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Recent Fed. Circ. Patent Eligibility Rulings Offer Drafting Tips

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In the last few weeks, the U.S. Court of Appeals for the Federal Circuit has decided a trio of appeals related to when sufficient facts exist for courts to deny motions to dismiss on patent eligibility.

These decisions have largely, though not entirely, favored patent owners, generally finding sufficient facts were pled in the complaint to overcome a motion to dismiss that the asserted patents are invalid for covering ineligible subject matter under Title 35 of the U.S. Code, Section 101.

Turning on whether the complaint provides sufficient facts that the asserted claims contain an inventive concept per the second step of the U.S. Supreme Court's Alice test for patent eligibility, these decisions provide four pointers for drafting complaints with sufficient eligibility facts to survive a motion to dismiss.

Patents with a common specification should be separately analyzed for eligibility.

In the Oct. 13 Weisner v. Google LLC decision,[1] the Federal Circuit **found** that two patents-in-suit, U.S. Patent Nos. 10,394,905 and 10,642,911, were plausibly patent eligible even though they contained a common specification with two other patents-in-suit, U.S. Patent Nos. 10,380,202 and 10,642,910, that were found patent ineligible.

That was because the '905 and '911 patent claims contained a key limitation related to using physical location data for web searches that was omitted in the other two patents-in-suit. According to the Federal Circuit opinion, the U.S. District Court for the Southern District of New York, which considered the four patents together and found all of them patent ineligible, "erred by failing to separately analyze" each patent, including the significant differences in claim scope.

More specifically, the common specification disclosed a system that records the exchange of electronic business card or other information between members, as well as the time and place of the physical encounters. In some embodiments disclosed in the specification — and claimed in only the '905 and '911 patents — a member's travel history could be used to enhance web searching results by prioritizing the search results based on cross-referencing with another member that visited common physical locations.

The '905 and '911 patents were plausibly patent eligible even though the claims were directed to the abstract idea of "using travel histories to improve computerized search results" because the claims recited a "specific implementation of the abstract idea that purports to solve a problem unique to the Internet," according to the Federal Circuit.

The complaint sufficiently alleged that the claims recited an improvement over conventional web searches that ranked, for example, by highest-ranking URLs, and did not consider physical encounters with other individuals as recited in the claims. The "claims plausibly provide a solution to an Internet-centric problem regarding web searches, allowing for more personalized search results than conventional methods," according to the Federal Circuit.

Thus, the court found that the patent owner had pled sufficient facts with respect to the '905 and '911 patents such that the district court should have denied the motion to dismiss as to these patents. Because the other two patents, the '202 and '910 patents, contained claims merely reciting the abstract idea of recording physical location data without also claiming the notion of web searches, the court held that there was no inventive concept in the '202 and '910 patent claims.

Claims reciting a specific way to solve a problem avoid the generic claiming problem.

The Weisner court reiterated the problems the Federal Circuit has repeatedly stated with "broadly and generically claiming use of the Internet to perform an abstract business practice with insignificant added activity."[2]

While the court did not articulate precisely at what point claims provide more than "insignificant added activity" to become patent eligible, the court found that the claims at issue in the '905 and '911 patents had met this threshold by including the claimed element of using a location relationship with a reference individual.

Notwithstanding U.S. Circuit Judge Todd M. Hughes' dissent that this was not a meaningful addition to the abstract idea of using travel histories to improve computerized search results, the majority of the court found that the claims recited sufficient "specificity as to the mechanism through which they achieve improved search results" because the claims recited using a location relationship with a reference individual.

The prosecution history may be a source of factual evidence of inventive concept.

While patent owners commonly cite to the specification for factual support of an inventive concept, the prosecution history should not be overlooked as a source of additional facts to include in the complaint.

In the Sept. 28 Cooperative Entertainment Inc. v. Kollective Technology Inc. decision,[3] the Federal Circuit reversed the dismissal of patent ineligibility because the U.S. District Court for the Northern District of California overlooked factual evidence of inventive concept. The district court broadly found the claims related to the abstract idea of "the preparation and transmission of content to peers through a computer network."

The Federal Circuit found that the patent owner had sufficiently pled at least two alleged inventive concepts which should have precluded ineligibility at the motion to dismiss stage, one related to use of peer nodes to distribute content and a second related to using trace routes to segment content.

Notably, with respect to both of these plausibly inventive concepts, the Federal Circuit quoted the examiner's reasons for allowance as relevant factual evidence that the concepts were plausibly inventive and not routine, common, and conventional.

The court also looked to the patent owner's statements during the prosecution history that "using trace routes in segmenting content was inventive and improves efficiency" and a distinction over the prior art of record as additional relevant factual evidence of inventive concept.

Expert declarations will not necessarily save ineligible claims.

In the Oct. 17 International Business Machines Corp. v. Zillow Group Inc. decision,[4] the Federal Circuit found that the patents were ineligible despite the fact that the patent owner had attached an expert declaration to the complaint attesting to alleged benefits of the claims over the prior art.

The technology at issue related to graphical displays. Despite the patent owner's expert's declaration that the claims helped to reduce "cluttered display[s]" on computer screens, the Zillow court was not persuaded that the patent owner had pled sufficient facts to preserve patent eligibility.

The Zillow court emphasized that the allegedly inventive features identified by the expert "could also be performed by hand, though more slowly … but it could be done." In addition, the Zillow court stated that the patent owner did not show an inventive concept when "the patent's improved efficiency comes not from an improvement in the computer but from applying the claimed abstract idea to a computer display."

Thus, the fact that the graphical display technology recited in the claims could be applied to a computer was not sufficient because there was an insufficient showing of how the claims improved computer technology.

Notwithstanding the fact that the expert declaration did not save the claims in this instance, it is not necessarily a bad idea to include an expert declaration as an additional source of potential fact issues supporting an inventive concept.

In fact, U.S. Circuit Judge Kara Farnandez Stoll stated in dissent that the majority of the court overlooked factual issues of inventive concept for at least some of the asserted claims based in part on the existence of the expert declaration.

Conclusion

Patent practitioners should keep abreast of recent decisions in patent eligibility law, particularly when drafting complaints. The three recent cases from the Federal Circuit discussed in this article provide several pointers for drafting complaints as explained above.

At bottom, drafting strong complaints that assert an inventive concept with specific facts, which may come from the specification, prosecution history, or another source, as to how the claims provide specific solutions that improve the prior art continues to be the best way to defeat a patent eligibility motion.

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[1] Weisner v. Google LLC, Appeal No. 2021-2228 (Fed. Cir. Oct. 13, 2022), available at 21-2228.OPINION.10-13-2022_2017814.pdf (uscourts.gov).

[2] Internal quotation marks, brackets, and parenthesis omitted.

[3] Cooperative Entertainment, Inc. v. Kollective Technology, Inc., Appeal No. 2021-2167 (Fed. Cir. Sept. 28, 2022), available at 21-2167.OPINION.9-28-2022_2010108.pdf (uscourts.gov).

[4] International Business Machines Corp. v. Zillow Group, Inc., Appeal No. 2021-2350 (Fed. Cir. Oct. 17, 2022), available at 21-2350.OPINION.10-17-2022_2019539.pdf (uscourts.gov).