

WSPLA Presents:

Knobbe **Martens**

The Post-Alice v. CLS Bank Landscape

Panelists:

Bart Eppenauer (Shook Hardy & Bacon)

Paul Leblond (Google)

Larry Lycke (Physio-Control)

Moderator:

Maria Anderson (Knobbe Martens)

September 15, 2014

Question #1

Is the *Alice* decision an incremental change in the law regarding patent eligible subject matter or a marked shift?

Question #2

Is the sky falling on software, business methods, and certain types of biotech/personalized medicine technology in light of the *Alice* decision?

PTO Still Allowing Software Patents

Knobbe Martens



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

NOTICE OF ALLOWANCE AND FEE(S) DUE

79502 7590 07/30/2014
Knobbe, Martens, Olson & Bear, LLP
2040 Main Street
Fourteenth Floor
Irvine, CA 92614

EXAMINER

YOHANNES, TESFAY

ART UNIT

PAPER NUMBER

2441

DATE MAILED: 07/30/2014

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
	02/10/2012			3883

APPLN. TYPE	ENTITY STATUS	ISSUE FEE DUE	PUBLICATION FEE DUE	PREV. PAID ISSUE FEE	TOTAL FEE(S) DUE	DATE DUE
nonprovisional	UNDISCOUNTED	\$960	\$0	\$0	\$960	10/30/2014

- ▶ Office Action Statistics for Knobbe Martens (based on a representative sample of software applications) since July 7th
 - 21% (of 96 OAs) have had Alice rejections
 - The majority of the Alice rejections within this 21% have been in either Class 705 or 709 (Technology Centers 3600 and 2400)
 - OAs for apps in Class 705 and 709 have been received that have NOT had Alice rejections
 - There are areas more likely to raise rejections under the recent Alice decision
 - From other information gathered, classes 700–709, 715, 717, 726, and 434 are getting a lot of activity (particularly, class 705)

Allowance Statistics

- ▶ Applications were being pulled from allowance and issuance. This internal PTO review has now concluded.
- ▶ Examiners were asked to look at their own cases that were/are in an allowed state. SPE's and Tech Center experts were available/involved.
- ▶ Of a representative sample including 50 software applications between NOA and issuance
 - 2 were pulled from issuance
 - 15 of the 50 were in Class 709, none were withdrawn
 - 4 of the 50 were in Class 705, 2 were withdrawn

Question #3

What trends are you seeing by the PTO and the courts in applying *Alice*?

Question #4

How does a practitioner respond to an Alice rejection?

(Re)Apply the Mayo Framework – Part I

- ▶ What do you do when the Examiner asserts that your claims are directed to an abstract idea?
 - Avoid an esoteric discussion of what it means to be abstract
 - Instead, argue that the Examiner has taken the abstraction of the claims too far and/or in a manner that SCOTUS (and the PTO guidelines) cautioned against
 - Examiner has ignored meaningful claim recitations
 - Examiner’s “abstraction” is an over-simplification of the claimed recitations
 - The claims do not simply recite a fundamental economic practice, a method of organizing human activities, an idea of itself, or a mathematical relationship/formula (i.e., the examples enumerated in the PTO Guidelines)
 - Contrast the claims to the Alice/Bilski claims

(Re)Apply the Mayo Framework – Part I

- ▶ What ELSE can you do when the Examiner asserts that your claims are directed to an abstract idea?
 - Argue that the claimed subject matter is not “**long prevalent**” or “**fundamental**” and thus, grant of the claims would **NOT preempt** use in all fields or effectively grant a monopoly over an abstract idea/fundamental practice
 - This is essentially a reverse 102/103 argument
 - If there are other known ways (as evidenced by the cited art) of using what the Examiner has characterized as the abstract idea/fundamental practice, then there is no preemption
 - Point out the meaningful recitations of the claims that differentiate from other known uses of the abstract idea (note that recitations essential to any use of the abstract idea may not be considered “meaningful”)

(Re)Apply the Mayo Framework – Part II

- ▶ What do you do when the Examiner determines, after considering your elements individually and in combination, that they do NOT transform the nature of the claim into a patent-eligible application?
 - Do not concede (even implicitly) that the claims recite an abstract idea, or over-emphasize Part II
 - Instead, argue that the elements amount to **significantly more** than a patent upon the abstract idea itself (assuming *arguendo*, that the claims simply recite an abstract idea)
 - Point out those elements that are not “well-understood,” “routine” or “conventional” activities previously known to the industry
 - Emphasize how those elements, when considered in combination, do more than just “apply” the abstract idea using a computer

(Re)Apply the Mayo Framework – Part II

- Point out those elements (if present) noted in the PTO Guidelines that amount to “significantly more”
 - Improvements to another technology or technical field
 - Improvements to the functioning of the computer itself
 - Meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment

Question #5

What are the best patent application drafting strategies in light of Alice?

Question #6

What should a patent owner do about patents that have already been issued?

Question #7

What are your thoughts / predictions for
Ultramercial v. Hulu?

Claim 1 of the Ultramercial Patent

A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:

- a first step of receiving, from a content provider, media products that are covered by intellectual property rights protection and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
- a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, said second step including accessing an activity log to verify that the total number of times which the sponsor message has been previously presented is less than the number of transaction cycles contracted by the sponsor of the sponsor message;
- a third step of providing the media product for sale at an Internet website;
- a fourth step of restricting general public access to said media product;
- a fifth step of offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
- a sixth step of receiving from the consumer a request to view the sponsor message, wherein the consumer submits said request in response to being offered access to the media product;
- a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer;
- an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
- a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query;
- a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented;
- and
- an eleventh step of receiving payment from the sponsor of the sponsor message displayed.

Thank you for coming!