Article Information

Authors: Tim O'Callaghan, Travis Shueard, Zara Cox
Service: Corporate & Commercial, Dispute Resolution & Litigation, Intellectual Property, Intellectual Property & Technology, Intellectual Property Litigation, Patents
Sector: Intellectual Property & Technology

Patents in Australia: Novelty

All patents are required to be, among other things, novel. That is, the invention as claimed must, when compared with the prior art base as it existed before the priority date of the relevant claim, be new. Novelty is assessed claim by claim, and a claim that lacks novelty is invalid and liable to revocation, putting licensing deals, freedom-to-operate positions, and infringement claims at risk. This Insight explains the concept of 'novelty'. the key legal tests and sets out practical risk controls for businesses managing their patent portfolios.

The Statutory Framework: Sections 7(1) and 18(1)(b)

Novelty is governed by section 18(1)(b)(i) of the *Patents Act 1990* (Cth) (**Act**), which requires an invention, so far as claimed in any claim, to be novel when compared with the "*prior art base*" as it existed before the priority date of that claim. The test of 'novelty' is analytically distinct from the test of 'inventive step' under section 18(1)(b)(ii), which asks whether the invention would have been obvious to a person skilled in the relevant art in the light of the common general knowledge, whether that knowledge is considered separately or together with the prior art information described in section 7(3).

Section 7(1) of the Act provides that an invention is to be taken to be novel when compared with the prior art base unless it is not novel in the light of any one of the following kinds of information, each of which must be considered separately:

- prior art made publicly available in a single document or through doing a single act;
- prior art information made publicly available in two or more related documents, or through doing two or more related acts, if the relationship between the documents or acts is such that a person skilled in the relevant art would treat them as a single source of that information;
- prior art information contained in a single published specification of the kind described in the "whole of contents" limb of the definition of "prior art base".[1]

The Prior Art Base

The term "*prior art base*" is defined in the Dictionary at Schedule 1 of the Act. For novelty, it comprises two limbs:

- The first is the information also relevant to inventive step, which paragraph (b)(i) of the definition picks up for novelty purposes: information in a document that is publicly available, whether in or out of the patent area, and information made publicly available through doing an act, whether in or out of the patent area;[2]
- The second, unique to novelty, is information contained in a published specification filed in respect of a complete application, where that information (if it were the subject of a claim) would have an earlier priority date than the claim under consideration, the specification was published after the priority date of the claim under consideration, and the information was present in the specification both on filing and on publication. This is the "whole of contents" ground.

The whole of contents approach replaced the narrower "*prior claiming*" test under the *Patents Act 1952* (Cth), under which an earlier unpublished specification could only destroy novelty if the claim in question had been specifically prior claimed in that document. The Industrial Property Advisory Committee's 1984 report, "*Patents, Innovation and Competition in*

Australia", described this approach as too narrow and recommended the simpler whole contents model, under which any disclosure in an earlier-filed specification (provided it has not lapsed or been withdrawn) may be relied upon for novelty, without being limited to the earlier document's claims.

The Novelty Test in Practice: Reverse Infringement and the Standard of Disclosure

The reverse infringement test from Aickin J in *Meyers Taylor Pty Ltd v Vicarr Industries Ltd,****[3]*** asks whether the alleged anticipation, if the patent were valid, would infringe it. It has been applied consistently, including by the Full Court in *RD Werner & Co Inc v Bailey Aluminium Products Pty Ltd****[4]*** and by Jagot J confirming in *Technological Resources Pty Ltd v Tettman* that it "*remains a touchstone*."[5]

The evidentiary threshold is demanding. The prior art must disclose all features of the claimed invention in clear, unequivocal and unmistakable terms, and must enable the skilled addressee at once to perceive, understand and practically apply the disclosure without the necessity of making further experiments.[6] Common general knowledge may be used to read and understand the prior publication, but it cannot be deployed to fill the gap between what is disclosed and the claimed invention by supplying missing features.[7] The prior publication must disclose all integers, subject to a narrow exception for the substitution of mechanical equivalents performing analogous purposes. As the Court of Appeal put it in *General Tire*, a signpost on the road to the invention will not suffice: the prior inventor must be clearly shown to have 'planted his flag at the precise destination' before the patentee; [8] to the same effect, anticipation has been said to require "*the accuracy of a sniper, not the firing of a 12 gauge shotgun*".[9]

However, disclosure may be implicit. *Bristol-Myers Squibb Co v FH Faulding & Co Ltd* confirms that a direction or suggestion need not be express.[10] A claim may be anticipated where following the earlier publication's directions must inevitably, as a matter of fact, produce or perform the claimed invention. For example, the High Court discussed in *Apotex Pty Ltd v Sanofi-Aventis Australia Pty Ltd & Ors*[11] that an unknown therapeutic purpose can confer novelty on the use of a known pharmaceutical compound and that the claimed therapeutic purpose limits the monopoly.

Section 7(1): Public Availability Through Use

The use of an invention before the priority date, not only written publication, can make the invention publicly available, provided the use discloses it to at least one person who, in that capacity, was free in law and equity to make use of the information.[12] Information disclosed subject to an express or implied obligation of confidence does not become publicly available, and the onus of establishing that information was made publicly available rests on the party challenging validity.[13] This can be seen in *Coretell Pty Ltd v Australian Mud Company Pty Ltd (No 6)*, where field trials of a prototype, and the disclosures made to third parties in order to arrange those trials, did not destroy novelty because the recipients were subject to express and implied obligations of confidence and so were not free to use the information.[14] Confidentiality arrangements are therefore central to preserving novelty during field trials, customer demonstrations, and pilot manufacturing.

The Grace Period and Secret Use

Section 24 of the Act provides a grace period under which certain public disclosures of an invention by, or with the consent of, the nominated person, patentee or predecessor in title must be disregarded when assessing novelty, inventive step and innovative step.[15] Section 24(1)(b) affords similar protection where information is made publicly available without consent, through publication or use of the invention derived from the nominated person or patentee. For the general grace period, a complete Australian application, or a Patent Cooperation Treaty application designating Australia, must be filed within 12 months after the information was first made publicly available.

Separately, section 18(1)(d) and section 9 address secret commercial exploitation before filing. In *Azuko Pty Ltd v Old Digger Pty Ltd* the practical test adopted was whether what occurred amounted to a *de facto* extension of the patent term, which will usually turn on whether the patentee reaped a commercial benefit from the invention before the priority date.[16] Section 9 excludes from secret use, among other things, use for the purpose of reasonable trial or experiment only, use occurring solely in the course of a confidential disclosure, use for a purpose other than trade or commerce, and use followed by a complete application made within the prescribed period of 12 months.

Why Section 24 Is Not a Substitute for Confidentiality

The grace period in section 24 should be treated only as a last resort and not as part of a planned disclosure strategy. The general prescribed circumstance is confined to information made publicly available by, or with the consent of, the nominated person, patentee or predecessor in title in circumstances other than those separately regulated, namely recognised exhibitions, learned societies and the working of an invention in public for the purposes of a reasonable trial where the nature of the invention makes public working reasonably necessary.[17]

A complete application must generally be filed within 12 months after the information became public. Reliance is risky because the disclosure's source, content and date may be disputed, and the period runs from public availability rather than the business's later discovery of the disclosure. Section 24 preserves Australian patentability only and may not protect corresponding rights in jurisdictions with narrower grace periods or absolute novelty requirements. To avoid unintentional disclosures, businesses should implement pre-disclosure reviews, appropriate confidentiality controls and prompt internal reporting, using section 24 only to mitigate an inadvertent disclosure.

Novelty – Practical Steps

Before any public disclosure, a business should confirm that an appropriate patent application has been filed. An earlier-priority Australian application can later be fatal to novelty under the 'whole of contents' rule once published, even if it was not public at the later claim's priority date. Because of this blind spot, searches should be updated as applications are published. It is imperative to ensure appropriate pre-filing confidentiality arrangements because a disclosure made under an enforceable obligation of confidence is not ordinarily considered to be public. Internal research and development procedures should record pre-filing use, field trials and communications so that any applicable grace period can be properly calculated.

Conclusion

Novelty is a central requirement for a valid patent. Under sections 7 and 18(1)(b) of the Act, read with the definition of "*prior art base*", each claimed invention must be novel over relevant information made publicly available before its priority date and certain earlier-priority Australian patent specifications published only later. The assessment is claim-specific, each kind of prior art information must be considered separately so that separate disclosures cannot be mosaicked together, and a single prior disclosure must generally communicate every essential feature of the claimed invention, expressly or implicitly, with sufficient clarity to enable the skilled addressee to perform it.

Businesses should preserve confidentiality until an appropriate application has been filed, conduct separate patentability and freedom-to-operate searches, and update those searches as pending applications are published. They should also maintain clear invention-disclosure and filing timelines that record inventorship, technical developments, priority support, sales, trials and external disclosures. These controls reduce the risk that the business's own conduct, an inadequately supported priority claim or an earlier third-party application will result in an adverse novelty finding.

Piper Alderman has a nationally recognised intellectual property practice and provides advice on patent infringement, validity and filing strategy. Please contact us if you require advice.

[1] *Patents Act 1990* (Cth) s 7(1).

[2] Ibid sch 1.

[3] (1977) 137 CLR 228.

[4] (1989) 25 FCR 565.

[5] (2019) 375 ALR 185, [162]-[169].

[6] See, for example, *Nicaro Holdings Pty Ltd v Martin Engineering Co* (1990) 91 ALR 513.

[7] *AstraZeneca AB v Apotex Pty Ltd* (2014) 226 FCR 324 [352].

[8] *General Tire & Rubber Company v Firestone Tyre and Rubber Company Ltd* (1971) 1A IPR 121, 138.

[9] *Apotex Pty Ltd v Sanofi-Aventis* (2008) 78 IPR 485 [1] (Gyles J).

[10] (2000) 97 FCR 524 [67].

[11] (2013) 253 CLR 284, [289] – [292].

[12] See *Merck & Co Inc v Arrow Pharmaceuticals Limited* (2006) 154 FCR 31.

[13] *Insta Image Pty Ltd v KD Kanopy Australasia Pty Ltd* (2008) 239 FCR 117.

[14] *Coretell Pty Ltd v Australian Mud Company Pty Ltd* (2017) 250 FCR 155, [199] (Burley J).

[15] *Patents Act 1990* (Cth) s 24.

[16] (2001) 52 IPR 75.

[17] *Patents Regulations 1990* (Cth) regs 2.2, 2.2A, 2.2B, 2.2C, 2.2D & 2.3.
