Viagra.

The active ingredient of Viagra is a compound which blocks the ability of an enzyme, called Phosphodiesterase 5, to lower the concentration of a certain messenger chemical designated by the initials cGMP.<sup>55</sup> By so doing, it facilitates the relaxation

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<sup>52</sup> *British American Tobacco Australia Services Ltd v Laurie* (2011) 242 CLR 283.

<sup>53</sup> *Re: Shaw; Ex parte Shaw* (1980) 55 ALJR 12, 16.

<sup>54</sup> *Pfizer Overseas Pharmaceuticals v Eli Lilly & Co* (2005) 225 ALR 416.

<sup>55</sup> *Ibid* 419-424 [9]-[33].

of smooth muscle cells which is necessary for an erection to occur. It was important in developing the drug that the relaxant effect not extend to other organs of the body, such as the heart or lungs. A workable but fatal erection would not be easy to market.

An important paper, published before the priority date for the Viagra invention, recounted an experiment using strips of penile tissue taken from 21 men who had been treated with prostheses for impotence. The strips were mounted on wire in organ bath chambers and electrically stimulated. In the course of the experiment a relaxant response was enhanced by the addition of a cGMP PDE inhibitor called zaprinast. This experiment was said to disclose the principle which made the invention of Viagra obvious. A large number of researchers, medical specialists and pharmacologists gave evidence at trial. In the event, the Full Court concluded that the step to the claimed invention was not obvious in light of the prior art. The judgment involved hypothesising the perspective of a skilled but unimaginative worker with a PhD. The English courts came to a different conclusion.<sup>56</sup> The case is a good illustration of the nature of the judgment about obviousness. Importantly, these cases demonstrate that the existence or non-existence of the property right, can, when it is in contest, depend upon the opinion of an official decision-maker applying evaluative criteria.

The task is not much easier when it comes to applying criteria for registrability of a trade mark. In *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks*<sup>57</sup> I wrote some of the worst judicial prose I have ever undertaken in determining whether a shape trade mark applied to a sweet called the 'Millennium Bug' was valid. The confectionary was in the shape of a stylised spider. The primary question was whether the asserted trade mark was, as required by the Trade Marks Act 1995, 'inherently adapted to distinguish the designated goods or services from the goods or services of other persons'. This was in a sense a classical public law case. A delegate of the Registrar had refused registration. A statutory appeal to a single judge of the Federal Court (exercising original jurisdiction) had been dismissed. An appeal was

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<sup>56</sup> *Lilly Icos LCC v Pfizer Ltd* [2000] EWHC Patents 49; *Lilly Icos LCC v Pfizer Ltd* [2002] EWCA Civ 1.

<sup>57</sup> (2002) 122 FCR 494.

then made to the Full Court of the Federal Court. The nature of the judgment informed my prose. In concluding that the trade mark was valid, I wrote:

The shape of the millennium bug involves a symmetrical disposition of projections (legs) and recesses (eyes). Theoretically it may be the case that the number of possible symmetrical arrangements of projections and recesses is not infinite. Assuming that to be so, it is speculative, absent evidence, to draw conclusions about that number and whether the particular arrangement has any significant impact upon the access of other traders to the use of insect like shapes as trade marks.<sup>58</sup>

I would like to think that the prose, appalling as it was, rested upon a foundation of careful logic, fine distinctions and notions of inherent quality.<sup>59</sup>

Having established, I hope, the uncontroversial proposition that intellectual property law is a field of public law informed, albeit not with great clarity, by public policy but to which the courts also apply techniques of legalism, I turn to its constitutional foundations in Australia.

## **Intellectual property and the Constitution**

The creation of statutory intellectual property rights and provisions for their enforcement in Australia depends for the most part upon Commonwealth law enacted within the framework of an appropriate head of constitutional power. Those powers are at least in part concurrent with the legislative powers of the State Parliaments. However, Commonwealth laws prevail over inconsistent State laws rendering them inoperative to the extent of the inconsistency by operation of s 109 of the Constitution. The most direct head of power is found in s 51(xviii) of the Constitution authorising the Parliament of the Commonwealth to make laws with respect to:

copyrights, patents of inventions and designs, and trade marks

Its origins and drafting history are shrouded in tedium. Although, prior to Federation, the Australian colonies in the 19th century had their own intellectual property statutes based on United Kingdom laws, there seems to have been a well-established

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<sup>58</sup> Ibid 511 [50] (French J).

<sup>59</sup> Ibid 496 [3] (French J).

consensus that intellectual property should be the subject of Commonwealth legislative power. That consensus reflected a desire to ensure that the necessary protection was afforded to authors, inventors, designers and others on 'a national scale but, as far as possible, internationally as well.'<sup>60</sup> The *Federal Council of Australasia Act 1885* (Imp), enacted by the United Kingdom Parliament at the instigation of a number of the Australian colonies and reflecting a draft prepared by Sir Samuel Griffith, provided for the Council to have legislative authority in relation to matters referred to the Council by the legislatures of two or more colonies. Those matters included:

Patents of invention and discovery, copyright...

Neither trade marks nor designs was covered.<sup>61</sup> The Council failed as it lacked support from New South Wales and had no permanent secretariat or revenue-raising powers. Nevertheless, its Constitutive Act foreshadowed the consensus at Federation that intellectual property was a matter for national legislation.

Andrew Inglis Clark's draft Constitution, considered by the 1891 Convention, contained a provision, textually inspired by the *Federal Council of Australasia Act*, which provided that the Federal Parliament should have power:

To make an uniform law regulating Patents of Inventions and Discovery and Copyrights throughout the Federal Dominion of Australasia.<sup>62</sup>

Although much inspired by the Constitution of the United States, Inglis Clark's draft did not reflect the purposive terms of Art 1, s 8 of that Constitution, which confers upon the Congress power:

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<sup>60</sup> Constitutional Commission, *Final Report of the Constitutional Commission*, (1988) Vol Two [10.142]; see also Charles Lawson, 'Revisiting the Commonwealth Parliament's legislative authority for patent and patent-like schemes under the Constitution' (2006) 17 *Australian Intellectual Property Journal* 243, 243. Lawson notes that '[d]uring the Convention Debates the general consensus appears to have been that among matters relating to commerce "advantages of uniform legislation ... prevailed over the sentiment of local independence" and that the Commonwealth should cover the field in respect of "copyrights", "patents of intentions and designs" and trade marks".'

<sup>61</sup> *Federal Council of Australasia Act 1885* (Imp), s 15(i).

<sup>62</sup> John Williams, *The Australian Constitution: A Documentary History* (Melbourne University Press, 2005) 103.

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

While Inglis Clark's draft, like the *Federal Council of Australasia Act*, made no reference to trade marks or designs, Samuel Griffith had previously prepared a draft Federal Constitution for Queensland involving the creation of three Provinces within the Colony. This was his response, as Premier of Queensland, to an internal separatist movement. He proposed three Provinces and a central legislature which would be assigned a number of law-making powers including in cl v:

22. Patents of invention, designs, and trade marks.

23. Copyright.<sup>63</sup>

Charles Kingston's draft constitution, again following the Federal Council model, proposed that the Federal Parliament have power to establish throughout the Union uniform laws in relation to patents and copyrights.<sup>64</sup>

The 1891 Convention set up a Constitutional Committee to undertake the first drafting process. It considered a list of points drawn up by Sir Samuel Griffith. A memorandum of its deliberations set out a list of Commonwealth powers which reflected Griffith's draft Constitution for the United Provinces of Queensland and covered in two separate heads of power:

19. Patents of Inventions, Designs and Trade Marks.

20. Copyrights.<sup>65</sup>

Following a redrafting exercise the copyright power was combined with the power relating to patents of inventions, designs and trade marks. The final draft Constitution

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<sup>63</sup> Ibid 28-29.

<sup>64</sup> Ibid 129.

<sup>65</sup> Ibid 58.

approved by the 1891 Convention at Sydney conferred power on the Commonwealth Parliament to make laws with respect to:

Copyrights and Patents of Inventions, Designs, and Trade Marks.<sup>66</sup>

There was no recorded debate on the power during the 1897 and 1898 Convention Debates and the only amendment to the power as set out in the 1891 draft Constitution was the relocation of the word 'and' appearing in front of the word 'patents' to where it now appears in front of the word 'designs'. As the High Court said in the *Grain Pool case* in 2000:

Little controversy appears to have attended the drafting of s 51(xviii).<sup>67</sup>

Quick and Garran's commentary on s 51(xviii) in their *Annotated Constitution of the Commonwealth*, referred to the categories of intellectual property in that placitum in terms of their understanding of those rights as at the end of the 19th century.<sup>68</sup>

The Constitution was drafted in an era dominated by steam power. Electrical power was a new technology. Newtonian physics and Euclidian geometry ruled. Quantum theory, information technology and bio-technology were not known to the English language. Expressions such as 'circuit layout', 'computer software', 'gene sequencing' and 'genetic modification' occupied an unimagined future world. However, while the concepts of copyrights, patents of inventions and designs and trade marks would have been understood in terms of established categories of rights and established technologies, they were of their nature ambulatory for they necessarily contemplated innovation. This may be the answer to an observation by Geraldine Chin in an interesting article in the *Melbourne University Law Review* in 2000, contrasting the power in s 51(xviii) with the power in s 51(v) to make laws with respect to 'postal, telegraphic, telephonic and other like services'. Section 51(xviii) did not contain any equivalent catch-all term such as 'other like protections'. There is

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<sup>66</sup> Ibid 446.

<sup>67</sup> *Grain Pool of Western Australia v Commonwealth* (2000) 202 CLR 479, 492 [15] (Gleeson CJ, Gaudron, McHugh, Gummow, Hayne and Callinan JJ).

<sup>68</sup> John Quick and Robert Garran, *The Annotated Constitution of the Australian Commonwealth* (Angus & Robertson, 1901) 593-599.

an interesting speculation raised by Professor La Nauze that the term 'other like services' may have been included in s 51(v) because of awareness on the part of Griffith, Inglis Clark, Forrest and Wise of experiments in Germany by Hertz, from which wireless telegraphy was developed.<sup>69</sup>

The earliest decision of the High Court on the scope of the power under s 51(xviii) was the *Union Label case* decided in 1908.<sup>70</sup> The Court held invalid Pt VII of the *Trade Marks Act 1905* (Cth), which enabled the registration by any Australian worker or association of Australian workers, of a distinctive mark indicating that the goods to which the mark applied had been produced by that worker or association.

Chief Justice Griffith, Barton and O'Connor JJ held that the mark was not a trade mark within the meaning of s 51(xviii) on the basis that the constitutional term should be of the technical meaning that it had held in 1900.<sup>71</sup> Chief Justice Griffith said:

the workers' trade mark does not conform in any respect to the concept of a trade mark as used in the Constitution.

Since, then, the Parliament has no power either to create new kinds of property, or new kinds of bodies politic, except as incidental to some express power ...<sup>72</sup>

Reflecting the reserve powers doctrine that held sway in constitutional jurisprudence at the time, the Chief Justice characterised Pt 7 of the *Trade Marks Act 1905* (Cth) as, in substance, an attempt to regulate the internal trade of the States.<sup>73</sup> Justices Isaacs and Higgins dissented, Justice Higgins observing:

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<sup>69</sup> See Geraldine Chin, 'Technological Change and the *Australian Constitution*' (2000) 24 *Melbourne University Law Review* 609, 612-613, citing John La Nauze, 'Other Like Services: Physics and the Australian Constitution' (1968) 1(3) *Records of the Australian Academy of Sciences* 36; and John La Nauze, *The Making of the Australian Constitution* (Melbourne University Press, 1972) 69.

<sup>70</sup> *Attorney-General (NSW) v Brewery Employees Union of NSW* (1908) 6 CLR 469.

<sup>71</sup> *Ibid* 518 (Griffith CJ), 530 (Barton J), 540-541 (O'Connor J)

<sup>72</sup> *Ibid* 518.

<sup>73</sup> *Ibid*.

The usage in 1900 [of the term trade marks] gives us the central type [of legislative power conferred]; it does not give us the circumference of the power.<sup>74</sup>

For over three quarters of a century *Union Label* remained the only decision of the High Court which directly addressed the validity of a law said to have been made under s 51(xviii). However, the narrow approach adopted in that case to the concept of a trade mark was not reflected in decisions of the High Court in the latter part of the 20<sup>th</sup> century.

*Davis v Commonwealth*<sup>75</sup> concerned the validity of provisions of the *Australian Bicentennial Authority Act 1980* (Cth) which reserved to the use of the Authority such terms as 'bicentenary', 'bicentennial', '200 years', 'Australia', 'Sydney' and 'Melbourne', in conjunction with the figures '1788', '1988' or '88'. It was conceded in argument that there might have been an increase in the denotation of the power under s 51(xviii) since the *Union Label case* had been decided. The concept of a trade mark by the time *Davis* was decided extended to a mark distinguishing services as well as goods. Chief Justice Mason, Justices Deane and Gaudron said:

If we bear this development in mind, it is possible to say, consistently with both the majority and minority judgments in the *Union Label Case*, that the two essential characteristics of a trade mark are (a) that it has the capacity to distinguish particular goods and services; and (b) that the proprietor of the mark has some connexion with the goods and services.<sup>76</sup>

Their Honours went on to point out that many of the expressions listed in the Act under challenge and the Regulations made under the Act were common words and expressions having no capacity to distinguish the Authority or the activities in which it engaged.<sup>77</sup> The essential characteristics of a trade mark, as articulated in *Davis*, subsequently found their way into the definition of trade mark in s 17 of the Trade Marks Act 1995.

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<sup>74</sup> Ibid 610.

<sup>75</sup> (1988) 166 CLR 79.

<sup>76</sup> Ibid 96.

<sup>77</sup> Ibid 97.

In *Australian Tape Manufacturers Association Ltd v Commonwealth*<sup>78</sup> the Court held, albeit without elaboration, that provisions of the Copyright Act imposing a royalty on vendors of blank tapes was a law which had 'a clear "relevance to or connexion with" the subject of copyrights.'<sup>79</sup> Copyright, as Quick and Garran had envisaged it in the *Annotated Constitution* referred to protections conferred on authors and artists in respect of literary and artistic works.<sup>80</sup> However, the content of the copyright power ultimately was not to be confined by the technologies of the 19th century.

The scope of the power was touched on, albeit not contentiously, in a case concerning the *Circuit Layouts Act 1989* (Cth) ('Circuit Layouts Act') which created intellectual property rights designated as 'EL Rights' arising out of circuit layout designs. The Act displaced protection otherwise available under the Copyright and Designs Acts of the Commonwealth. It was treated by the High Court in *Nintendo Co Ltd v Centronics Systems Pty Ltd*<sup>81</sup> as an exercise of legislative power under s 51(xviii). That matter was not in dispute. The six Justices in a joint judgment observed that s 51(xviii):

is of the essence of that grant of legislative power that it authorizes the making of laws which create, confer, and provide for the enforcement of, intellectual property rights in original compositions, inventions, designs, trade marks and other products of intellectual effort.<sup>82</sup>

Interestingly, that passage was footnoted by reference to *Brislan's case*<sup>83</sup> which had held that s 51(v) of the Constitution applied to wireless broadcasting under the general rubric of 'other like services'.

The constitutional dispute in *Nintendo*<sup>84</sup> was whether the Circuit Layouts Act infringed the requirement of just terms in s 51(xxxi) of the Constitution to the extent that it involved an acquisition of property from those adversely affected by the rights

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<sup>78</sup> (1993) 176 CLR 480.

<sup>79</sup> Ibid 520 (footnotes omitted) (Dawson and Toohey JJ).

<sup>80</sup> John Quick and Robert Garran, *The Annotated Constitution of the Australian Commonwealth* (Angus & Robertson, 1901) 593.

<sup>81</sup> (1994) 181 CLR 134.

<sup>82</sup> Ibid 160 (Mason CJ, Brennan, Deane, Toohey, Gaudron and McHugh JJ).

<sup>83</sup> *R v Brislan; Ex parte Williams* (1935) 54 CLR 262.

<sup>84</sup> *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134.

which it created.<sup>85</sup> It is not necessary to reflect upon that aspect of the judgment here. It is, however, interesting to note that the Act was passed in anticipation of a proposed Treaty on Intellectual Property in Respect of Integrated Circuits and on the basis that it was consistent with the major elements of a draft of that Treaty which had then been published.<sup>86</sup> There was limited discussion of the scope of the power conferred by s 51(xviii) and its capacity to encompass new forms of intellectual property protection. Further, there was no discussion of the extent to which the external affairs power might have supported the legislation.

A more direct consideration of the scope of the power in relation to new technologies and a new kind of intellectual property arose in 2000 in *Grain Pool of Western Australia v Commonwealth*.<sup>87</sup> That case involved a challenge to the validity of the *Plant Variety Rights Act 1987* (Cth) and the *Plant Breeder's Rights Act 1994* (Cth) ('the Acts'). The Acts provided protection for inventions constituted by 'new plant varieties'. The plaintiff's argument, as explained in the joint judgment of Gleeson CJ, Gaudron, McHugh, Gummow, Hayne and Callinan JJ, was that the operation of s 51(xviii) with respect to patents of inventions was limited by certain traditional principles of patent law.<sup>88</sup> In particular the plaintiff submitted that there were fixed minimum requirements for the 'intellectual effort' required of inventors with respect to novelty and inventive step, that there was a crucial distinction between process and product claims and that the term 'patents' imported a constitutional requirement of the scope of the monopoly rights which must be granted and limited the permissible statutory qualifications to those rights.<sup>89</sup>

In rejecting the plaintiff's argument, the Court referred to what was said in the joint judgment in *Nintendo* about the legislative power of the Commonwealth under s 51(xviii). In noting the reference to *Brislan's case*, the Justices in the joint judgment said:

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<sup>85</sup> More specifically, Centronics argued that its proprietary rights in its 'Spica Entertainment Units' had been acquired on other than just terms due to the exclusive rights conferred to Nintendo under the Circuit Layouts Act to the original circuit layout utilised in its 'Nintendo Entertainment System'.

<sup>86</sup> (1994) 181 CLR 134, 142.

<sup>87</sup> (2000) 202 CLR 479.

<sup>88</sup> Ibid 491 [12].

<sup>89</sup> Ibid 491 [12], 497 [27], 501 [43], 505 [53].

This serves to emphasise a point of significance in the present case. Later developments in scientific methods for the provision of telegraphic and telephonic services were contemplated by s 51(v). Likewise, it would be expected that what might answer the description of an invention for the purpose of s 51(xviii) would change to reflect developments in technology.<sup>90</sup>

In that context, their Honours quoted with approval, as applicable to the Commonwealth Constitution, an observation of Story J about the Constitution of the United States. He said that the legislative powers of the Congress were expressed 'in general terms', so as 'to provide [not] merely for the exigencies of a few years, but ... to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence.'<sup>91</sup> This was a perception shared by leading delegates at the Conventions. Thus the boundaries of the power conferred by s 51(xviii) were not to be ascertained solely by identifying what in 1900 would have been treated as a copyright, patent, design or trade mark.<sup>92</sup>

## Proposals for constitutional reform

There were proposals in the 1970s and 1980s to extend the subject matter coverage of s 51(xviii) to put beyond doubt its capacity to encompass new technologies although, no doubt, those proposals, which predated the *Nintendo* and *Grain Pool* decisions, were influenced by the restrictive view adopted by the High Court in the *Union Label case*. It is nevertheless worth making reference to them.

The 1975 Melbourne session of the Australian Constitutional Convention recommended expanding s 51(xviii) to:

Include modern developments in property rights over broadcast material, industrial designs, protection of service marks and rights of breeders of plants.<sup>93</sup>

The resolution was affirmed at the 1976 session of the Convention at Hobart.<sup>94</sup>

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<sup>90</sup> Ibid 493 [18].

<sup>91</sup> Ibid 495 [22]. Citing *Martin v Hunter's Lessee* 1 wheat 304, 326 (1816).

<sup>92</sup> (2000) 202 CLR 479, 495-496 [23].

<sup>93</sup> Australian Constitutional Convention, *Minutes of Proceedings and Official Record of Debates of the Australian Constitutional Convention held at the Hotel Windsor, Melbourne* (1975) xxxv, 135 & 176.

In 1988, the Constitutional Commission chaired by Sir Maurice Byers, recommended that s 51(xviii) be altered by adding the following words to the power:

and other like protection for the products of intellectual activity in industry, science, literature and the arts.<sup>95</sup>

The rationale behind the proposal was that the same protection should be extended 'with respect to the products of man's ingenuity and inventive enterprise in other similar fields, linked together by the common notion of "intellectual activity"'.<sup>96</sup> The Commission's report stated:

In the 87 years which have passed since Federation, the fruits of ... inventive genius have multiplied in many directions, especially in the field of ideas, and it has been increasingly recognised that much of what has been produced in this way is just as worthy of protection as the books, music, drawing and other existing subjects of copyright, and the tools, machines, designs and methods already covered by patents; and that the originators are equally entitled to protect and market the output of their intellects and skills.<sup>97</sup>

Neither the 1970 proposal nor the 1988 proposal resulted in a referendum being put to the Australian people to amend the Constitution. There is, in any event, room for debate today about the relative significance of s 51(xviii) with respect to other heads of constitutional power and particularly the external affairs power.

Today's world is replete with conventions, treaties and free trade agreements relating to intellectual property protection. Australia is party to many of those Conventions and agreements which, arguably, attract the application of the external affairs power under s 51(xxix) of the Constitution supporting legislation to give effect to them. As Professor Andrew Stewart has observed:

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<sup>94</sup> Australian Constitutional Convention, *Minutes of Proceedings and Official Record of Debates of the Australian Constitutional Convention held at the Wrest Point, Hobart* (1976) xxxvii, 155 & 208.

<sup>95</sup> Constitutional Commission, *Final Report of the Constitutional Commission* (1988) Vol Two [10.140].

<sup>96</sup> *Ibid* [10.141]; see also [10.153].

<sup>97</sup> *Ibid* [10.143].

Although *Nintendo* and *Grain Pool* have plainly liberalised the interpretation of [s 51(xviii)], the possibility remains that a particular measure may be taken to 'fall between the cracks' of the specific terms it uses. Hence it is likely that the Commonwealth will continue its now established practice of seeking to rely on the "external affairs" power in s 51(xxiv) of the Constitution as a fallback. This may be used to implement protective regimes which are the subject of an international treaty or agreement to which Australia is a party.<sup>98</sup>

It is arguable today that the external affairs power is or is arguably capable of doing more than pick up things which have fallen between the cracks of the power conferred by s 51(xviii).

It may be that a point of distinction between the exercise of the power conferred by s 51(xviii) and that conferred by s 51(xxix) is that the first is a power to make laws with respect to designated subject matters. In the case of a law implementing a treaty, the purpose of the law would be externally defined by that of the treaty.

Other heads of power, arguably applicable to support intellectual property laws according to the particular subject matter, include the power to make laws with respect to trade and commerce with other countries and among the States and the corporations power.

In closing I should acknowledge that I have made no reference to the interaction between intellectual property rights created by laws made pursuant to s 51(xviii) and the requirements for just terms in respect of the acquisition of property which is imposed by s 51(xxxi). As that topic is the subject of a decision reserved before the Court at the present time, I will make no comment on it.

## Judicial Review

Intellectual property rights relating to patents, trade marks and designs, all depend, in one way or another, for their existence upon decisions taken by public officials exercising functions created by the relevant statute. The functions they exercise are administrative, not judicial. They are officers of the Commonwealth.

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<sup>98</sup> Andrew Stewart et al, *Intellectual Property Law in Australia* (LexisNexis Butterworths, 4th ed, 2010) 7-8.

There are provisions for statutory merits review, including appeals to the Federal Court exercising its original jurisdiction. Such decisions are also subject to judicial review in at least three ways.

The first and most fundamental jurisdiction is that conferred on the High Court by s 75(v) of the Constitution. By that provision the Court has original jurisdiction in all matters in which a writ of mandamus or prohibition or an injunction is sought against an officer of the Commonwealth.

The jurisdiction is constitutionally entrenched. It cannot be abrogated by statute. It has been described as a 'bulwark of the rule of law'.<sup>99</sup> Its inclusion in the Constitution was the result of urgings by Andrew Inglis Clark. Unlike other delegates to the Constitutional Conventions of the 1890s, he was aware that, underpinning the famous decision of the Supreme Court of the United States in *Marbury v Madison*<sup>100</sup> was a finding that the United States Constitution did not authorise the conferral on the Supreme Court of original jurisdiction to issue mandamus to public officers of the United States. Inglis Clark was a believer in legal limits on official power, enforceable by the judiciary. In an article published in the *Harvard Law Review* in 1903, he wrote:

The supremacy of the judiciary, whether it exists under a federal or unitary constitution finds its ultimate logical foundation in the conception of the supremacy of law as distinguished from the possession and exercise of governmental power.<sup>101</sup>

Inglis Clark's s 75(v) was intended to overcome the deficiency in the jurisdiction of the Supreme Court of the United States which had been identified in *Marbury v Madison*.

There was some debate about the provision at the 1898 Convention at which he was not able to be present. Isaac Isaacs did not think it was necessary. Inglis

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<sup>99</sup> Chief Justice A M Gleeson, *The Rule of Law and the Constitution* (ABC Books, 2000) 67.

<sup>100</sup> 5 US (1) Cranch 137 (1803).

<sup>101</sup> Andrew Inglis Clark, 'The Supremacy of the Judiciary under the Constitution of the United States and under the Constitution of the Commonwealth of Australia (1903) 17 *Harvard Law Review* 1, 18-19.

Clark hearing of the opposition sent a telegram to Edmund Barton from Hobart referring to what was decided in *Marbury v Madison*. Barton responded thanking him for the telegram and said:

None of us here had read the case mentioned by you of *Marbury v Madison* or if seen it had been forgotten - it seems to be a leading case. I have given notice to restore the words on reconsideration of the clause.<sup>102</sup>

When Barton moved the inclusion of s 75(v) he referred to *Marbury v Madison* and quoted from it but made no recorded reference to Inglis Clark's intervention. He ended up by saying of the words of s 75(v):

They cannot do harm and they protect us from a great evil.<sup>103</sup>

The remedies available under s 75(v) have been described in the High Court as constitutional writs.<sup>104</sup> The purpose of the constitutional jurisdiction was described by Sir Owen Dixon in *New South Wales v Commonwealth*<sup>105</sup> as being 'to make it constitutionally certain that there would be a jurisdiction capable of restraining officers of the Commonwealth from exceeding Federal power.'<sup>106</sup> In *Bodruddaza*, elaborating upon what Dixon J had said, the High Court observed:

An essential characteristic of the judicature provided for in Ch III is that it declares and enforces the limits of the power conferred by statute upon administrative decision-makers.<sup>107</sup>

That supervision is effected through the control by s 75(v) of jurisdictional error. In very broad terms, jurisdictional error is an error by a decision-maker which vitiates the purported decision. It includes a mistake of power which causes a decision-maker to identify a wrong issue, ask itself a wrong question, ignore relevant materials or

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<sup>102</sup> John La Nauze, *The Making of the Australian Constitution* (Melbourne University Press, 1972) 69.

<sup>103</sup> *Official Record of Debates of the Australasian Federal Convention*, Melbourne, 4 March 1876 (Edmund Barton).

<sup>104</sup> *Bodruddaza v Minister for Immigration and Multicultural Affairs* (2007) 228 CLR 651.  
<sup>105</sup> (1948) 76 CLR 1.

<sup>106</sup> *Ibid* 363.

<sup>107</sup> (2007) 228 CLR 651, 668

reliable upon irrelevant materials. A decision informed by bad faith or a breach of applicable rules of procedural fairness will also be reviewable for jurisdictional error.

A common form of jurisdictional error is the misconstruction by a decision-maker of a statutory criterion or condition upon which the existence of the decision-maker's powers depend. In its application to intellectual property statutes, jurisdictional error may arise where the Commissioner or Registrar makes a decision based upon a misinterpretation of his or her own powers or duties.

A case commenced in the original jurisdiction of the High Court under s 75(v) can be remitted to another court for determination pursuant to the provisions of the Judiciary Act. To avoid the High Court being swamped by such applications, a statutory version of the constitutional jurisdiction is conferred on the Federal Court of Australia by s 39B(1) of the Judiciary Act.

A further source of jurisdiction for judicial review of administrative decisions made under enactments of the Commonwealth is the ADJR Act, which provides for review and statutory remedies on a number of grounds which are not necessarily co-extensive with the jurisdictional error needed to engage s 75(v) of the Constitution or s 39B(1) of the Judiciary Act.

Examples of invocations of s 75(v) against the Commissioner of Patents predate the development of modern doctrines of jurisdictional error. They include *Australian Radio Manufacturers Patents Association Ltd v Neutrotyne Pty Ltd*<sup>108</sup> in which an application was made to the Court for a mandamus to the Commissioner to hear and determine a question of locus standi in an opposition proceeding. In *R v Commissioner of Patents; Ex parte Weiss*<sup>109</sup> prohibition was sought against the Commissioner on the basis that he lacked power to amend a notice of opposition to the grant of a patent which had been given in a firm name by substituting for the firm name the names of the individuals constituting the firm. The argument was that the notices of opposition were not notices given 'by any person' within the meaning of s 56 of the *Patents Act 1903* (Cth). The argument did not succeed. In addition to the

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<sup>108</sup> (1937) 57 CLR 27.

<sup>109</sup> (1939) 61 CLR 240.

writs which are specifically mentioned in the grant of jurisdiction, it may be appropriate in a case in which one of the constitutional writs is sought to also grant certiorari to quash the challenged decision and this is commonly done pursuant to s 32 of the Judiciary Act. Remedies are, of course, discretionary and it may be that the availability of an alternative remedy by way of statutory appeal or otherwise may militate against the grant of relief.

The availability of judicial review, both constitutionally and under the Judiciary Act and the ADJR Act, attracts to official decision-making under the intellectual property statutes the full panoply of administrative law in relation to judicial review of official decisions. While questions of application to particular classes of decision may arise from time to time, the character of intellectual property as a field of public law is no more apparent than in this important area of intersection with the general administrative law.

## **Conclusion**

For its practitioners and for those who study and write about it, the field of intellectual property is engaging and absorbing. It involves a unique intersection of law, public policy and public law with the products of human creativity and ingenuity. Some may think we are better off without it. Perhaps one day we will be. For my part, I am not anxious to see its arrival.