

# HIGH COURT OF AUSTRALIA

GLEESON CJ,  
GAUDRON, McHUGH, GUMMOW, KIRBY, HAYNE AND CALLINAN JJ

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THE GRAIN POOL OF WESTERN AUSTRALIA                      PLAINTIFF

AND

THE COMMONWEALTH OF AUSTRALIA & ANOR    DEFENDANTS

*The Grain Pool of WA v The Commonwealth* [2000] HCA 14  
23 March 2000  
P34/1998

## ORDER

1. *The questions reserved on 18 June 1999 are answered as follows:*

- (a) *Is the Plant Variety Rights Act 1987 (Cth) or any part thereof invalid in that it is not supported by s 51(xviii), (xxix) or (xxxix) of the Constitution or any other head of Commonwealth power?*

*Answer: No, it was supported by s 51(xviii) of the Constitution. It is unnecessary to decide whether it was supported by any other head of Commonwealth power.*

- (b) *Is the Plant Breeder's Rights Act 1994 (Cth) or any part thereof invalid in that it is not supported by s 51(xviii), (xxix) or (xxxix) of the Constitution or any other head of Commonwealth power?*

*Answer: No, it is supported by s 51(xviii) of the Constitution. It is unnecessary to decide whether it is supported by any other head of Commonwealth power.*

2. *Costs of the questions reserved to be dealt with by the Justice disposing of the action.*



**Representation:**

G Griffith QC with W Harris for the plaintiff (instructed by Mallesons Stephen Jaques)

D M Bennett QC, Solicitor-General of the Commonwealth with K J Howard and A R Beech for the first defendant (instructed by Australian Government Solicitor)

T A Gray QC with R A Cameron and M A Perry for the second defendant (instructed by Corsers)

**Interveners:**

W C R Bale QC, Solicitor-General of the State of Tasmania with S B Kaye intervening on behalf of the Attorney-General of the State of Tasmania (instructed by Crown Solicitor for Tasmania)

R J Meadows QC, Solicitor-General for the State of Western Australia with R M Mitchell intervening on behalf of the Attorney-General for the State of Western Australia (instructed by Crown Solicitor for Western Australia)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.



## CATCHWORDS

### **The Grain Pool of WA v The Commonwealth**

Intellectual Property – Plant Variety Rights – Whether *Plant Variety Rights Act* 1987 (Cth) was valid – Whether s 82 of *Plant Breeder's Rights Act* 1994 (Cth) is valid – Scope of s 51(xviii) of the Constitution – Patents of inventions – Nature of varieties of intellectual property – Whether s 51(xviii) requires novelty or inventiveness.

Constitutional Law – Commonwealth Constitution – Legislative powers of the Parliament – Meaning of – Relevance of meaning of words in 1900.

Words and Phrases – "patents of inventions", "origination", "breeding", "intellectual effort", "inventiveness", "novelty", "process", "product", "patent".

Constitution, s 51(xviii).

*Plant Variety Rights Act* 1987 (Cth).

*Plant Breeder's Rights Act* 1994 (Cth).



The issues

1       The plaintiff is a statutory authority established under the *Grain Marketing Act* 1975 (WA). In an action instituted in this Court, the plaintiff claims various relief including a declaration that two laws of the Commonwealth are invalid. There are before the Full Court questions reserved under s 18 of the *Judiciary Act* 1903 (Cth) as to the validity of these laws. The first law is the *Plant Variety Rights Act* 1987 (Cth) ("the Varieties Act"), which commenced on 1 May 1987. It was repealed, with effect from 10 November 1994, by s 78 of the second law, the *Plant Breeder's Rights Act* 1994 (Cth) ("the Breeder's Rights Act").

2       The Varieties Act provided for the grant of what it called plant variety rights in new plant varieties. Pursuant to s 26 of that statute a grant was made on or about 19 January 1990 in favour of the Tasmanian Department of Primary Industry and Fisheries in respect of what was identified as Franklin barley. Section 32 provided for plant variety rights to subsist for a period of 20 years, commencing on the day of acceptance of successful application. The repeal of the Varieties Act by s 78 of the Breeder's Rights Act also brought into operation the transitional provisions of Pt 9 (ss 81-86) of the new statute. Section 82, broadly, provided that plant variety rights under the previous statute were to be treated as plant breeder's rights under the new statute.

3       Section 5 of the Varieties Act had stated:

"Nothing in this Act requires or permits the grant of plant variety rights in respect of a new plant variety unless:

- (a) the origination of that new plant variety constituted an invention for the purposes of paragraph 51(xviii) of the Constitution; or
- (b) where Australia is a party to the Convention – the grant is appropriate to give effect to the obligations of Australia under the Convention."

The term "Convention" was defined in s 3(1) as meaning the International Convention for the Protection of New Varieties of Plants, a copy of the English text of which is set out in the Schedule to the statute<sup>1</sup>.

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1       The Schedule sets out the text of the Convention of 2 December 1961, as revised at Geneva on 10 November 1972 and on 23 October 1978.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

2.

4       Section 10 of the Breeder's Rights Act is in similar terms to s 5 of the Varieties Act. In particular, s 10 stipulates that nothing in the statute requires or permits the granting of plant breeder's rights in a plant variety unless "the breeding of the plant variety constitutes an invention for the purpose of paragraph 51(xviii) of the Constitution" (par (b)) or, if Australia is a party to "the Convention", the grant is appropriate to give effect to the obligations of Australia thereunder (par (a)). The term "Convention" for the purposes of the 1994 statute is defined in s 3(1) as meaning the International Convention for the Protection of New Varieties of Plants, a copy of the English text of which is set out in the Schedule<sup>2</sup>. It is common ground on the pleadings that Australia at the date of the writ in this action was not a party to the Convention, as so defined. It was, however, at the time of the grant in respect of Franklin barley a party to the Convention as then defined for the purposes of the Varieties Act.

5       The second defendant maintains that it is the licensee from the State of Tasmania of the Franklin barley rights, that it has the exclusive right to sell and export Franklin barley, and that the plaintiff, in selling within Australia and in exporting from this country Franklin barley, has acted in breach of the second defendant's rights.

6       The essence of the issues raised by the constitutional questions which are reserved is (a) whether the grant of rights in respect of Franklin barley under the Varieties Act was of no effect because that statute, in providing for such a grant, was beyond the legislative power of the Commonwealth and (b) whether, even if those rights were then validly granted, s 82 of the Breeder's Rights Act could not validly continue the rights in Franklin barley by reference to the new legislation.

7       The provisions in both statutes respecting the Convention were designed to engage the power of the Parliament to make laws with respect to external affairs under s 51(xxix) of the Constitution. If their validity were upheld on the other ground put forward, s 51(xviii) of the Constitution, there would be no need to consider the external affairs power. We propose then to consider first the operation of the power in s 51(xviii).

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2   The Schedule sets out the text of the Convention of 2 December 1961, as revised at Geneva on three occasions, 10 November 1972, 23 October 1978 and 19 March 1991.



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8 It should be noted at the outset that the terms of s 5(a) of the Varieties Act and s 10(b) of the Breeder's Rights Act engage the constitutional head of power as the criterion against which every grant under the legislation is to be measured to determine the efficacy of the grant. That method of drafting thus has the effect of engaging the constitutional head of power as the factum upon which the statute operates from time to time.

9 In *R v Federal Court of Australia; Ex parte WA National Football League*, Barwick CJ observed<sup>3</sup>:

"It is no doubt convenient to the Parliament and the parliamentary draftsman to avoid the risk of the unconstitutionality of a statute by using statutory definitions expressed in terms of the relevant constitutional power. By so doing, no question of the constitutional validity of the Act itself will arise so far as it concerns matters related to and dependent upon the statutory definition. But in the long run such a course may well prove highly inconvenient and costly to those affected by the statute. As in this case, the citizen may find himself litigating a constitutional question of some dimension. If I may venture to say so, it would be better if the Parliament and its draftsman assayed a definition, eg as in this case of a trading corporation, which covered those described bodies which the Parliament wished to embrace within the operation of its legislation, making for this purpose its own judgment of the ambit of its constitutional power."

10 In the case of the two statutes presently under consideration, the legislature has gone on in the detailed provisions to assay a judgment as to the ambit of the constitutional power. However, it has included ss 5 and 10 as precautionary mechanisms to ensure grants are not made beyond the ambit of constitutional power.

11 Rather than leaving the question of validity in the unsatisfactory state, that would, as Barwick CJ pointed out, follow from relying simply upon ss 5 and 10, we should determine whether the statutes are supported by s 51(xviii) on consideration of each statute as a whole. This involves identification of those general principles by which the paragraphs of s 51 of the Constitution and the validity of laws said to be supported thereby are assessed, then the construction

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3 (1979) 143 CLR 190 at 199.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

4.

of s 51(xviii), and, as a final step, the measurement of the two statutes here in dispute against the criteria established by the preceding steps.

- 12 The plaintiff contends that the operation of s 51(xviii) with respect to patents of inventions is limited by what it identifies as certain traditional principles of patent law. In particular, it submits that there are certain fixed minimum requirements for the "intellectual effort" required of inventors respecting novelty and inventive step, that there is a crucial distinction between process and product claims, and that the term "patents" imports a constitutional requirement of the scope of the monopoly rights which must be granted and limits the permissible statutory qualifications to those rights. The statutes here in question are said to fail to satisfy these criteria. The Attorney-General for the State of Western Australia intervenes in support of the plaintiff and supplements these submissions.

The construction of s 51(xviii)

- 13 Section 51(xviii) of the Constitution empowers the Parliament, subject to the Constitution, to make laws for the peace, order and good government of the Commonwealth with respect to:

"Copyrights, patents of inventions and designs, and trade marks".

- 14 The list of matters upon which the Federal Council of Australasia had been empowered to legislate, on reference by the legislatures of two or more colonies and so as to affect only those colonies, had included "Patents of Invention and Discovery" and "Copyright", but not trade marks or designs<sup>4</sup>. The *British North America Act 1867 (Imp)*<sup>5</sup> listed in s 91 the classes of subjects which were to be within the exclusive legislative authority of the Parliament of Canada, including "Patents of Invention and Discovery" (par 22) and "Copyrights" (par 23).

- 15 Little controversy appears to have attended the drafting of s 51(xviii). The framers drew upon related but not identical developments over the century before

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4 Quick and Garran, *The Annotated Constitution of the Australian Commonwealth*, (1901) at 111-112, 593.

5 30 Vict c 3.

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1900 in the United Kingdom and the United States. To these developments it will be necessary to return later in these reasons.

- 16 The general principles which are to be applied to determine whether a law is with respect to a head of legislative power such as s 51(xviii) are well settled. They include the following. First, the constitutional text is to be construed "with all the generality which the words used admit"<sup>6</sup>. Here the words used are "patents of inventions". This, by 1900, was "a recognised category of legislation (as taxation, bankruptcy)"<sup>7</sup>, and when the validity of such legislation is in question the task is to consider whether it "answers the description, and to disregard purpose or object"<sup>8</sup>. Secondly, the character of the law in question must be determined by reference to the rights, powers, liabilities, duties and privileges which it creates<sup>9</sup>. Thirdly, the practical as well as the legal operation of the law must be examined to determine if there is a sufficient connection between the law and the head of power<sup>10</sup>. Fourthly, as Mason and Deane JJ explained in *Re F; Ex parte F*<sup>11</sup>:

"In a case where a law fairly answers the description of being a law with respect to two subject-matters, one of which is and the other of which is not a subject-matter appearing in s 51, it will be valid notwithstanding that there is no independent connexion between the two subject-matters."

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6 *R v Public Vehicles Licensing Appeal Tribunal (Tas); Ex parte Australian National Airways Pty Ltd* (1964) 113 CLR 207 at 225-226.

7 *Stenhouse v Coleman* (1944) 69 CLR 457 at 471.

8 *Stenhouse v Coleman* (1944) 69 CLR 457 at 471.

9 *Kartinyeri v The Commonwealth* (1998) 195 CLR 337 at 352-353, 372.

10 *Re Dingjan; Ex parte Wagner* (1995) 183 CLR 323 at 368-369; *Leask v The Commonwealth* (1996) 187 CLR 579 at 601-602, 621, 633-634.

11 (1986) 161 CLR 376 at 388.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

6.

Finally, if a sufficient connection with the head of power does exist, the justice and wisdom of the law, and the degree to which the means it adopts are necessary or desirable, are matters of legislative choice<sup>12</sup>.

- 17 In a passage in the joint judgment of the Court in *Nintendo Co Ltd v Centronics Systems Pty Ltd*<sup>13</sup> upholding the validity of the *Circuit Layouts Act* 1989 (Cth) ("the Circuit Layouts Act"), the Court attended to the first of these matters, the construction of the terms of s 51(xviii) with the generality admitted by the words used. Their Honours said:

"The grant of Commonwealth legislative power which sustains the [Circuit Layouts Act] is that contained in s 51(xviii) of the Constitution with respect to 'Copyrights, patents of inventions and designs, and trade marks'<sup>14</sup>. It 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."

In the present case, the plaintiff contends that the final phrase in this passage should not be read so as to treat as sufficient to attract this head of power *any* product of intellectual effort. Those supporting validity contend that the legislation here is valid without such a wide reading of the power. That which constitutes the invention for the Varieties Act is "the origination" of the "new plant variety" (s 5(a)) and for the Breeder's Rights Act it is "the breeding" of the plant variety (s 10(b)). It will be necessary to return to these submissions.

- 18 What is of immediate significance for present purposes is the reference in *Nintendo* by their Honours to *R v Brislan*; *Ex parte Williams* and *Jones v The Commonwealth [No 2]*. Those authorities dealt with the inherent scope for expansion of the application of the power with respect to postal, telegraphic, telephonic "and other like services" in s 51(v) of the Constitution. This serves to emphasise a point of significance in the present case. Later developments in

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12 *Leask v The Commonwealth* (1996) 187 CLR 579 at 602.

13 (1994) 181 CLR 134 at 160.

14 cf, eg, *R v Brislan*; *Ex parte Williams* (1935) 54 CLR 262; *Jones v The Commonwealth [No 2]* (1965) 112 CLR 206.

7.

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.

- 19 Consistently with the general principles which we have identified above, an appropriate approach to the interpretation of s 51(xviii) is that appearing in what was then the dissenting judgment of Higgins J in *Attorney-General for NSW v Brewery Employees Union of NSW* ("the *Union Label Case*")<sup>15</sup>. Higgins J observed that trade marks were "artificial products of society"<sup>16</sup>. Further, whilst "we are to ascertain the meaning of 'trade marks' as in 1900", trade marks usage in 1900 "gives us the central type; it does not give us the circumference of the power"<sup>17</sup> with respect to trade marks provided for by s 51(xviii). The centre of the thing named – trade marks – was to be taken with the meaning as in 1900 to find the circumference of the power. However, it would be "a mistake to treat the centre as the radius"<sup>18</sup>.

- 20 Higgins J continued<sup>19</sup>:

"Power to make laws as to any class of rights involves a power to alter those rights, to define those rights, to limit those rights, to extend those rights, and to extend the class of those who may enjoy those rights. In the same clause of s 51, power is given to make laws with respect to 'copyrights' (rights of multiplying copies of books, &c); with respect to 'patents' (rights to make or sell inventions); and with respect to 'trade marks' (rights to use marks for the purposes of trade). The power to make laws 'with respect to' these rights, involves a power to declare what shall be the subject of such rights. In the second place, although we are to interpret the

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15 (1908) 6 CLR 469.

16 (1908) 6 CLR 469 at 611.

17 (1908) 6 CLR 469 at 610.

18 (1908) 6 CLR 469 at 610. See also *Lansell v Lansell* (1964) 110 CLR 353 at 362-363, 366-367, 369, 370; *Davis v The Commonwealth* (1988) 166 CLR 79 at 96-97.

19 (1908) 6 CLR 469 at 611-612.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

8.

words of the Constitution on the same principles of interpretation as we apply to any ordinary law, these very principles of interpretation compel us to take into account the nature and scope of the Act that we are interpreting – to remember that *it is a Constitution, a mechanism under which laws are to be made, and not a mere Act which declares what the law is to be.*" (original emphasis)

His Honour went on to deal, as an instance of the application of these principles, with the decision of the United States Supreme Court in *Re Klein*<sup>20</sup>. Higgins J said of that case<sup>21</sup>:

"At the making of the United States Constitution, the word 'bankruptcy' had the original English meaning of an adverse proceeding by a creditor against a fraudulent debtor. This was the meaning from the beginning (34 & 35 Hen VIII c 4), and at the time of the American Constitution. Yet it was held that Congress, under its power 'to establish uniform laws on the subject of bankruptcies throughout the United States', had power to make a law for the voluntary sequestration of their estates by debtors – power to allow a voluntary bankruptcy at the instance and for the benefit of the debtor. It was also held that the Act was valid, although the word 'bankruptcy' was properly applicable only to traders<sup>22</sup>. In short, Congress had the same power to widen the scope of bankruptcy law as the English Parliament possessed, and as it in fact exercised after the American Revolution."

- 21 Similar reasoning, with respect to the bankruptcy power (s 51(xvii)) is found in the judgment of Gibbs CJ in *Storey v Lane*<sup>23</sup>. Gibbs CJ said<sup>24</sup>:

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20 1 Howard 277 (n) (1843) [42 US 256].

21 (1908) 6 CLR 469 at 612.

22 *Kunzler v Kohaus* 5 Hill NY 317 (1843); and see per Marshall CJ [delivering the opinion of the Court] in *Sturges v Crowninshield* 4 Wheat 122 at 194 (1819) [17 US 70 at 103].

23 (1981) 147 CLR 549.

24 (1981) 147 CLR 549 at 557-558.

9.

"It may be accepted that in 1901, both in England and Australia, an insolvent debtor might still have been imprisoned under an order of a punitive kind, ie an order made as a punishment rather than as a means of execution, and that there was no power in courts of bankruptcy to grant relief in such a case. But the provisions of laws made under s 51(xvii) were not intended to be stereotyped so as to confine the power of the Parliament to the legislative provisions existing in 1901 as to bankruptcy and insolvency<sup>25</sup>. If the powers of the courts of bankruptcy to relieve debtors against imprisonment imposed as a consequence of the failure to pay their debts was inadequate in 1901, the Parliament had power to extend them. A law which empowers a court of bankruptcy to order the release from prison of a debtor against whom a bankruptcy petition has been presented, and who is imprisoned because of his failure to pay a provable debt or a penalty payable in consequence of the non-payment of a provable debt, or because of his non-compliance with an order to pay a provable debt, is a law with respect to bankruptcy."

22 The judgment of the Court in *Nintendo* and those of Higgins J and Gibbs CJ, delivered across the lifespan of the Court, exemplify the first of the general principles of constitutional interpretation to which reference has been made. They reflect what the foundation members of the Court had intended by their adoption in *Baxter v Commissioners of Taxation (NSW)*<sup>26</sup> of a passage of the judgment of Story J delivering the opinion of the Court in *Martin v Hunter's Lessee*<sup>27</sup>. In that well-known statement with respect to the interpretation of the United States Constitution, Story J had stressed 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".

23 These words do not suggest, and what follows in these reasons does not give effect to, any notion that the boundaries of the power conferred by s 51(xviii) are to be ascertained solely by identifying what in 1900 would have

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25 cf *Attorney-General (British Columbia) v Attorney-General (Canada)* [1937] AC 391.

26 (1907) 4 CLR 1087 at 1105.

27 1 Wheat 304 at 326 (1816) [14 US 141 at 151].

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

10.

been treated as a copyright, patent, design or trade mark. No doubt some submissions by the plaintiff would fail even upon the application of so limited a criterion. However, other submissions, as will appear, fail because they give insufficient allowance for the dynamism which, even in 1900, was inherent in any understanding of the terms used in s 51(xviii).

24 The collocation in s 51(xviii) represents a classification of the various species of intellectual or industrial property which had developed in the United Kingdom in the second-half of the nineteenth century. This development had been encouraged by the publication of what became standard treatises on copyright, trade marks and patents<sup>28</sup>. These works had dealt with the appearance of the modern statutory regimes in legislation such as the *Patents, Designs, and Trade Marks Act 1883* (UK) ("the 1883 Act"). The scheme of the 1883 Act had been followed in Queensland, Victoria, Tasmania and Western Australia<sup>29</sup>. These works also had dealt with the international movements which culminated in the Union for the Protection of Industrial Property established by the Paris Convention of 1883, and in the Bern Convention of 1887 for the protection of the rights of authors over their literary and artistic works.

25 In the eighteenth century, the courts and commentators had debated the nature of intangible property, particularly in literary works, and whether and how boundaries were to be drawn around that property. However, by federation, the specification of legal categories of intellectual property meant that in the United Kingdom the focus of attention had moved to concentrate upon "the equally important but far less glamorous question of the minutiae of intellectual property law"<sup>30</sup>.

26 Nevertheless, attending to that minutiae, it is important to note that, within the terms used by Higgins J in the passages from the *Union Label Case* set out

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28 Sherman and Bentley, *The Making of Modern Intellectual Property Law, The British Experience, 1760-1911*, (1999) at 138.

29 *Patents, Designs, and Trade Marks Act 1884* (Q); *Patents Act 1890* (Vic); *Patents, Designs, and Trade Marks Act 1893* (Tas); *Patents, Designs, and Trade Marks Act 1894* (WA).

30 Sherman and Bentley, *The Making of Modern Intellectual Property Law, The British Experience, 1760-1911*, (1999) at 139.



11.

above, it would be wrong to regard the legislative grant of monopoly rights in new plant varieties as being, in 1900, outside the "central type" of the subject of patents of inventions. In his recent judgment for the Court of Appeals for the Federal Circuit in *Imazio Nursery, Inc v Dania Greenhouses*<sup>31</sup>, Judge Rich explained legislative proposals before the Congress more than a century ago. His Honour said<sup>32</sup>:

"At least as early as 1892, legislation was proposed to grant patent rights for plant-related inventions<sup>33</sup>. Plant patent legislation was supported by such prominent individuals as Thomas Edison who stated that '[n]othing that Congress could do to help farming would be of greater value and permanence than to give to the plant breeder the same status as the mechanical and chemical inventors now have through the law.'<sup>34</sup> It was also supported by Luther Burbank, a leading plant breeder of the day... whose widow stated that her late husband 'said repeatedly that until Government made some such provision [for plant patent protection] the incentive to create work with plants was slight and independent research and breeding would be discouraged to the great detriment of horticulture.'<sup>35</sup>"

Such views would have been at the time apposite to the position of Australian wheat breeders such as William Farrer, whose Federation cultivar of wheat was named in 1901<sup>36</sup>.

27 Whilst the plaintiff accepts much of what would follow from these considerations, it submits that not every plant variety may be the subject of a patent in accordance with what it contends are traditional principles of patent law

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31 69 F 3d 1560 (1995).

32 69 F 3d 1560 at 1562-1563 (1995).

33 H R Rep No 5435, 52d Cong, 1st Sess (1892).

34 S Rep No 315, 71st Cong, 2d Sess 3 (1930) (Senate Report).

35 H R Rep No 1129, 71st Cong, 2d Sess 4 (1930) (House Report).

36 *Australian Dictionary of Biography*, vol 8 (1891-1939) at 471-473.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

12.

which are reflected in s 51(xviii) and limit its operation. Before turning to those submissions, reference should be made to the United States position.

### The United States Constitution

28 The text of s 51(xviii) may be compared with Art I, s 8, cl 8 of the United States Constitution. This empowers the Congress to legislate:

"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".

29 The use of the terms "Writings" and "Discoveries" in the United States Constitution points towards what became copyright and patent law. However, the general terms employed may have been used designedly by the framers of the United States Constitution. They may have been anxious "lest the power be limited to the particular forms of conditional exclusive rights which were at that time known as copyrights and patents"<sup>37</sup>. Like the later Australian provision on the subject, the United States clause looked ahead.

30 The terms of the United States provision nevertheless proved inapt for the coining and registration of trade marks. In the *Trade-Mark Cases*<sup>38</sup>, the Supreme Court held void Acts of Congress which extended the protection of the law to trade marks registered in the Patent Office. The Supreme Court ruled that the "ordinary trade-mark" had "no necessary relation to invention or discovery" and that it was not to be classified "under the head of writings of authors"; nor did it "depend upon novelty, invention, discovery, or any work of the brain"<sup>39</sup>.

31 The United States provision, formulated at the end of the eighteenth century, reflected a concern that the state protect property of its citizens including intangible property<sup>40</sup>. The Attorney-General for the State of Western Australia,

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37 Fenning, *The Origin of the Patent and Copyright Clause of the Constitution*, (1929) 17 *Georgetown Law Journal* 109 at 116.

38 100 US 82 (1879).

39 100 US 82 at 94 (1879).

40 Fox, *Monopolies and Patents*, (1947) at 192-193.

13.

who intervenes in support of the plaintiff to challenge validity, submits that the United States text is expressed more generally than s 51(xviii). That is not so. Clause 8 of s 8 of Art I contains a limitation, an express purposive element, which is lacking in s 51(xviii). This is the objective of the promotion of the progress of science and the useful arts. Hence the statement by the Supreme Court in *Graham v John Deere Co*<sup>41</sup>:

"The Congress in the exercise of the patent power may not overreach the restraints imposed by the stated constitutional purpose. Nor may it enlarge the patent monopoly without regard to the innovation, advancement or social benefit gained thereby."

- 32 The differences between the two constitutional provisions are significant in demonstrating that the sufficiency of the connection between Australian legislation and the constitutional head of power will not necessarily be constricted in this fashion. In particular, it will be open to the Parliament to pursue its policies by legislation with respect to various subject-matters, if one of them appears in s 51(xviii) on an adequate reading of that text<sup>42</sup>.

#### The evolution of common law and statute

- 33 The plaintiff emphasises that not all of what might be termed intellectual or industrial property, even as understood in 1900, was embraced by the collection of terms in s 51(xviii). This circumstance is said to caution against an over-broad construction of the term "patents of inventions". The first proposition may be accepted but a consideration of the common law does not support the second proposition.

- 34 Many of the established categories referred to in s 51(xviii) had common law antecedents. Here, as elsewhere, the common law had been dynamic rather than static. In *Pacific Film Laboratories Pty Ltd v Federal Commissioner of Taxation*<sup>43</sup>, Windeyer J explained that, whilst by the nineteenth century copyright

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41 383 US 1 at 5-6 (1966).

42 See *Murphyores Incorporated Pty Ltd v The Commonwealth* (1976) 136 CLR 1 at 11-12, 22.

43 (1970) 121 CLR 154 at 166.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

14.

had become the creature of statute, there had been in the century before great dispute as to the nature of common law copyright, particularly in unpublished literary works. Again, in *Interfirm Comparison (Australia) Pty Ltd v Law Society of New South Wales*<sup>44</sup>, Bowen CJ in Eq observed that the earlier decisions relating to copyright in unpublished literary works have an affinity with the development of equitable principles relating to confidential communications.

- 35 The remedy of injunction, provided by statute for over a century, to prevent the infringement of registered trade marks reflects the equity decisions which protected and established a property right in the goodwill of trade marks before they were recognised by statute. In *Colbeam Palmer Ltd v Stock Affiliates Pty Ltd*<sup>45</sup>, Windeyer J remarked:

"The jurisdiction of courts of equity in relation to trade marks did not begin with the protection of statutory trade marks. It began with what have been called common law trade marks. These, notwithstanding their somewhat misleading name, were the creatures of equity which established a form of property in a mark gained by use and reputation<sup>46</sup>."

It should be noted that, at the time of the adoption of the Constitution and for many years thereafter, both in the United Kingdom and Australia, whilst "service marks" might be protected by a passing-off action, the statutory systems did not permit their registration<sup>47</sup>. The statutory systems were concerned with marks used to indicate a connection in the course of trade in goods between the goods and the person entitled to use the mark<sup>48</sup>.

- 36 The modern classification of copyright into literary, dramatic, musical and artistic works dated in Australia from the *Copyright Act 1905* (Cth)<sup>49</sup>. In the

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44 [1975] 2 NSWLR 104 at 118-119.

45 (1968) 122 CLR 25 at 33.

46 See *Registrar of Trade Marks v W & G Du Cros Ltd* [1913] AC 624 at 636.

47 *Aristoc Ltd v Rysta Ltd* [1945] AC 68 at 91, 97-98, 106-107.

48 *Estex Clothing Manufacturers Pty Ltd v Ellis and Goldstein Ltd* (1967) 116 CLR 254 at 271.

49 This was repealed by s 4 of the *Copyright Act 1912* (Cth).

United Kingdom, the changes were made by the *Copyright Act* 1911 (Imp) ("the 1911 Act") which repealed (by the Second Schedule) some 21 statutes beginning with the *Engraving Copyright Act* 1734<sup>50</sup>. Many of these had required registration as a requirement of recognition or of the availability of particular remedies for infringement. A striking departure in the 1911 Act was that it had no registration system. The 1911 Act also (in s 31) abolished common law copyright in unpublished works. This common law copyright was still recognised in 1900<sup>51</sup>. However, perhaps as a reflection of the state of technology at the time, the 1911 Act did not provide for distinct copyright protection in respect of sound recordings, cinematograph films or broadcasts. That circumstance, however, would not deny to those provisions in the *Copyright Act* 1968 (Cth), which now protect such subject-matter, the character of laws with respect to copyright.

37 In the United Kingdom, the first comprehensive legislation for the registration of trade marks was the *Trade Marks Registration Act* 1875 (UK). The first of a series of statutes providing for the administration of patent law on a modern footing had been the *Patent Law Amendment Act* 1852 (UK). The 1883 Act put those three subjects in the one statute. In 1900, the United Kingdom statutory regimes with respect to copyright, trade marks, patents and designs were of recent origin and, like the common law, they were plainly still in various stages of development. This was true also of the legislation in force in the Australian colonies before displacement by federal law<sup>52</sup>. That development has continued to the present day.

38 The Statute of Monopolies of 1623 had purported to be declaratory of the common law by indicating the limitations established by the common law upon the exercise of the prerogative of the Crown to grant monopolies<sup>53</sup>. Thereafter, the scope of permissible patentable subject-matter involved an inquiry "into the

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50 8 Geo II c 13.

51 *Caird v Sime* (1887) 12 App Cas 326.

52 The position with respect to colonial patent legislation is explained in Bannon, *Australian Patent Law*, (1984), §§17, 18.

53 *National Research Development Corporation v Commissioner of Patents* (1959) 102 CLR 252 at 268-269; Fox, *Monopolies and Patents*, (1947) at 157-158.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

16.

breadth of the concept which the law [had] developed by its consideration of the text and purpose of [that statute]"<sup>54</sup>.

39 The growth of a modern administrative system was important for pursuit of that inquiry. The modern Patents Office had been first established by the *Patent Law Amendment Act* 1852 (Imp)<sup>55</sup> and the appointment of examiners' functions approximating those now understood awaited the 1883 legislation. There was no examination for prior publication until the procedures established in the United Kingdom by s 1 of the *Patents Act* 1902 (UK) and, in Australia, by s 41 of the *Patents Act* 1903 (Cth).

40 There were in 1900 unresolved issues respecting the interrelation of the various intellectual property regimes. A legislative attempt to deal with the overlap between copyright and registered design law later was made in s 22 of the 1911 Act. This provision in turn gave rise to much uncertainty and litigation<sup>56</sup>. In the case law at the end of the nineteenth century attempts were made to differentiate the nature of the protection afforded under the patent law and that with respect to registered designs<sup>57</sup>. Efforts also were made in that period, in authorities recently discussed in this Court in *Data Access Corporation v Powerflex Services Pty Ltd*<sup>58</sup>, including *Baker v Selden*<sup>59</sup> and *Hollinrake v Truswell*<sup>60</sup>, to distinguish the distinct conceptual bases of copyright and patent

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54 *National Research Development Corporation* (1959) 102 CLR 252 at 269.

55 15 & 16 Vict c 83.

56 *King Features Syndicate Inc v O & M Kleeman Ltd* [1941] AC 417; *Interlego AG v Tyco Industries Inc* [1989] AC 217; *Hosokawa Micron International Inc v Fortune* (1990) 26 FCR 393.

57 *Le May v Welch*; *In re Le May's Registered Design* (1884) 28 Ch D 24; *In the Matter of Bayer's Design* (1906) 24 RPC 65 at 74, 76-77; affd sub nom *Bayer v R and WH Symington (In the Matter of Bayer's Design)* (1908) 25 RPC 56 at 59-60.

58 (1999) 73 ALJR 1435 at 1440; 166 ALR 228 at 235.

59 101 US 99 at 102 (1879).

60 [1894] 3 Ch 420 at 427-428.

law. The point also is made in *Data Access* that what sufficed for originality in copyright law was less than that for novelty in patent law.

41 Given these cross-currents and uncertainties in the common law and statute at the time of federation, it plainly is within the head of power in s 51(xviii) to resolve them. It also is within power, as the legislation upheld in *Nintendo* demonstrates, to determine that there be fresh rights in the nature of copyright, patents of inventions and designs and trade marks.

42 The broad term "intellectual effort" used in *Nintendo* embraces a variable rather than a fixed constitutional criterion. In addition to the matters referred to above respecting originality and novelty, it will be recalled from the earlier reference to the *Trade-Mark Cases*<sup>61</sup> that the efforts in coining a new trade mark were insufficient to qualify as authorship or invention. Hence the need for a specific reference to trade marks in s 51(xviii). This Court since has held that there may be sufficient "authorship" of a trade mark under the Australian legislation in adopting in the course of trade in this country a mark used by others abroad<sup>62</sup>. The "origination" or "breeding" required respectively by the Varieties Act and the Breeder's Rights Act involves sufficient "intellectual effort" in the sense of that term in *Nintendo*.

#### The patents law

43 However, the plaintiff seeks to attach to the term "patents of inventions" in s 51(xviii) of the Constitution certain fixed minimum requirements as to the "intellectual effort" involved and the measure of protection given for it.

44 In *Bristol-Myers Co v Beecham Group Ltd*, Lord Diplock observed of the "archaic language" of the Statute of Monopolies that it<sup>63</sup>:

"would appear to contemplate as the principal subject of monopolies new artefacts which had not been made before in England, and in some of the

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61 100 US 82 (1879).

62 *Moorgate Tobacco Co Ltd v Philip Morris Ltd [No 2]* (1984) 156 CLR 414 at 432-433.

63 [1974] AC 646 at 677-678.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

18.

very earliest authorities this view appears to have found favour with the courts; but it did not survive and it has been long established that under the Statute of Monopolies patents could also be granted for new processes for making artefacts which were not themselves new".

45 At the time of the enactment of the Constitution, there was still awaiting for final decision the question whether it was enough that a process produced a useful result or whether it was necessary that some physical thing either be brought into existence or be so affected such as better to serve the purposes of mankind<sup>64</sup>. The point was not settled until the celebrated judgment of Dixon CJ, Kitto and Windeyer JJ in *National Research Development Corporation v Commissioner of Patents*<sup>65</sup>. Their Honours held that the requirement of a "vendible product" for a valid process claim meant no more than that the end produced be of utility in practical affairs<sup>66</sup>.

46 As we have indicated earlier in these reasons, the plaintiff accepts that the effect of the decision in *National Research Development Corporation* is to confirm that there is no intrinsic impediment to the patentability of plant varieties<sup>67</sup>. Such a concession is properly made. Reference, by comparison with the Australian legislative history, may be made to the United States legislation on the subject. We have referred to the discussion in *Imazio Nursery, Inc v Dania Greenhouses*. The matter earlier was considered by the Supreme Court of the United States in *Diamond v Chakrabarty*<sup>68</sup>.

47 The decision in *Chakrabarty* was that live, human-made, micro-organisms were patentable subject-matter within the statutory requirement of an invention

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64 *National Research Development Corporation* (1959) 102 CLR 252 at 270-271.

65 (1959) 102 CLR 252. This case was followed in *R v Patents Appeal Tribunal Ex parte Swift & Co* [1962] 2 QB 647 and in *Swift & Co v Commissioner of Patents* [1960] NZLR 775.

66 (1959) 102 CLR 252 at 276-277.

67 See, as to the United Kingdom, the similar outcome in *American Cyanamid Company (Dann's) Patent* [1971] RPC 425 and, in Australia, *Patents Act 1990* (Cth) ("the 1990 Patents Act"), ss 41, 42.

68 447 US 303 (1980).



or discovery in the *Patents Act* 1952 (US) as being "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof"<sup>69</sup>. However, in the judgment of the Supreme Court of the United States, reference was made to the enactment in 1930 of the *Plant Patent Act* (US), which afforded patent protection to certain asexually produced plants, and to the 1970 *Plant Variety Protection Act* (US), which authorised the grant of patents for certain sexually reproduced plants, but excluded bacteria from its protection<sup>70</sup>. That Court pointed out that, prior to 1930, the belief that plants, even those artificially bred, were products of nature for the purposes of the patent law was thought to remove plants from the possibility of patent protection. However, the Supreme Court stressed that, in enacting the 1930 statute, Congress had explained at length its belief that the work of the plant breeder "in aid of nature" was patentable invention. Sexually reproduced plants had not been included in the 1930 legislation because new varieties could not then be reproduced true-to-type through seedlings. By 1970, it had been generally recognised that true-to-type reproduction was possible and that patent protection was therefore appropriate<sup>71</sup>.

The plaintiff's submissions – novelty and inventiveness

48 The plaintiff attacks the constitutional validity of the two statutes here under consideration by identifying narrower grounds of complaint. The first proceeds on the footing that the constitutional concept of patents for inventions necessarily involves legislation which denies a grant where there is lack of novelty or of inventiveness or of both. The plaintiff contends that, to the extent that novelty and inventiveness are distinct concepts, s 51(xviii) requires that any law with respect to patents of inventions comprehend both.

49 In patent law, the distinction later drawn between prior publication or lack of novelty and obviousness or lack of invention or of subject-matter was not fully developed in the case law as it stood in 1900<sup>72</sup>. In the note of the reporter,

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69 35 USCS §101.

70 447 US 303 at 310-311 (1980).

71 See, generally, Lipscomb, *Walker on Patents*, 3rd ed (1986), vol 5, Ch 17.

72 *R D Werner & Co Inc v Bailey Aluminium Products Pty Ltd* (1989) 25 FCR 565 at 573-575, 595-599.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

20.

Webster, to the report of *Crane v Price*, decided by Tindal CJ in 1842, it had been said that<sup>73</sup>:

"It may be observed, that no case is reported or mentioned in any of the books in which a patent has failed, simply on the ground of the invention not being the subject-matter of letters patent; some other ground, as want of novelty, or defective specification, having been the real cause of failure."

The term "inventive step" appears first to have been used by Fletcher Moulton LJ in 1908 in the course of his Lordship's judgment in *British United Shoe Machinery Company Ltd v A Fussell & Sons Ltd*<sup>74</sup>. This was a case dealing with a challenge to the novelty of a claimed new combination of known integers.

50 More recently it has been said that a careful reading of the judgments of the English courts for the first 200 years following the Statute of Monopolies discloses that all of them were concerned with defences such as denial of infringement or denial of validity based upon lack of novelty, a lack of utility, or insufficiency of the specification<sup>75</sup>. In 1894, Lord Esher MR, in *The Edison Bell Phonograph Corporation, Limited v Smith and Young*, responded to a submission that one of the claims of the patent in suit was wanting in subject-matter by saying<sup>76</sup>:

"Now, whenever I hear the objection taken to a patent which has been used, which has been bought and sold, which has been therefore treated by men of business as a useful thing, that it is wanting in subject-matter, I look upon it, I confess, with an amused contempt. ...

It really comes to this, that although the invention is new – that is, that nobody has thought of it before – and although it is useful, yet, when you consider it, you come to the conclusion that it is so easy, so palpable, that everybody who thought for a moment would come to the same conclusion; or, in more homely language, hardly judicial, but rather businesslike, it

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73 (1842) 1 Webster's Patent Cases 393 at 409, note (e).

74 (1908) 25 RPC 631 at 653.

75 Fox, *Monopolies and Patents*, (1947) at 232.

76 (1894) 11 RPC 389 at 398.

comes to this, it is so easy that any fool could do it. Well, I look, as I say, upon that objection, when all others have failed, generally with amused contempt."

51 The statutory differentiation between novelty and obviousness did not take place in the United Kingdom until the enactment of the *Patents and Designs Act* 1932 (UK)<sup>77</sup>. Section 3 of this statute introduced as a ground of revocation "that the invention is obvious and does not involve any inventive step having regard to what was known or used prior to the date of the patent". It was followed in s 100(1)(e) of the *Patents Act* 1952 (Cth), but with the insertion of "in Australia" after "known or used".

52 In the United States, s 103 of the *Patents Act* 1952 (US) forbade the obtaining of a patent "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains"<sup>78</sup>. This was the belated congressional response to a body of case law, beginning in 1850 with *Hotchkiss v Greenwood*<sup>79</sup>. The tendency in the decisions had been to require more than what would now be regarded as the requirement of novelty, but any such requirement before 1952 had lacked a specific statutory basis<sup>80</sup>.

53 The plaintiff submits (a) that it has always been a requirement of a patentable invention that it display elements both of novelty and inventiveness, (b) that it follows that this is an essential characteristic of the constitutional concept of "patents of inventions" in s 51(xviii) and, finally, (c) that because, upon the proper construction of the statutes in question, there is no requirement that both elements be present before a valid grant of rights may be made, neither statute can be supported under s 51(xviii). It follows from what has been said above that this submission fails at the first step.

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77 *Minnesota Mining and Manufacturing Co v Beiersdorf (Australia) Ltd* (1980) 144 CLR 253 at 289.

78 35 USCS §103.

79 11 How 248 (1850) [52 US 261].

80 *Graham v John Deere Co* 383 US 1 (1966).

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

22.

### Inventive step

54 In *National Research Development Corporation*, the Court pointed out that, although the Statute of Monopolies had spoken of "any manner of new manufactures within this realme" and of "the true and first inventor and inventors of such manufactures", it nowhere spoke of "the invention"<sup>81</sup>. This is of some significance in considering a corollary to the principal submission put by the plaintiff. The plaintiff seeks to attach to the term "inventive step" a meaning said to be traced back to the Statute of Monopolies. This requires the demonstration of particular ingenuity on the part of the person by or under whom the monopoly right is obtained. Without that element of sufficient ingenuity attributable to the applicant for the legislative grant of these rights, it is suggested that such legislation would so depart from the historical frame as to be outside the central concept of "patents of inventions" established by the Constitution.

55 This submission should be rejected. There are several obstacles in its path. The first is indicated by the following passage from the joint judgment in *Advanced Building Systems Pty Ltd v Ramset Fasteners (Aust) Pty Ltd*<sup>82</sup>. Their Honours pointed out that it is no objection to the validity of a patent that it is commercially impracticable, the requirement of utility depending upon whether, by following the teaching of the complete specification, the result claimed is produced. They went on<sup>83</sup>:

"Further, 'an invention which comes to a man by a happy flash of inspiration or without any prolonged experiment or thought may be as good a subject matter of a patent as one which has only been arrived at after long and difficult experiments'<sup>84</sup>, and a valid patent might be obtained under the Act 'for something stumbled upon by accident [or] remembered from a dream'<sup>85</sup> if it otherwise satisfied the requirements of the legislation."

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81 (1959) 102 CLR 252 at 268-269.

82 (1998) 194 CLR 171.

83 (1998) 194 CLR 171 at 187.

84 *Longbottom v Shaw* (1891) 8 RPC 333 at 337.

85 *Wellcome Foundation Ltd v V R Laboratories (Aust) Pty Ltd* (1981) 148 CLR 262 at 286.

Further, in *Bristol-Myers Co v Beecham Group Ltd*, Lord Diplock had observed<sup>86</sup>:

"The law of patents had its origin before the dawn of the modern sciences of physics and of chemistry. It was concerned with the practical results of manufacturing processes, not with the underlying scientific principles which explained the reason why those results were obtained; and in the case of products of manufacturing processes it was concerned with their utility not with what scientific analysis could reveal as to the composition of materials of which they were made. An invention is a patentable invention notwithstanding that the inventor, where the invention is a process, does not know upon what scientific principle it works, or, where the invention is a product, is wholly ignorant of its chemical composition or molecular structure."

56 A second point was succinctly expressed by Lindley LJ in *Moser v Marsden* when he said<sup>87</sup>:

"The Patentee is the true and first inventor within the meaning of the Patent Law, whether he invents himself, or whether he simply imports a foreign invention."

The position under the United States Constitution was to the contrary. Congress was authorised to grant patents only to the inventor or discoverer. This was held to have the consequence that the English authorities were inapplicable and exclusive rights were not to be granted under the laws of the United States to importers from abroad of any useful invention. The United States constitutional requirement was that the invention be the product of the mind of the applicant and not of another<sup>88</sup>.

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86 [1974] AC 646 at 678.

87 (1893) 10 RPC 350 at 359.

88 *Livingston v Van Ingen* (1812) 9 Johns Rep 507 at 583.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

24.

57 In the United Kingdom, the law was quite different. It was explained as follows by Sir George Jessel MR in *Plimpton v Malcolmson*<sup>89</sup>:

"[S]hortly after the passing of the [Statute of Monopolies], the question arose whether a man could be called a first and true inventor who, in the popular sense, had never invented anything, but who, having learned abroad (that is, out of the realm, in a foreign country, because it has been decided that *Scotland* is within the realm for this purpose) that somebody else had invented something, quietly copied the invention, and brought it over to this country, and then took out a patent. As I said before, in the popular sense he had invented nothing. But it was decided, and now, therefore, is the legal sense and meaning of the statute, that he was a first and true inventor within the statute, if the invention, being in other respects novel and useful, was not previously known in this country – 'known' being used in that particular sense, as being part of what had been called the common or public knowledge of the country."

The rationale was that the meritorious service done to the realm by the introduction of the invention there supplied the virtuous and utilitarian consideration which warranted an exception from the general rule that monopolies were not to be granted<sup>90</sup>.

58 Against this well-understood background in English law at the time of the enactment of the Constitution, there is no occasion to read the phrase "patents of inventions" in s 51(xviii) in a sense which would deny legislative competence to grant protection to first importers of inventions made abroad by others. The Parliament may decide against legislating in such a fashion, and has not so legislated, but its preference for international and reciprocal, rather than parochial, interests is a matter for legislative judgment.

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89 (1876) 3 Ch D 531 at 555-556. See also *Marsden v Saville Street Co* (1878) 3 Ex 203 at 206; *In re Wirth's Patent* (1879) 12 Ch D 303 at 304; *In re Avery's Patent* (1887) 36 Ch D 307 at 316-317.

90 *Marsden v Saville Street Co* (1878) 3 Ex 203 at 206.

No requirement in either statute for "novelty"?

- 59        The plaintiff also contends that, in any event, novelty itself is intrinsic to the concept of patentability but is not a requirement of either statute. It is said that, on that account, each statute falls outside the constitutional power. An examination of this submission requires attention to the terms of the legislation.
- 60        Provisions in the Varieties Act for the grant of plant variety rights turned upon the requirement of novelty. Application was to be made by "a breeder of a new plant variety" or an assignee of such a person (s 15). The application would not be granted if, before the making of the application, there had been a sale in Australia of a plant of the variety in question or of reproductive material of that plant and the sale had been by or with the consent of the breeder of the variety or a successor of the breeder (s 14(a)). If the sale in question took place in another country, then s 14(b) forbade the grant of plant variety rights if the sale took place earlier than six years before the making of the application.
- 61        Exclusive rights given upon grant were listed in s 12 as being "in respect of a new plant variety". The definition in s 3(1) of "new plant variety" included two elements of present importance. The first (par (a)) was that the plant variety be "originated" by a person, and the second (par (d)) was that the plant variety be "distinguishable by one or more important morphological, physiological or other characteristics from all other plant varieties whose existence was a matter of common knowledge at the time when the application in respect of the variety was made".
- 62        Sub-sections (3A), (4) and (5) of s 3 deemed persons who had conducted certain activities to have originated the variety in question. In particular, a person who selected a plant variety from a plant population which that person had grown, being a plant variety that was distinguishable, in the sense given by par (d) of the definition of "new plant variety" set out above, was to be taken to have originated that variety (s 3(3A)).
- 63        In addition, s 35 of the Varieties Act provided a relevant ground for revocation. Section 35(1)(a) obliged the Secretary to revoke plant variety rights in respect of a plant variety if satisfied that the plant variety was not a new plant variety. Further, in an infringement action, the defendant might counterclaim for revocation on the ground that the plant variety was not a new plant variety (s 41(2)).

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

26.

64 The result is that the Varieties Act took as a criterion of operation for valid grant a requirement of novelty in the sense spelled out in these various provisions. It may be accepted that there is a requirement of "novelty" in the constitutional concept of "invention", but that requirement may be satisfied by various legislative regimes. These regimes need not display any fixed character. For example, s 100(1)(g) of the *Patents Act* 1952 (Cth) determined novelty by reference to the state of affairs in Australia at the priority date of the claim in question. On the other hand, s 7(1) of the 1990 Patents Act requires comparison between the invention and the "prior art base". The relevant effect of the definition of "prior art base" in Sched 1 of that Act is that it includes information in a document publicly available outside Australia. There was no constitutional constraint upon the adoption by the legislature of these differing criteria for the establishment of novelty in patent law. The same is true of the regime established by the Varieties Act.

65 The position respecting the Breeder's Rights Act does not relevantly differ. A plant variety can only be registrable if the variety has not been exploited or has only been "recently exploited" (s 43(1)(e)). A plant variety will be taken not to have been exploited if, at the application date, there has been no sale by or with consent of the breeder of propagating or harvested material of the variety (s 43(5)). Sub-section (6) of the same section gives content to the notion of "recent exploitation". It requires an inquiry as to whether more than one year before the application date "propagating or harvested material of the variety" has been sold in Australia to another person by or with consent of the breeder. A period of four years applies (and six years in the case of trees or vines) where the sale takes place in the territory of a foreign State or intergovernmental organisation that is a party to the Convention as that term is defined in s 3(1).

66 Further, the plant variety must be "distinct", that is to say "clearly distinguishable from any other variety whose existence is a matter of common knowledge" (s 43(1)(b), (2)). The plant variety for which application is made must have a "breeder" (s 43(1)(a)) and the application must be made by the breeder (s 24(1)) or an assignee (ss 25, 26(2)).

67 In that regard, s 5(1) states:

"A reference in this Act to breeding, in relation to a new plant variety, includes a reference to the discovery of a plant together with its use in selective propagation so as to enable the development of the new plant variety."



In addition, there is a definition in s 3(1) of "breeder" which is stated to be "in relation to a new plant variety". At its simplest level, the definition means that, if the variety was bred by one person who was not acting as a member or employee of a body, that person is the breeder.

68 The defendant in any infringement action may seek revocation on the ground that the variety was not a new plant variety (s 54(2)(a)). There is no definition of the phrase "new plant variety", although it appears in this section as well as in s 5(1) and in the definition of "breeder" in s 3(1). However, these provisions are drawn into the requirements for registrability found in s 43(1). This is true, in particular, of the requirement in par (a) of s 43(1) that the variety have a "breeder". This plus the requirements in par (b) of s 43(1) that the variety be "distinct" and that it not have been exploited or have only recently been exploited (par (e)) are sufficient for the constitutional requirement of "novelty".

69 Accordingly, the plaintiff's submissions on this head are not made out.

"Process" and "product"

70 In the course of argument, the plaintiff drew upon the distinction to which reference has been made earlier in these reasons between patents which claim processes and those which claim products. As has been indicated, product patents were granted at a time before those for processes. The distinction is now reflected in the definition of "exploit" in Sched 1 of the 1990 Patents Act. This distinguishes as follows between cases where the invention is a product and those where it is a method or process:

- "(a) where the invention is a product – make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or
- (b) where the invention is a method or process – use the method or process or do any act mentioned in paragraph (a) in respect of a product resulting from such use".

71 Against that background, attention was invited by counsel to the requirement of s 5(a) of the Varieties Act that "the origination" of the new plant variety "constituted an invention", and that of s 10(b) of the Breeder's Rights Act that "the breeding of the plant variety constitutes an invention".

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

28.

72 The text of the definition of "breeding" in s 5(1) of the Breeder's Rights Act is set out earlier in these reasons. Breeding is stated to *include* a reference to discovery of a plant together with its use in selective propagation so as to achieve a result. The result specified is "to enable the development of the new plant variety". This, it was suggested, is indicative of an invention which is a process rather than a product, whilst the exclusive rights conferred by s 11 of the Breeder's Rights Act are not so identified. Rather, the plant variety rights are granted for particular acts in relation to "propagating material" of the new plant variety not the breeding of that variety.

73 It was correctly submitted by the first defendant, the Commonwealth, that, whilst this may be the construction of the legislation, the rights given were sufficiently connected to the head of power with respect to "inventions". In order to obtain a grant there has to be a "breeder", to whose activities s 5(1) is relevant, the object of the grant is a "plant variety" and the exclusive rights conferred by s 11 are identified as particular acts in relation to "propagating material" of that variety. The term "propagating material" is defined as follows in s 3(1):

**"propagating material"**, in relation to a plant of a particular plant variety, means any part or product from which, whether alone or in combination with other parts or products of that plant, another plant with the same essential characteristics can be produced".

74 An application for grant must be in respect of "a plant variety" (s 3(1)) and must be made by "a breeder" or an assignee thereof (ss 24, 25, 26). A person has engaged in breeding in the relevant sense if that person has discovered a plant together with its use in selected propagation so as to enable the development of the new plant variety for which the application is sought (s 5). However, that reference to use and development does not dictate the content of the exclusive rights given by the registration. These are defined in s 11 as the doing of particular acts not in relation to the plant variety, nor in relation to the processes by which it was developed, but in relation to "propagating material" of the variety.

75 By defining the ambit of the monopoly by reference to activities in relation to "propagating material" of the relevant new plant variety, the Breeder's Rights Act secures the objective of enabling the grantee to control the production of any other plant with the same essential characteristics as the particular plant variety. That which entitles the grantee to those rights are those characteristics which make a plant variety registrable under s 43(1). A plant variety having those characteristics is an invention in the constitutional sense and the statute secures

the benefit of the invention by conferral of particular exclusive rights to control production of other plants with the same essential characteristics. Such a regime also was established by the Varieties Act. Neither travels beyond the constitutional boundary established by s 51(xviii).

"Patents" as a constitutional term

76 The other ground upon which the plaintiff attacks the validity of the legislation fixes upon the term "patents" in the constitutional grant. The term "patent" itself is an abbreviation of "letters patent". This is a particular form of instrument by which the wishes and commands of the Crown are made known to the public at large or to the particular individuals concerned<sup>91</sup>. Letters patent have been employed by the Crown for such purposes as detailing the incidents of the office of Governor-General of Australia<sup>92</sup> and to make grants of such things as lands and other hereditaments, rank (eg peerage), offices (eg Queen's Counsel), franchises (eg to conduct a market or fair in a particular town<sup>93</sup>) and monopoly rights. It is with the legislation dealing with a species of the latter category that s 51(xviii) is concerned.

77 The plaintiff submits that the use in s 51(xviii) of "patents" imports notions of exclusivity of use and exploitation. Conditions and qualifications on the grant of variety rights and breeder's rights are so extensive and the compass of the "rights" themselves is so limited that the legislation falls outside the constitutional boundary. The plaintiff refers in particular to provisions in both statutes by which a grantee is obliged to meet the reasonable requirements of the public<sup>94</sup> and may be subjected to conditions restricting the powers of assignment

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91 *Prestige Group (Australia) Pty Ltd v Dart Industries Inc* (1990) 26 FCR 197 at 214.

92 Letters Patent Relating to the Office of Governor-General of the Commonwealth of Australia, given at Balmoral on 21 August 1984. See also *Opinions of Attorneys-General of the Commonwealth of Australia*, (1981), vol 1 at 397.

93 See *Spook Erection Ltd v Secretary of State for the Environment* [1989] QB 300.

94 Varieties Act, s 39; Breeder's Rights Act, s 19.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

30.

and license<sup>95</sup> and requiring the supply of reproductive material and plant specimens to specified authorities<sup>96</sup>.

78 These submissions direct attention to what in 1900 was understood as embraced in the notion of a "patent" for an invention within the meaning of the Jacobean statute. It was well settled before 1900 that conditions or provisos might be attached to the patent grant, and that failure to observe them could lead to revocation of the patent in any action for a writ of *scire facias*<sup>97</sup>. The requirement that the patentee sufficiently specify the working of the invention, although now legislatively based<sup>98</sup>, was first established by a practice of attaching to patent grants a condition or proviso to that effect.

79 The process by which this came about was described as follows by Lord Diplock in *Bristol-Myers Co v Beecham Group Ltd*<sup>99</sup>:

"The notion that as a counterpart for the grant of a temporary monopoly there must be written disclosure to the public of the best means of making the new product or carrying out the new process, was a separate concept which developed later, not as a consequence of judicial decision but as a result of administrative change. In 1623 and for many years thereafter it appears to have been taken for granted that the then prevailing system of apprenticeship, under which it was the duty of the master to instruct his apprentice in all the mysteries of his trade, was of itself sufficient to secure that by the time the 14 year monopoly had expired knowledge of the new process would have been disseminated in the trade concerned so as to enable other traders to make the product or to use the process that had been the subject of the monopoly. By the early years of the 18th century, however, the practice had arisen of requiring patentees, as a condition of

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95 Varieties Act, s 34; Breeder's Rights Act, s 49.

96 Varieties Act, s 33; Breeder's Rights Act, s 44(1)(b)(vii)-(viii).

97 Hindmarch, *A Treatise on the Law Relating to Patent Privileges*, (1846) at 151-152, 265-266, 275-276.

98 The 1990 Patents Act, s 40(2)(a).

99 [1974] AC 646 at 678. See also the remarks of Lord Reid in *Dann's Patent* [1971] RPC 425 at 435-436.

their grant, to deposit written particulars of the nature of the invention claimed and of the best means of carrying it out."

In *Dann's Patent*, Lord Reid made observations of present relevance with respect to the old law respecting the meeting of the reasonable requirements of the public. His Lordship's remarks were directed to an obligation to make available micro-organisms without which an invention could not be worked. The compulsory supply of reproductive material and plant specimens under the statutes here in question is a modern legislative response to what Lord Reid would have seen as a problem which the common law would have answered in a like fashion. His Lordship said<sup>100</sup>:

"If the present day problem had arisen while [s 3 of the *Patents and Designs Act* 1932 (UK)] was still in force I am very much inclined to think that the court would have held that it was contrary to the general intendment of the Statute of Monopolies and subsequent legislation that a patentee should be entitled to have the advantage of his patent and yet be able to preserve his monopoly after the expiry of his patent by refusing to take such steps as were necessary to enable others to carry out his invention when his patent had expired. If this could only be done by making his strain of micro-organism available to others and could not be done by giving information in his specification, then I think the patentee would have been required to choose between making his organism available and having his patent repealed. The law was still sufficiently flexible for the court to be able to formulate a new ground of repeal or revocation to meet a new situation."

- 80 The plaintiff's submissions respecting the constitutional limitation upon the term "patents" should be rejected.

#### Positive authority

- 81 It was submitted by an intervener, the Attorney-General for the State of Western Australia, that the rights each statute purports to confer upon grantees amount to rights "by way of positive authority to sell and export the protected variety". This was said to "stand outside the fundamental concept of a patent of invention" because it would deny other laws, particularly State laws, which

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100 [1971] RPC 425 at 436.

Gleeson CJ  
Gaudron J  
McHugh J  
Gummow J  
Hayne J  
Callinan J

32.

regulate the sale and use of the protected variety. The legislation, upon its proper construction, holds no such terrors.

82 Sections 12 and 11 respectively of the Varieties Act and the Breeder's Rights Act identify the nature of the grant under the legislation by reference to certain exclusive rights given the grantee; the exclusive rights are of limited duration<sup>101</sup>. These regimes are consistent with well established provision in patent law.

83 For example, s 62 of the *Patents Act* 1903 (Cth) stated:

"The effect of a patent shall be to grant to the patentee full power, sole privilege and authority, by himself, his agents, and licensees during the term of the patent to make, use, exercise, and vend the invention within the Commonwealth in such manner as to him seems meet, so that he shall have and enjoy the whole profit and advantage accruing by reason of the invention during the term of the patent."

In *National Phonograph Co of Australia Ltd v Menck*<sup>102</sup>, the Privy Council observed of this provision that it referred "to the grant of the right as a sole right, that is to say, put negatively, with a power to exclude all others from the right of production, &c, of the patented article". This situation permitted, their Lordships added, "the imposition of conditions in the transactions of making, using and vending, which are necessarily an exception by Statute to the rules ordinarily prevailing [with respect to the sale of goods]".

84 This approach to the nature of the patent of monopoly reflected what in the second half of the nineteenth century were consistent decisions both in the

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**101** Varieties Act, s 32; Breeder's Rights Act, s 22.

**102** (1911) 12 CLR 15 at 22. See also the judgment of Stephen J in *Interstate Parcel Express Co Pty Ltd v Time-Life International (Nederlands) BV* (1977) 138 CLR 534 at 548-553, where his Honour distinguishes the different consequences with respect to licensing which flow from the distinction between the patentee's monopoly and the rights of a copyright owner in a literary work.

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House of Lords and in the Supreme Court of the United States. In *Steers v Rogers*, Lord Herschell LC spoke as follows<sup>103</sup>:

"What is the right which a patentee has or patentees have? It has been spoken of as though a patent right were a chattel, or analogous to a chattel. The truth is that letters patent do not give the patentee any right to use the invention – they do not confer upon him a right to manufacture according to his invention. That is a right which he would have equally effectually if there were no letters patent at all; only in that case all the world would equally have the right. What the letters patent confer is the right to exclude others from manufacturing in a particular way, and using a particular invention."

Shortly thereafter, in *United States v American Bell Telephone Company*, Brewer J, delivering the opinion of the Court, said<sup>104</sup>:

"But for the patent the thing patented is open to the use of any one. Were it not for this patent any one would have the right to manufacture and use the Berliner transmitter. ... [The Government] conveyed to Berliner, so far as respects rights in the instrument itself, nothing that he did not have theretofore. The only effect of it was to restrain others from manufacturing and using that which he invented."

85 It was with a monopoly identified in this way that the patent law was concerned, not with the conferral of "positive authority" in the sense referred to by the Attorney-General for the State of Western Australia. Both the Varieties Act and the Breeder's Rights Act are consistent with the expositions of principle given in *Steers v Rogers* and *American Bell Telephone Company*.

### Conclusion

86 It is unnecessary to consider the application of the power of the Parliament in s 51(xxix) of the Constitution with respect to "external affairs".

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**103** [1893] AC 232 at 235. See also the remarks of Brennan J in *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 220.

**104** 167 US 224 at 238-239 (1897).

*Gleeson* CJ  
*Gaudron* J  
*McHugh* J  
*Gummow* J  
*Hayne* J  
*Callinan* J

34.

- 87       The questions reserved should be answered to the effect that the two statutes are not invalid for want of support by s 51(xviii) of the Constitution. The costs of the questions reserved should be dealt with by the Justice disposing of the action.



- 88 KIRBY J. In concluding his reasons in the *Union Label Case*<sup>105</sup>, Higgins J expressed the opinion that, even if the characteristics of the label in that case did not "bring it strictly within the class 'trade marks' as understood in 1900", there was nothing in the Act<sup>106</sup>, the constitutional validity of which was in question, which transgressed the power conferred on the Federal Parliament by s 51(xviii) of the Constitution to make laws (relevantly) with respect to trade marks. He went on<sup>107</sup>:

"This opinion may not be quite necessary for the purpose of my judgment, inasmuch as I hold the view that the workers' trade mark does contain all the essential characteristics of a trade mark; but it is my duty not to let the narrow view of the nature of the federal powers pass without protest and by silence into unquestioned law."

- 89 It was accepted by those in this case who supported the narrow view of the power conferred by s 51(xviii), that the correctness of the approach taken by the majority in the *Union Label Case* might now be open to question<sup>108</sup>. I agree. Because I agree, I would adopt the same approach as Higgins J did (and also Isaacs J<sup>109</sup>). I will therefore express my own opinion for concurring in the orders proposed by the other members of the Court (whose opinion I will call the "joint reasons"). Whilst I agree with much of their Honours' reasoning and in their ultimate conclusions, there is a difference in the way that I come to my conclusions.

- 90 The power conferred by s 51(xviii) is a very broad one. The metes and bounds of the power are not to be ascertained in my respectful view, by an understanding of what fell within the class of "copyrights, patents of inventions and designs, and trade marks" in 1900. Because, in part of the joint reasons<sup>110</sup> the other members of this Court have repeatedly referred to the consideration of the ambit of "patents of invention" in 1900 – lest that consideration be thought to

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105 *Attorney-General for NSW v Brewery Employés Union of NSW* (1908) 6 CLR 469 at 616.

106 *Trade Marks Act* 1905 (Cth), Pt VII.

107 *Union Label Case* (1908) 6 CLR 469 at 616.

108 Submission of the Attorney-General for the State of Western Australia (intervening).

109 *Union Label Case* (1908) 6 CLR 469 at 553.

110 Joint reasons at [15-16], [19], [21], [23], [26], [33], [40-41], [78].

control, or even significantly to influence, the contemporary meaning of the constitutional words, I am bound to express my different viewpoint.

Facts, issues and common ground

91 The facts necessary to the resolution of the two questions reserved for the opinion of the Full Court<sup>111</sup> are set out in the joint reasons. So are the relevant provisions of the *Plant Variety Rights Act* 1987 (Cth) ("the Varieties Act") and the *Plant Breeder's Rights Act* 1994 (Cth) ("the Breeder's Rights Act"). So too are the issues before this Court and the substance of the arguments for the Grain Pool of Western Australia<sup>112</sup> (the plaintiff) which challenges the constitutional validity of the foregoing federal Acts.

92 The Commonwealth and Cultivaust Pty Ltd ("Cultivaust") appeared as defendants to defend the validity of the two Acts. Cultivaust is a company incorporated in South Australia. It is a grain merchant and trader which has been licensed by the State of Tasmania with the exclusive right to sell and produce the reproductive material of Franklin Barley (*hordeum vulgare*) (described in the licence as the "Cultivar") and to grant rights to others to sell and produce such reproductive material.

93 Pursuant to the Varieties Act, in January 1990, the State of Tasmania which had developed this variety of barley was entered on the register of the Varieties Act<sup>113</sup> as the grantee of "plant variety rights" in respect of Franklin Barley. In November 1994 the State of Tasmania was also entered on the register kept under the Breeder's Rights Act<sup>114</sup> as the holder of the plant breeder's rights specified in that Act<sup>115</sup>. Notwithstanding the rights acquired by Cultivaust under the licence, the plaintiff asserted that Cultivaust's intended action to run a grain pool of Franklin Barley in Western Australia and to deliver and market that produce as proposed, would contravene the *Grain Marketing Act* 1975 (WA)<sup>116</sup>. Cultivaust argued that, to the extent that the lastmentioned State Act purported to restrict the exercise by it of rights derived under the Varieties Act and the Breeder's Rights Act of the Commonwealth, the Western Australian law was

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111 Pursuant to the *Judiciary Act* 1903 (Cth), s 18.

112 An authority established under the *Grain Marketing Act* 1975 (WA), s 6.

113 Pursuant to s 9.

114 Pursuant to s 61.

115 s 11.

116 s 22.

invalid by reason of inconsistency with the federal laws<sup>117</sup>. It was in these circumstances that the question of the validity of the federal laws was raised. That question was excised from proceedings commenced in this Court on the inconsistency question for the opinion of the Court as now constituted.

94 Two primary bases for the validity of the federal laws were propounded. They were the lawmaking power of the Federal Parliament with respect to "external affairs"<sup>118</sup> and that with respect to "copyrights, patents of inventions and designs, and trade marks" ("the patents power")<sup>119</sup>. Each of these heads of power was relied upon<sup>120</sup>. Each was challenged in argument before this Court<sup>121</sup>. In addition, Cultivaust and its allies<sup>122</sup> called for constitutional support from another head of federal legislative power which it is not necessary for me to do more than mention<sup>123</sup>.

95 Full argument was heard on the external affairs power. The position so far as that source of constitutional validity of the federal laws is complicated by revision of the applicable international convention<sup>124</sup> and by the fact that Australia had not at the time the matter was argued before the Court, subscribed to the convention as altered in 1991<sup>125</sup>. In so far as reliance was placed upon that

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117 Constitution, s 109.

118 Constitution, s 51(xxix).

119 Constitution, s 51(xviii).

120 They were essentially those respectively asserted in the opening provisions of the Varieties Act (s 5) and the Breeder's Rights Act (s 10) concerning the "Extent of Act".

121 In addition Cultivaust and the Commonwealth relied on s 51(xxxix).

122 The Commonwealth and the State of Tasmania.

123 Constitution, s 51(xxxix).

124 International Convention for the Protection of New Varieties of Plants, 2 December 1961 as subsequently revised in Geneva on 10 November 1972, 23 October 1978 and 19 March 1991 (the 1991 Convention as defined in s 3(1) of the Breeder's Rights Act). The "Convention" referred to, and set out in the Schedule to the Varieties Act contains the revisions to 23 October 1978 but not the 1991 revisions.

125 Whilst this matter stood for judgment, the Court was informed that on 8 December 1999 Australia had subscribed to the convention as altered in 1991. However, in view of my conclusion in relation to the other head of power propounded (Footnote continues on next page)

convention as a basis for the making of a federal law with respect to external affairs, the fact that Australia was not then a party to the latest version of the convention introduced a difficulty that could be avoided if the basis were unnecessary to validity. If the validity of the federal laws, propounded by reference to the patents power, were upheld the demonstration of any alternative or additional sources of validity would be unnecessary<sup>126</sup>. Unless those laws treated the subject matter in a way which was in part dependent upon the other constitutional foundation relied upon, or imposed a limitation on the exercise of power (as s 51(xxxi) does), it would suffice for the Commonwealth and Cultivaust to support the federal laws by reference to the patents power alone. This would leave the question of the ambit of the external affairs power in respect of the subject matter of an international treaty to be elucidated in a future case where such elucidation was essential<sup>127</sup>.

- 96 It is in this way that I come, as the joint reasons do, to address the scope of the lawmaking power conferred on the Federal Parliament by s 51(xviii) of the Constitution. Because, in my view, that paragraph suffices to sustain the validity of each of the federal laws in the respects challenged in these proceedings, the answer to the questions reserved can be given based upon that head of power. Nothing more is required.

#### The patents power and 1900 conceptions

- 97 When the *Union Label Case*<sup>128</sup> came before this Court in 1908, it called for an elucidation not only of the scope and meaning of s 51(xviii) of the Constitution but also of the approach that was proper to deciding the limits of a constitutional head of power. The issue that was before the Court was whether Pt VII of the *Trade Marks Act* 1905 (Cth) was beyond the lawmaking power of the Parliament. That Part of the Act permitted registration by any Australian worker, or association of Australian workers, of a distinctive mark indicating that the goods to which the mark applied were produced by such worker, or by

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(s 51(xviii)) it is unnecessary to reconsider the external affairs power on a footing that has changed since argument.

**126** *Re F; Ex parte F* (1986) 161 CLR 376 at 388.

**127** *R v Australian Industrial Court; Ex parte CLM Holdings Pty Ltd* (1977) 136 CLR 235 at 243; *Richardson v Forestry Commission* (1988) 164 CLR 261 at 295; *Polyukhovich v The Commonwealth* (1991) 172 CLR 501 at 561-562; cf Williams, "Treaties and the Parliamentary Process", (1996) 7 *Public Law Review* 199 at 202-203; Rothwell, "The High Court and the External Affairs Power: A Consideration of Its Outer and Inner Limits", (1993) 15 *Adelaide Law Review* 209 at 224-225.

**128** (1908) 6 CLR 469.

members of such an association. The Act imposed penalties for false applications of the mark.

98 The objective of the Part was explained by Higgins J. The concept of union labels had arisen in the 1880s in California<sup>129</sup>. It had been taken up by State legislatures in the United States where, under the Constitution, there was no federal power with respect to "trade marks" as such, as there is under the Australian Constitution<sup>130</sup>. Differing views had been expressed on whether such a label was a valid "trade mark" under legislation for that purpose<sup>131</sup>. The better view<sup>132</sup> was that it was, and that at least associations of workmen could register a trade mark which they had adopted.

99 In his review of the *Union Label Case*, Dr Wynes<sup>133</sup> observed:

"It was admitted by all the Justices that the Constitution was to be construed by reference to its meaning in 1900, and that Parliament could not by legislation make any addition to its powers."

100 The separate reasons of Griffith CJ, Barton J and O'Connor J (constituting the majority) certainly bear out this analysis. Thus Griffith CJ commenced his search for the meaning of s 51(xviii) by reference to what he took as the "class of property of a special kind, in the nature of monopoly" as to which "before 1900 an International Convention had been made between Great Britain and other countries, to which Convention three of the Australian Colonies had become parties."<sup>134</sup>

101 Similarly, Barton J expressed his approach explicitly<sup>135</sup>:

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129 *Union Label Case* (1908) 6 CLR 469 at 608.

130 *Union Label Case* (1908) 6 CLR 469 at 609.

131 *Union Label Case* (1908) 6 CLR 469 at 581 citing *Schmalz v Wooley* 73 Am SR 637 at 643 (1898); *Weener v Brayton* 152 Mass 101 at 105 (1890); *People v Fisher* 50 Hun 552; 3 NY Supp 786 (1889) and *State v Bishop* 128 Miss 373; 49 Am SR 569 (1895).

132 *Union Label Case* (1908) 6 CLR 469 at 581.

133 Wynes, *Legislative, Executive and Judicial Powers in Australia*, 5th ed (1976) at 161.

134 *Union Label Case* (1908) 6 CLR 469 at 503.

135 *Union Label Case* (1908) 6 CLR 469 at 521.

"Are marks or labels such as that in question included in the expression 'trade marks,' so that the framers of the Constitution meant to empower the Parliament to make laws with respect to them? If the ordinary or technical sense of the term in 1900 included them, or if it was used as a term which had acquired such an inclusive meaning in any legislation which we must take to have been in the minds of the makers of the Constitution at its making, then, but only then, the answer must be in the affirmative. In either case it is to the meaning in 1900 that we must look, for the plain reason that the Constitution ... became law in that year, and the framers cannot, of course, have had in their minds meanings which had not then come into existence."

102 Even more emphatic were the views of O'Connor J. He described the enactments in force in the Australian colonies in 1900 in relation to trade marks<sup>136</sup>. He referred to the laws of Great Britain and of other parts of the British Empire at that time and the exposition of the English courts and courts of the colonies before the moment of federation. Even "American Statutes in force in 1900 and many decisions of the American Courts pronounced before that period" were taken into account<sup>137</sup>. He then proceeded "to consider what ... in 1900 the nature of the group of rights created at common law and recognized in England and in Australia by Statute law and by the commercial and business world" under the designation of "trade mark" meant<sup>138</sup>. Thus, for the majority in the *Union Label Case*, the reference point was clear. What did "trade marks" mean in 1900? What considerations were in the minds of the writers of the Constitution when they adopted that expression in s 51(xviii)?

103 The members of the minority certainly examined the statute and common law as it existed before Federation<sup>139</sup>. This, it will be realised, was then only seven years earlier. The reasoning which Isaacs J and Higgins J pursued to their respective conclusions, whilst acknowledging the objectors' argument as grounded in the accepted definition of "trade mark" in 1900<sup>140</sup>, did not necessarily embrace 1900 as the terminus, after which further legal developments was to be ignored. They dealt with the argument within the scope of the objectors' submissions. However, as the passage in the opinion of Higgins J with which I began these reasons indicates, their ultimate criterion was not

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136 *Union Label Case* (1908) 6 CLR 469 at 531.

137 *Union Label Case* (1908) 6 CLR 469 at 535.

138 *Union Label Case* (1908) 6 CLR 469 at 538.

139 *Union Label Case* (1908) 6 CLR 469 at 600, 608 per Higgins J.

140 *Union Label Case* (1908) 6 CLR 469 at 616 per Higgins J.

pre-Federation legal understandings but a search for the "essential characteristics" of the words used in the Constitution<sup>141</sup>. In my view, this is the correct approach. The words used in the Constitution, and specifically those used in s 51(xviii), are not shackled to the legal understandings about the patents power in 1900. It is a mistake to adopt that year as an important, and a greater error to regard it as a critical or essential, reference point.

#### Reasons for adoption of the 1900 criterion

104 Viewed from today's perspective, it is easy to understand how the Justices of this Court in 1908 adopted the criterion of the law as it stood in 1900 in order to ascertain the "ambit, [and] the circumference, of the power"<sup>142</sup> conferred upon the Parliament by s 51(xviii) of the Constitution.

105 First, all of the participating Justices had played a leading part in the Constitutional Conventions and in the drafts which ultimately became the Australian Constitution. Their procedures at that time<sup>143</sup> denied recourse to the constitutional debates in order to elucidate the meaning of the provisions of the Constitution. Such recourse was considered unnecessary to the participants and inconsistent with the then prevailing approach to statutory interpretation. The acceptance that the search was for the meaning intended by the drafters was natural at that time when most of the drafters were living and some (including Griffith CJ, a drafter of the Constitution, and Barton J, the leader of the Conventions) were members of this Court.

106 Secondly, the acceptance of such a clear reference point was also natural given the then place of the Commonwealth of Australia in the British Empire<sup>144</sup>, the enactment of Imperial legislation on matters which we would now describe as intellectual property law<sup>145</sup> and the recollection that would still then have been vivid of the difficulties that had arisen for Canada over that Dominion's attempt to enact a Copyright Act of its own<sup>146</sup>.

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141 *Union Label Case* (1908) 6 CLR 469 at 616 per Higgins J.

142 *Union Label Case* (1908) 6 CLR 469 at 604.

143 *The Municipal Council of Sydney v The Commonwealth* (1904) 1 CLR 208 at 213; *Attorney-General (Vict) v Ex rel Black v The Commonwealth* (1981) 146 CLR 559 at 577-578; cf *Cole v Whitfield* (1988) 165 CLR 360 at 385-387.

144 *Union Label Case* (1908) 6 CLR 469 at 535 per O'Connor J.

145 *Copyright Act 1842* (Imp) (5 & 6 Vict c 45).

146 *Copyright Bill 1872* (Can).

107 The *British North America Act* 1867 (Imp)<sup>147</sup> had included "copyrights" within the legislative powers of the Canadian Parliament. However, the Copyright Bill of 1872 (Can) was reserved by the Governor-General of Canada for the Queen's assent. Such assent was withheld because of the Imperial interest in copyright<sup>148</sup>. The scope of the Canadian legislative power was raised again when a further attempt was made in 1875 to enact a Canadian statute, this time with success but only in respect of defined Canadian concerns. The maintenance of the Imperial interest in uniform copyright laws was re-expressed. The Canadian *Copyright Act* of 1889, which affected copyrights registered in England, was again reserved and disallowed. The Governor-General was instructed not to proclaim the commencement of the Act<sup>149</sup>. All of these troubles would have been known to the Justices deciding the *Union Label Case*. They would have tended to encourage a narrow view, and certainly a narrow exposition, of the power conferred by s 51(xviii). They would have done so not only by reference to the then current doctrines limiting the expansion of federal legislative powers at the cost of the States but also by an anxiety to avoid the confrontations with Imperial authorities that had marked the efforts of Canada to exercise legislative powers in this area. One way of achieving such avoidance would be to demonstrate that the power conferred by the Australian Constitution was that which had been in the minds of the Imperial Parliament and British Government when the Australian Constitution was enacted in 1900.

108 Thirdly, in 1908, the doctrine applied for the ascertainment of the legislative powers of the Federal Parliament was still affected by notions of the implied reserved powers of the States. This doctrine was derived from the structure of the Constitution, its imputed purposes and the then current understandings of the federation which it had called into existence<sup>150</sup>. Reflections of that doctrine may be found in the opinions of the majority in the *Union Label Case*. Thus, important to the reasoning of O'Connor J on the limited scope of the legislative power with respect to "trade marks" was the explanation that the Australian Constitution "embodies the terms on which the people of the several States agreed for the sake of union to surrender their

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147 30 Vict c 3, s 91.

148 The story is told in Quick and Garran, *The Annotated Constitution of the Australian Commonwealth*, (1901) at 594.

149 Quick and Garran, *The Annotated Constitution of the Australian Commonwealth*, (1901) at 596.

150 *D'Emden v Pedder* (1904) 1 CLR 91; *The Federated Amalgamated Government Railway and Tramway Service Association v The New South Wales Railway Traffic Employés Association* (1906) 4 CLR 488; *Baxter v Commissioners of Taxation (NSW)* (1907) 4 CLR 1087.



autonomy in certain respects"<sup>151</sup>. Although that approach to federal legislative powers was to be overthrown in the *Engineers' Case*<sup>152</sup>, that was twelve years into the future. This Court had in *Jumbunna Coal Mine, No Liability v Victorian Coal Miners' Association*<sup>153</sup> (reported in the same volume of the reports as the *Union Label Case*) emphasised the need for a broad interpretation of heads of federal legislative power. Despite this, the habit of mind of viewing the paragraphs of s 51 from the standpoint of reserved powers not surrendered by the States in 1900 undoubtedly put a check in 1908 on the view of their potential which only the *Engineers' Case* later removed.

109 Fourthly, the notion of judicial power in 1908 also encouraged an approach to the understanding of the scope of a grant of legislative power in s 51 by reference to the meaning and intent of those who had drafted the Constitution. That consideration would necessarily limit subsequent developments, whether in the understanding of legal terms, a change in the meaning of language or radically different social circumstances to which the language would apply. The approach can be seen in the exposition of O'Connor J in the *Union Label Case*<sup>154</sup>. His Honour cited with approval the dicta of the Supreme Court of the United States in *South Carolina v United States*<sup>155</sup>, and Taney CJ's unfortunate decision in the *Dred Scott Case*<sup>156</sup>. It was the latter who had explained that the search of the Supreme Court was, and was only, for "the same meaning and intent with which [the Constitution] spoke when it came from the hands of its framers, and was voted on and adopted by the people of the United States. Any other rule of construction would abrogate the judicial character of this court, and make it the mere reflex of the popular opinion or passion of the day"<sup>157</sup>. Adopting such an

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151 *Union Label Case* (1908) 6 CLR 469 at 533.

152 *Amalgamated Society of Engineers v Adelaide Steamship Co Ltd* (1920) 28 CLR 129.

153 (1908) 6 CLR 309 at 367.

154 *Union Label Case* (1908) 6 CLR 469 at 534.

155 199 US 437 at 448 (1905).

156 *Dred Scott v Sandford* 60 US 393 at 398 (1856). The case held that the Congress had exceeded its authority when it forbade or abolished slavery in territories because no such power could be inferred from the Constitution. It also held that although blacks could be citizens of a State they were not citizens of the United States having concomitant rights to sue in federal courts.

157 60 US 393 at 426 (1856); see also *Re Wakim; Ex parte McNally* (1999) 73 ALJR 839 at 878; 163 ALR 270 at 323-324.

approach, it was natural enough to search for the meaning and purpose of the "trade mark" or patents power in the understanding of those terms in 1900. Certainly, that is the idea which reinforces the reasoning of the majority in the *Union Label Case*. It explains how, by the narrow view which they adopted, the label there propounded was held not to be a "trade mark" within the constitutional grant with respect to such matters.

#### Inappropriateness of the 1900 criterion

110 There are many reasons why the foregoing approach, however correct it may have seemed when it was adopted by this Court in 1908, should no longer be observed as a criterion for constitutional elaboration of s 51(xviii) today.

111 First, those who were present at the conventions which framed the Constitution are long since dead. They did not intend, nor did they enjoy the power, to impose their wishes and understandings of the text upon contemporary Australians for whom the Constitution must, to the full extent that the text allows, meet the diverse needs of modern government<sup>158</sup>. Once the Constitution was made and brought into law, it took upon itself the character proper to an instrument for the governance of a new federal nation. A constitution is always a special law. It is quite different in function and character from an ordinary statute. It must be construed accordingly. Its purpose requires that the heads of lawmaking power should be given an ample construction because their object is to afford indefinitely, and from age to age, authority to the Federal Parliament to make laws responding to different times and changing needs.

112 Although it is sometimes helpful, in exploring the meaning of the constitutional text, to have regard to the debates in the Constitutional Conventions that led to its adoption<sup>159</sup> and other contemporary historical<sup>160</sup> and legal<sup>161</sup> understandings and presuppositions, these cannot impose unchangeable meanings upon the words. They are set free from the framers' intentions. They are free from the understandings of their meaning in 1900 whose basic relevance is often propounded to throw light on the framers' intentions. The words gain

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**158** *Re Wakim; Ex parte McNally* (1999) 73 ALJR 839 at 878; 163 ALR 270 at 324; cf Inglis Clark, *Studies in Australian Constitutional Law*, (1901 edition; 1997 reprint) at 21.

**159** *Cole v Whitfield* (1988) 165 CLR 360; *Ha v New South Wales* (1997) 189 CLR 465 at 514.

**160** *Ha v New South Wales* (1997) 189 CLR 465 at 494.

**161** As was done by Isaacs J and Higgins J in the *Union Label Case* (1908) 6 CLR 469.

their legitimacy and legal force from the fact that they appear in the Constitution; not from how they were conceived by the framers a century ago.

113 Secondly, it is increasingly understood that the ultimate foundation for the authority of the Australian Constitution is not its enactment by a statute of the Imperial Parliament, as was formerly believed<sup>162</sup>. Historically, that is undoubtedly what happened; but only after thorough debate of the draft Constitution by most of the Australian people and acceptance of its terms by the electors then entitled to vote<sup>163</sup>. It is nearly seventy years since the United Kingdom Parliament renounced any lingering claims to legislative powers over Australia (save possibly at the request of Australia's own legislatures)<sup>164</sup>. The United Kingdom is, in relation to Australia, a foreign state<sup>165</sup>. Even in 1908, Isaacs J asserted that the grant of legislative power to the Federal Parliament had afforded it, in the matters specified, the same ample lawmaking powers as the Imperial Parliament then enjoyed<sup>166</sup>. The end of Imperial legislative authority over Australia having occurred long ago, it is inaccurate, in my view, to govern the meaning of the Australian Constitution wholly, or even in part, by reference to what was in the minds of the Imperial legislators in 1900 or of the Australian colonists who proposed the Constitution to them at that time.

114 Thirdly, since the *Engineers' Case*<sup>167</sup>, the approach to the powers of the Australian Federal Parliament has been a distinct one, different from that adopted in other federations, specifically the United States of America<sup>168</sup>. The suggested constraints of federal implications or State immunities were overthrown. They

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162 *Commonwealth of Australia Constitution Act 1900* (Imp) (63 & 64 Vict c 12).

163 *McGinty v Western Australia* (1996) 186 CLR 140 at 237; cf Kirby, "Deakin: Popular Sovereignty and the true foundation of the Australian Constitution", (1996) 3 *Deakin Law Review* 129 at 135-139.

164 Statute of Westminster 1931 (UK); cf *Australia Act 1986* (Cth), s 1; *Australia Act 1986* (UK), s 1 and each State, eg *Australia Acts (Request) Act 1985* (NSW); *McGinty v Western Australia* (1996) 186 CLR 140 at 237.

165 *Sue v Hill* (1999) 73 ALJR 1016; 163 ALR 648.

166 *Union Label Case* (1908) 6 CLR 469 at 559; cf Constitution, s 51(xxxviii).

167 *Amalgamated Society of Engineers v Adelaide Steamship Co Ltd* (1920) 28 CLR 129.

168 (1920) 28 CLR 129 at 146-148.

were replaced by a rule, derived from earlier Privy Council opinions<sup>169</sup> to the effect that "if the text is explicit the text is conclusive, alike in what it directs and what it forbids"<sup>170</sup>. This was the approach which Isaacs J foreshadowed in the *Union Label Case*. It is similar to the approach which Higgins J took. It is an approach compatible with the view of the constitutional text released from conceptions derived by searching for meanings in 1900.

115 As Windeyer J was to explain in the *Payroll Tax Case*<sup>171</sup>, the advent of the decision in the *Engineers' Case* did not mean that "the original judges of the High Court were wrong in their understanding of what at the time of federation was believed to be the effect of the Constitution and in reading it accordingly"<sup>172</sup>. The approach of the *Engineers' Case* was simply "a consequence of developments that had occurred outside the law courts as well as a cause of further developments there"<sup>173</sup>. Although this approach, which expands the powers of the Federal Parliament in the Australian Commonwealth at the expense of the States, has been criticised by some textwriters<sup>174</sup> and has even been called a "debilitating blow to federalism"<sup>175</sup>, it has enjoyed on this Court staunch defenders<sup>176</sup>. It was not in question in these proceedings.

116 Fourthly, whilst remarks are occasionally offered which suggest that the search for the meaning of constitutional provisions is one directed to "give effect to the intention of the makers of the Constitution as evinced by the terms in which they expressed that intention"<sup>177</sup> and whilst that methodology would lend

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169 *R v Burah* (1878) 3 App Cas 889 at 904-905; *Attorney-General for Ontario v Attorney-General for Canada* [1912] AC 571.

170 *Attorney-General for Ontario v Attorney-General for Canada* [1912] AC 571 at 583.

171 *Victoria v The Commonwealth* (1971) 122 CLR 353.

172 *Victoria v The Commonwealth* (1971) 122 CLR 353 at 396.

173 *Victoria v The Commonwealth* (1971) 122 CLR 353 at 396.

174 See eg Fraser, *The Spirit of the Laws: Republicanism and the Unfinished Project of Modernity*, (1990) at 244-245.

175 Meale, "The History of the Federal Idea in Australian Constitutional Jurisprudence: A Reappraisal", (1992) 8 *Australian Journal of Law and Society* 25 at 55.

176 eg (1981) 148 CLR v at x (retirement speech) per Barwick CJ.

177 *Re Wakim; Ex parte McNally* (1999) 73 ALJR 839 at 848; 163 ALR 270 at 283.

some support to the exploration of the "intention of the makers of the Constitution" in 1900, I do not believe that it represents the approach which the Court has generally adopted in more recent years. It could not, in my view, easily be reconciled with the opinion in *Sue v Hill*<sup>178</sup> to the effect that the United Kingdom, for the purposes of s 44(i) of the Constitution, is a "foreign power". At the time of federation, and even when the *Engineers' Case* was decided, this Court declared that one of the "cardinal" features of the Australian Constitution was the "common sovereignty of all parts of the British Empire"<sup>179</sup>.

117 A change of meaning has sometimes been explained by reference to the supposed alteration of the "denotation"<sup>180</sup> of a word itself of unchanging "connotation". But this linguistic device does not disguise the fact that the Court's search has become one for the contemporary meaning of constitutional words, rather than for the meaning which those words held in 1900<sup>181</sup>. The holding in *Sue v Hill* cannot stand with an approach to constitutional elaboration by reference to "original intent". A better illustration of the error to which that doctrine leads in constitutional construction cannot be afforded than that given in the *Dred Scott Case*<sup>182</sup> to which O'Connor J appealed in the *Union Label Case*<sup>183</sup> in explaining why he approached the meaning of s 51(xviii) by reference to the legal understanding of its words in 1900.

118 The foregoing considerations lead me to the opinion that the notion that language in the Australian Constitution is "changeless" in "nature and meaning"<sup>184</sup> no longer represents the contemporary approach of this Court to constitutional elaboration. In the controversy now before this Court I would not, therefore, give meaning to the word "patents" by reference to the understanding of that word in 1900. I do not believe the ascertainment of that meaning in 1900 is crucial or even important. What is to be put in the place of that approach?

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178 (1999) 73 ALJR 1016 at 1036, 1048-1049; 163 ALR 648 at 675, 692-693; *Re Wakim; Ex parte McNally* (1999) 73 ALJR 839 at 848; 163 ALR 270 at 283.

179 (1920) 28 CLR 129 at 146.

180 cf Goldsworthy, "Originalism in Constitutional Interpretation", (1997) 25 *Federal Law Review* 1 at 31-32.

181 Kirk, "Constitutional Interpretation and a Theory of Evolutionary Originalism", (1999) 27 *Federal Law Review* 323.

182 *Dred Scott v Sandford* 60 US 393 (1856).

183 *Union Label Case* (1908) 6 CLR 469 at 534.

184 *Union Label Case* (1908) 6 CLR 469 at 534 per O'Connor J.

The contemporary meaning of "patents of inventions"

- 119 In securing the meaning of a constitutional head of legislative power with respect to "patents of inventions" it is essential to start with a reminder that the task in which the Court is engaged is one of constitutional elaboration. First, the words used must be given "their plain and natural meaning"<sup>185</sup>, but read in the context of an instrument of government designed to address the assignment of lawmaking powers generally for an entire nation and in a document highly resistant to formal change<sup>186</sup>. Unless there is something in the context of the rest of the Constitution to indicate that a narrower interpretation will "best carry out its object and purpose", ambiguities must be resolved in favour of a broad interpretation, given that the words appear in a Constitution<sup>187</sup>. Because what is under scrutiny is the grant of a lawmaking power for the future, designed to extend to possibilities difficult or impossible to conceive at the time of the grant, what is committed to the Federal Parliament under s 51(xviii) is not the class of particular patents but the whole subject of lawmaking on patents of inventions<sup>188</sup>. This was the foundation of the difference between the majority and the dissentients in the *Union Label Case* in relation to trade marks. Isaacs J, in a hint of the *Engineers' Case* yet to come, stressed the "plenary character of powers" in s 51(xviii)<sup>189</sup>. Higgins J, to like effect, in rejecting the attempt to impose on the construction so "rigidly and narrowly"<sup>190</sup>, emphasised the amplitude of the ambit and circumference of the power<sup>191</sup>, and demanded that account should be taken of the fact that it appeared within a constitutional instrument whose purpose was therefore to deal with a "whole *subject*"<sup>192</sup>. If it was natural for the original Justices to look back to 1900, it is not necessary today.

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**185** *Australasian Temperance and General Mutual Life Assurance Society Ltd v Howe* (1922) 31 CLR 290 at 302 per Isaacs J.

**186** *McCulloch v Maryland* 17 US 315 at 406-407 (1819).

**187** *Jumbunna Coal Mine, No Liability v Victorian Coal Miners' Association* (1908) 6 CLR 309 at 367-368 per O'Connor J.

**188** *Union Label Case* (1908) 6 CLR 469 at 603, 610 per Higgins J.

**189** *Union Label Case* (1908) 6 CLR 469 at 585.

**190** *Union Label Case* (1908) 6 CLR 469 at 600.

**191** *Union Label Case* (1908) 6 CLR 469 at 604.

**192** *Union Label Case* (1908) 6 CLR 469 at 610. Emphasis in original.

120 Secondly, it is essential to notice, as indeed Griffith CJ did, that the particular powers appearing in s 51(xviii) present themselves in a context where they are accompanied by other distinct but like notions. Griffith CJ explained that<sup>193</sup>:

"[T]he first observation that occurs is that trade marks are grouped with copyrights and patents of inventions and designs, the whole forming a class of property of a special kind, in the nature of monopoly".

121 Although Griffith CJ considered that the class was confined to the subject matters of the international convention which, before 1900 had been made between the United Kingdom and other countries<sup>194</sup>, it would be wholly anachronistic to limit the power conferred on the Parliament by reference to that convention's terms. Whilst the expressions appearing in s 51(xviii) are distinct and different, subsequent cases in this Court have continued to explore what it is that the identified categories have in common. In *Nintendo Co Ltd v Centronics Systems Pty Ltd*, the Court explained by reference to s 51(xviii) that<sup>195</sup>:

"It 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*. It is of the nature of such laws that they confer such rights on authors, inventors and designers, other originators and assignees and that they conversely limit and detract from the proprietary rights which would otherwise be enjoyed by the owners of affected property. Inevitably, such laws may, at their commencement, impact upon existing proprietary rights."

122 Each of the categories mentioned in the paragraph must be given its full meaning. However, the appearance of each category (including "patents") within the context of other kinds of rights sharing in common temporary, monopolistic or oligopolistic characteristics, reinforces the amplitude of the grant. It is not

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**193** *Union Label Case* (1908) 6 CLR 469 at 503.

**194** *Union Label Case* (1908) 6 CLR 469 at 503, 507. The International Convention for the Protection of Industrial Property signed in Paris, 20 March 1883 was recited to be between *inter alios* the Emperor of Brazil, the King of Italy, the King of Portugal, the King of Servia (sic). Following the *Patents Designs and Trade Marks Act* 1883 (UK) (46 & 47 Vict c 57), the Queen in 1884 acceded to that Convention. Three Australian colonies, before 1901, became parties.

**195** (1994) 181 CLR 134 at 160 per Mason CJ, Brennan, Deane, Toohey, Gaudron and McHugh JJ. Emphasis added.

unlimited. But neither is it narrow. And the collection of rights mentioned in the grant strengthens the pre-supposition that the Federal Parliament in Australia is to enjoy a most ample lawmaking power in respect of "products of intellectual effort" as that notion may itself expand, in part as a by-product to the very inventiveness which it empowers the Parliament to protect.

123 Thirdly, it is a mistake, in such circumstances, to confine the grant of power by reference to non-essential features of the historic developments of "patents" any more than of "trade marks". These were the points repeatedly made in the *Union Label Case* by Isaacs J and Higgins J and I agree with them. Thus, Isaacs J insisted that the search was ultimately not for the procedural or substantive incidents of "trade marks" as they had developed in England up to 1900. Instead, it was for something more fundamental and enduring (and therefore released from such a reference point). He described it as a search for the "really essential characteristics"<sup>196</sup>, the "universal element"<sup>197</sup>, the "fundamental conception"<sup>198</sup> or the "essential particulars"<sup>199</sup>. To the same effect, Higgins J described the search as being for the "essential *differentia*"<sup>200</sup>. Once the subject of the enquiry is addressed by reference to such essentials, the mind is necessarily freed from the preconceptions found in books of statutes and decisional authority concluding, with semi-arbitrariness, at the moment in 1900 that the Australian Constitution was enacted.

124 Fourthly, it is true that in the case of s 51(xviii) the words used are descriptions of particular legal categories. To that extent they may be contrasted with other paragraphs which refer to words in everyday use, words of given technology<sup>201</sup> or words concerned with particular places<sup>202</sup>. That fact, in the case of s 51(xviii), makes it more appropriate than otherwise to ascertain the legal content which such expressions as "copyrights", "patents of inventions and

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**196** *Union Label Case* (1908) 6 CLR 469 at 560.

**197** *Union Label Case* (1908) 6 CLR 469 at 572.

**198** *Union Label Case* (1908) 6 CLR 469 at 577.

**199** *Union Label Case* (1908) 6 CLR 469 at 581 citing *People v Fisher* 50 Hun 552; 3 NY Supp 786 (1889).

**200** *Union Label Case* (1908) 6 CLR 469 at 606.

**201** See eg s 51(v).

**202** See eg s 52(i); cf *Re Governor, Goulburn Correctional Centre; Ex parte Eastman* (1999) 73 ALJR 1324 at 1328, 1329, 1339, 1347; 165 ALR 171 at 175-176, 177-178, 192, 202-203.



designs" and "trade marks" hold according to legal understanding<sup>203</sup>. But this is not a reason to assume that, unlike other heads of legislative power conferred by s 51, that relating to "patents of inventions" is fixed at its meaning in 1900, or controlled by the legislative and common law understandings developed to that time. In the *Union Label Case*, Higgins J pointed out that trade marks were used long before courts and legislatures took them up and regulated them in the nineteenth century<sup>204</sup>. They therefore had a meaning broader than that assigned to them by those sources. And once expressed in the Constitution, the words were set free.

125 In a class similar to the categories appearing in s 51(xviii) are other paragraphs in s 51 such as "bankruptcy and insolvency"<sup>205</sup>, "marriage"<sup>206</sup> and "divorce and matrimonial causes"<sup>207</sup>. It would be astonishing if these expressions, although of legal connotation, were to be limited to the understanding which such concepts enjoyed amongst lawyers in 1900 or even that such concepts would be taken as an important point of reference for contemporary understandings. It would put a grave and unnecessary restriction on innovation which would contradict the constitutional function of the paragraphs.

126 Just as the ambit of "bankruptcy and insolvency" and "divorce and matrimonial causes" has expanded greatly since 1900, so may the concept of "patents of inventions". This point was neatly made by Higgins J in the *Union Label Case* by reference to the power to make laws with respect to "marriage"<sup>208</sup>:

"[T]he Parliament has power to make laws as to 'marriage'. But, according to the plaintiffs, if marriage with a deceased wife's sister had not been validated before Federation, the Federal Parliament could not validate it. For the word 'marriage' did not, strictly speaking, include such a union – the union was voidable by judicial proceedings (absolutely void in Britain ...).

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203 See *R v Slator* (1881) 8 QBD 267 at 272.

204 *Union Label Case* (1908) 6 CLR 469 at 604; see also Sherman and Bentley, *The Making of Modern Intellectual Property Law: The British Experience 1760-1911*, (1999) at 98 who make the point that the law of copyright patents, designs and trade marks was fluid and open during the 18th and 19th centuries.

205 s 51(xvii).

206 s 51(xxi).

207 s 51(xxii).

208 *Union Label Case* (1908) 6 CLR 469 at 601-602.

Then, Parliament is given power to make laws with respect to 'parental rights;' is it to be restricted to parental rights as recognized in 1900? ... Many other illustrations may be given on a consideration of the other subjects entrusted to this Parliament".

127 More recently, in relation to the "marriage" power, McHugh J, whilst acknowledging that in 1901 "marriage" was understood as meaning "a voluntary union for life between one man and one woman to the exclusion of all others", speculated as to whether the Federal Parliament would not today enjoy "the power to legislate for same sex marriages" [because] "arguably 'marriage' now means, or in the near future may mean, a voluntary union for life between two *people* to the exclusion of others"<sup>209</sup>. This observation was noticed by the House of Lords in *Fitzpatrick v Sterling Housing Association Ltd*<sup>210</sup>. Their Lordships concluded that a reference to "family" in United Kingdom rent protection legislation of 1920 extended today to the survivor of a same-sex union. This could scarcely have been within the contemplation, still less the "intention" or purpose, of the British Parliament in 1920. It presents a particularly vivid illustration of the way that words in statutes are not fixed for their meaning by reference to the understanding of that meaning at the time of enactment. What is true of an ordinary statute is much more applicable to a constitutional text which may not so easily be changed and which is intended to operate indefinitely as a source for future legislation.

128 Fifthly, this does not mean that a word, whether of legal connotation or otherwise, is devoid of any content and may take on any meaning that the Parliament chooses to assign to it. In the *Union Label Case*, Higgins J pointed this out by reference to a supposed attempt to describe a will as a trade mark and thereby to secure federal legislative powers over wills<sup>211</sup>. This would be a sham. It would be the duty of this Court to declare such an attempt beyond power. Obviously, the Court must characterise the limits of the legislative power over "patents" as it must over "trade marks", "copyright" and any other subject matter of the Constitution. It does so by identifying the "really essential characteristics"<sup>212</sup> of the notion referred to.

129 What constitute such "really essential characteristics" may grow and expand, or may contract over time. But the key to finding the meaning is not to be discovered in the statutes and case books before and at 1900 or in the

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**209** *Re Wakim; Ex parte McNally* (1999) 73 ALJR 839 at 850; 163 ALR 270 at 286.

**210** [1999] 3 WLR 1113; [1999] 4 All ER 705.

**211** *Union Label Case* (1908) 6 CLR 469 at 614 per Higgins J.

**212** *Union Label Case* (1908) 6 CLR 469 at 560 per Isaacs J.

intentions of the framers of the Constitution adopted immediately before and given effect in that year. Because this is a constitution that we are interpreting, the Court's function is different<sup>213</sup>:

"There is one governing principle ... [t]o ascertain the really essential characteristics of a trade mark it is necessary to distinguish what is merely occasional, though frequent, and to strip the expression of everything that is not absolutely fundamental. If we find some attribute universally attaching to the idea in all circumstances, that attribute is probably indispensable; but if any feature, however usual its presence may be, is not invariably existent, if trade marks ... can be found without that feature, it cannot, I apprehend, be asserted that the fundamental concept includes the variable feature ... The fundamental concept once ascertained, the power is unlimited."

As of "trade marks" so of "patents of inventions".

Patents: the subject matter demands a broad meaning

130 There is one further consideration which suggests that the reference to the categories of legal rights contained in s 51(xviii) should be given a specially broad interpretation, released from the conceptions of 1900. If, as this Court has held, the feature which links the rights provided in s 51(xviii) is the "enforcement of, intellectual property rights in original compositions, inventions, designs, trade marks and other products of intellectual effort"<sup>214</sup>, there are special reasons why no narrow approach to the power, found by worrying about the conceptions common in 1900 or otherwise, should be imposed on this particular paragraph.

131 A universal feature of the twentieth century has been the dynamic progress and momentum of science and technology. The principal inventions of the century, which include flight, applied nuclear fission, informatics and biogenetics were all undiscovered, and for the most part unconceived, in 1900. Yet the Constitution certainly envisaged that the Commonwealth was entering an age of special technological inventiveness. So much can be seen in the specific provision of the post and telecommunications power in such wide terms<sup>215</sup>.

132 Given the objects of the head of power, which include the facilitation and protection of intellectual inventiveness within Australia, it would be specially destructive of the achievement of those objects if the grant of power were to be

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**213** *Union Label Case* (1908) 6 CLR 469 at 560 per Isaacs J.

**214** *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134 at 160.

**215** s 51(v).

attached – even as a primary reference point – to the particular notions which, up to 1900, "copyrights, patents of inventions and designs and trade marks" had been protected by the law. I do not believe that such an approach is necessary. It is certainly not desirable. The provision of copyright protection of genetically modified organisms<sup>216</sup> had certainly never been contemplated before 1900. This is for the very good reason that the science and technology of genetic modification was unknown at that time. It is unnecessary now to decide whether copyright law does or could extend to genetically modified organisms. It is sufficient to note that the issue is one of lively intellectual debate<sup>217</sup>.

- 133 To the full extent that the language of the Constitution warrants and that other important values which it upholds permit<sup>218</sup>, meaning should be given to a provision such as s 51(xviii) in a way that allows the section to respond to the very great variety of inventiveness that may be considered by the Federal Parliament to necessitate protection for the "products of intellectual effort"<sup>219</sup>. The future directions of such inventiveness are unknowable and likely to outstrip even our present vivid imaginations. Whether in particular contexts special and even new forms of such protection are desirable is a matter for argument and dispute. But power being present, the proper place for that debate ordinarily to

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**216** Ludlow, "My pig is a work of art: Copyright protection for genetically modified organisms in Australia", (1999) 4 *Media and Arts Law Review* 141.

**217** See eg Stanley and Ince, "Copyright Law in Biotechnology: A View from the Formalist Camp", [1997] 3 *European Intellectual Property Review* 142; Eisenberg, "Intellectual property issues in genomics", (1996) 14 *Trends in Biotechnology* 302; Karnell, "Protection of Results of Genetic Research by Copyright or Design Rights?", [1995] 8 *European Intellectual Property Review* 355; Speck, "Genetic Copyright", [1995] 4 *European Intellectual Property Review* 171; Kayton, "Copyright in Living Genetically Engineered Works", (1982) 50 *George Washington Law Review* 191.

**218** No absolute or unlimited rule may be stated. The protection of intellectual property rights must be afforded in a constitutional setting which upholds other values of public good in a representative democracy. In the United States the relevant head of constitutional power has been viewed as containing in-built limitations many of which are derived from the competing constitutional objective of public access to information: *Graham v John Deere Co* 383 US 1 at 6 (1966); *Feist Publications, Inc v Rural Telephone Service Co, Inc* 499 US 340 at 348 (1991). In Australia, the constitutional setting is different but the existence of competing constitutional objectives, express and implied, is undoubted. See generally Lessig, *Code and Other Laws of Cyberspace*, (1999) at 131, 133-134.

**219** *Nintendo Co Ltd v Centronics Systems Pty Ltd* (1994) 181 CLR 134 at 160.

occur is in the Parliament and in the Australian community which helps to shape the Parliament's decisions.

134 In the United States, where the constitutional head of power authorises the Congress "to promote the Progress of Science and useful Arts" by granting exclusive rights to authors and inventors "for limited Times"<sup>220</sup>, the Supreme Court at first construed the power narrowly. It was seemingly influenced by a preference for free competition over private rewards and incentives<sup>221</sup>. In time, the Supreme Court came to recognise the legitimacy of a system "in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition"<sup>222</sup>. In 1989, the Court struck down State legislation found to encroach on the federal design patent law<sup>223</sup>. Some of the doctrine in the United States courts has been influenced by First Amendment jurisprudence which may occasionally be antithetical to the suggested removal of existing knowledge from the public domain<sup>224</sup>. However, the advent of biogenetically engineered organisms<sup>225</sup> and of inventions in the field of information technology<sup>226</sup> have stimulated an apparently increased willingness on the part of United States courts to recognise the way in which patents and analogous forms of legal protection can sometimes encourage technological innovation to the economic and social benefit of the United States and beyond. The specific inclusion of s 51(xviii) in the Australian Constitution affords a further reason for assigning to s 51(xviii) a meaning that permits the protection of "products of intellectual effort" in the variety in which such products now manifest themselves and the even greater variety in which they can be expected to appear in the future.

135 Upon this basis, the lawmaking power with respect to "patents of inventions" within s 51(xviii) involves the provision by the state to the grantee of exclusive rights for a limited time to exploit, and to authorise other persons to exploit, a novel object or process of potential benefit to the community in respect

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**220** Constitution of the United States of America, Art 1, s 8.

**221** *Winans v Denmead* 56 US 330 (1853); *Graver Tank & Mfg Co Inc v Linde Air Products Co* 339 US 605 (1950).

**222** *Sears, Roebuck & Co v Stiffel Co* 376 US 225 at 230-231 (1964).

**223** *Bonito Boats, Inc v Thunder Craft Boats, Inc* 489 US 141 (1989).

**224** *Graham v John Deere Co* 383 US 1 (1966).

**225** *Diamond v Chakrabarty* 447 US 303 (1980).

**226** *Diamond v Diehr* 450 US 175 (1981).

of which a patent may be granted and which is recorded in a public register upon conditions of disclosure. This is the bedrock<sup>227</sup>. Nothing more is required by the "really essential characteristics" of "patents of inventions".

136 On this footing the plaintiff's submissions (and those of the State of Western Australia, intervening in its support), as recorded in the joint reasons, do not cast any doubt on the validity of the Varieties Act or the Breeder's Rights Act, there described. I reach this conclusion not on the basis of the meaning of s 51(xviii) of the Constitution according, or even by reference, to the accepted understandings of the terms used in 1900. I reach my conclusion in accordance with what I take to be the meaning of the phrase "patents of inventions", in its "really essential characteristics"<sup>228</sup> as understood in a constitutional context in Australia today.

### Orders

137 I agree in the orders proposed.

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**227** cf *Feist Publications, Inc v Rural Telephone Service Co, Inc* 499 US 340 at 347 (1991).

**228** *Union Label Case* (1908) 6 CLR 469 at 560 per Isaacs J.