

Rebutting 101 Rejections Asserting 'Idea Of Itself': Part 1

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The examination of patent claims for subject matter eligibility under 35 U.S.C. § 101 is in a state of flux. Following the U.S. Supreme Court's decision in Alice Corp. v. CLS Bank, Int'l., twice now has the U.S. Patent and Trademark Office published guidance for patent examiners to follow when determining whether claims recite patent-eligible subject matter.

Each new guideline affords new bases for practitioners and applicants to rebut rejections under § 101. The most recent guidance, published in July, includes further information regarding how examiners should identify abstract ideas. One noteworthy new guideline suggests that examiners should not identify a claimed concept as an abstract idea “unless it is similar to at least one concept that the courts have identified as an abstract idea.”



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It is unclear how this particular guideline will play out in practice. Anecdotal evidence suggests that examiners are unsure of how to apply it in their analyses of subject matter eligibility. For example, it is not clear whether it directs examiners to simply identify which category of abstract ideas the claims at issue are most similar to, or to particularly identify within those categories which specific concept, previously identified to be a patent-ineligible abstract idea, the claims are most similar to. Clarification is surely needed.

But clarifications occur in the long term while office actions require responses in the short term. And issued patents do enjoy a presumption of validity. Therefore, in order to advance prosecution of their applications, practitioners and applicants may find it useful to distinguish their own claims from those courts have found to recite patent-ineligible abstract ideas.

The updated guidelines list those concepts courts have previously deemed to be patent-ineligible abstract ideas and identify the particular cases in which those concepts were deemed to be abstract. Courts have thus far recognized four categories of abstract ideas that include “an idea ‘of itself.’”

With respect to “an idea ‘of itself,’” some of the concepts previously held to be patent-ineligible abstract ideas are more specific while others are much broader — e.g., “collecting and comparing known information” and “data recognition and storage.” One can easily envision an examiner, acting in accordance with the updated guidelines, citing to one of these broad concepts to support a rejection under § 101, particularly with respect to computer- and software-implemented innovations.

Faced with such rejections, practitioners and applicants may find the following strategy useful when responding:

1. Identify the specific claims at issue in the case associated with the asserted abstract idea,

2. Identify the reasoning that court employed to conclude the previous claims recited a patent-ineligible abstract idea,
3. Distinguish the present claims by highlighting claim elements and features not present in the previous claims, and
4. Explain why the court's reasoning in that case does not apply to the present claims in view of those distinguishing aspects.

To assist practitioners and applicants with steps (1) and (2) above, this article reviews eight of the patent-ineligible concepts that have been categorized as "an idea 'of itself.'" The sections below review the claims at issue in each case as well as the reasoning the courts employed to conclude that the claimed concepts were abstract ideas. Armed with such information, this author hopes practitioners and applicants will be better equipped to respond to § 101 rejections that assert pending claims amount to "an idea 'of itself'" (or hopefully avoid such rejections altogether).

Part 1 of this article discusses the concepts of "collecting and comparing known information," "obtaining and comparing intangible data," and "using categories to organize, store, and transmit information." Additional concepts will be addressed in parts 2 and 3.

Collecting and Comparing Known Information

The Federal Circuit discussed "collecting and comparing known information" in the pre-Alice and pre-Mayo case of *Classen Immunotherapies Inc. v. Biogen IDEC*.^[1]

In *Classen*, the patents at issue were U.S. Pat. Nos. 6,638,739, 6,420,139, and 5,723,283 — each titled "Method and Composition for an Early Vaccine to Protect Against Both Common Infectious Diseases and Chronic Immune Mediated Disorders or Their Sequelae."

The claimed subject matter related to methods of identifying an immunization schedule with the lowest risk of later occurrence of chronic immune-mediated disorders and administering immunizations based on that schedule. Accordingly, the "known information" collected and compared in these patents related to the immunization results for different groups receiving different immunization schedules.

Claim 1 of the '739 patent and claim 1 of the '283 patent were selected as the representative claims.

Claim 1 of the '739 patent recited two steps: (1) comparing the incidence of the later occurrence of disorders between subject groups receiving different immunization schedules, and (2) immunizing a subject according to the lowest risk immunization schedule. Claim 1 of the '283 patent, however, lacked the immunization step.

Ultimately, the Federal Circuit concluded that the claims of the '739 and '139 patent recited patent-eligible subject matter by virtue of the step requiring performance of an immunization but concluded that the claims of the '283 patent, which lacked the immunization step, did not.

The Supreme Court's two-part test for subject matter eligibility established in *Mayo Collaborative Servs. v. Prometheus Labs. Inc.*^[2] arguably undermines the Federal Circuit's holding in *Classen*, in particular with respect to the second step that requires "significantly

more” than the asserted abstract idea. However, by including Classen in its most recent guidelines, the USPTO appears to take the position that this case still provides useful guidance for determining subject matter eligibility under § 101.

To reach its decision, the Federal Circuit asked whether the claimed methods recited purely mental steps or some physical step that would confer subject matter eligibility on the claims. While agreeing that the recited “determining” and “comparing” steps could be performed in the human mind, the Federal Circuit noted that “the presence of a mental step is not of itself fatal to § 101 eligibility.” With this in mind, the Federal Circuit held that actually performing an immunization according to a selected immunization schedule was a physical step resulting in a “specific, tangible application” sufficient to impart subject matter eligibility.

With respect to the machine-or-transformation test, the Federal Circuit held that the principles established in Prometheus Laboratories Inc. v. Mayo Collaborative Services[3] — relating to the transformative nature of administering drugs to treat a condition — were not relevant to claims that only required a review of known information and lacked any physical steps that applied that information (e.g., an immunization or drug administration step).

Practitioners and applicants may find additional useful commentary in Classen regarding mental steps and the machine-or-transformation in the context of claims reciting diagnostic and treatment techniques.

Obtaining and Comparing Intangible Data

The Federal Circuit addressed “obtaining and comparing intangible data” in the pre-Alice and pre-Mayo case of CyberSource Corp. v. Retail Decisions, Inc.[4]

In CyberSource, the representative claims at issue were claims 2 and 3 of U.S. Patent No. 6,029,154, titled “Method and System for Detecting Fraud in a Credit Card Transaction over the Internet.”

The claimed subject matter related to verifying Internet credit card transactions. Accordingly, the “intangible data” obtained and compared in CyberSource related to the Internet addresses associated with previous and current credit card transactions.

Claim 3 recited a method having three steps: (1) obtaining transaction information associated with the Internet address of a credit card transaction, (2) constructing a map of credit card numbers associated with that address based on that information, and (3) determining whether the current credit card transaction is fraudulent using that map. Claim 2 recited the method of claim 3 in the form of computer-readable media.

Ultimately, the Federal Circuit concluded that independent claims 2 and 3 of the ‘154 patent did not recite patent-eligible subject matter under § 101 because it found the claims only recited steps that could be performed entirely by a human. The Federal Circuit also held that the claims did not satisfy the machine-or-transformation test.

With respect to mental processes, the Federal Circuit analogized the claims to those at issue in Gottschalk v. Benson[5] and Parker v. Flook,[6] observing that, like the patent-ineligible methods at issue in those cases, the claims of the ‘154 patent could be performed entirely in the human mind or performed entirely by a human using a pen and paper.

In reaching these conclusions, the court made the following observations. First, the step of

“obtaining” previous transaction information could be performed by a human reading transaction records from a preexisting database. Second, a human could perform the step of “constructing” a map of credit card numbers by “writing down a list of credit card transactions made from a particular IP address.” And third, the step of “determining” the validity of a current transaction using the map of credit card numbers was broad enough to encompass the mental reasoning associated with observing that multiple transactions associated with different credit cards originated from the same IP address.

With respect to the machine-or-transformation test, the Federal Circuit held that the claims did not satisfy either the transformation or the machine prongs of the test.

For example, the Federal Circuit determined that the references to the Internet did not sufficiently tie the claims to a particular machine because the Internet was only being used as the source of the data for the fraud detection process and, as a data-gathering step, could not confer subject matter eligibility on the claims. The court also noted that the Internet itself does not perform the fraud detection steps.

The Federal Circuit also stated that the principle established by *In re Alappat*[7] — that programming a general purpose computer to perform an algorithm creates a new machine — did not apply to claim 2, noting that the Federal Circuit has never held the Alappat principle applies to claims reciting a computer that performs an algorithm that could be performed entirely within the human mind. The Federal Circuit distinguished the claims at issue from those where a computer is required to perform the claimed method, e.g., the claims at issue in *SiRF Tech. Inc. v. Int’l Trade Comm’n*[8] and *Research Corp. Techs. v. Microsoft Corp.*[9] With respect to a particular machine, the court stated that, in order to confer patent-eligible subject matter on a claim, a machine must play a significant part in permitting the claimed method to be performed.

With respect to transformations, the Federal Circuit acknowledged the manipulation and reorganization of transaction data that occurs when performing the claimed method, but stated that merely manipulating or reorganizing data does not satisfy the transformation prong.

Practitioners and applicants may likewise find additional useful commentary in *CyberSource* regarding mental steps and the machine-or-transformation in the context of claims involving computer-implemented steps.

Using Categories to Organize, Store and Transmit Information

Turning to a post-Alice and a post-Mayo case, the Federal Circuit discussed “using categories to organize, store, and transmit information” in *CyberFone Sys. v. CNN Interactive Grp.*[10]

In *CyberFone*, the representative claim at issue was claim 1 of U.S. Pat. No. 8,019,060 entitled “Telephone/Transaction Entry Device and System for Entering Transaction Data into Databases.”

The claimed subject matter related to separating transaction information received in a single telephone transmission for delivery to different destinations. Accordingly the information organized, stored, and transmitted using categories in *CyberFone* related to information entered by a user at a telephone.

Claim 1 recited a method having three steps: (1) obtaining data from a telephone

transmission, (2) forming multiple data transactions based on the data in the telephone transmission and (3) sending each of those data transactions to a respective destination.

Ultimately, the Federal Circuit concluded that claim 1 of the '060 patent did not recite patent-eligible subject matter under § 101 because it found the steps of the claim, either individually or as an ordered combination, did not amount to significantly more than categorical information storage.

The Federal Circuit held that claim 1 of the '060 patent failed to satisfy either step of the two-part Mayo test, i.e., that claim 1 recited an abstract idea without significantly more.

With respect to the first question of whether claim 1 recited an abstract idea, the Federal Circuit rejected CyberFone's argument that the claim 1 did not recite an abstract idea because a human could not perform the recited steps without the aid of a device. The court explained that patent-ineligible abstract ideas are not limited to only those methods that could be performed in the human mind and deemed categorical data storage (i.e., "collecting information in a classified form, then separating and transmitting that information according to its classification") to be well-established and thus also a patent-ineligible abstract idea.

With respect to the second question of whether claim 1 recited significantly more than the abstract idea of categorical information storage, the Federal Court rejected CyberFone's argument that claim 1 satisfied the machine-or-transformation test.

Regarding the recited telephone, the Federal Circuit again cited to SiRF Tech. noting that a machine must play a significant part in permitting the claim to be performed in order to impose a meaningful limitation on the claim. The court noted that, as recited, the telephone could be a range of different devices and that the claims lacked any reference to the data entry mode described in the '060 patent specification. The court thus held that the telephone was not a specific machine and failed to add anything significant to the claim. The court also found that any machines required to deliver the individual data transactions were not recited with sufficient particularity to be given consideration.

The Federal Circuit also held that forming data transactions from the telephone signal was not a meaningful transformation sufficient to satisfy the transformation prong of the test. The court observed that the individual data transactions did not change the content or classification of the data initially collected via the telephone.

Practitioners and applicants may again find additional useful commentary in CyberFone regarding the machine-or-transformation in the context of claims reciting specific machines and transformations of data.

Part 2

Looking ahead, the next part of this article will discuss following concepts: "comparing data to determine a risk level," "comparing new and stored information and using rules to identify options," "organizing information through mathematical correlations," and "comparing information regarding a sample or test subject to a control or target data."

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[1] 659 F.3d 1057 (Fed. Cir. 2011).

[2] 132 S.Ct. 1289. (2012).

[3] 628 F.3d 1347 (Fed. Cir. 2010).

[4] 654 F.3d 1366 (Fed. Cir. 2011).

[5] 409 U.S. 63 (1972).

[6] 437 U.S. 584 (1978).

[7] 33 F.3d 1526 (Fed. Cir. 1994).

[8] 601 F.3d 1319 (Fed. Cir. 2010).

[9] 627 F.3d 859 (Fed. Cir. 2010).

[10] 558 Fed. Appx. 988 (Fed Cir. 2014).

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