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PATENT PROTECTION FOR HIGH TECHNOLOGY

# Partnering in Patents: Case Law and Legislative Updates

Theresa Stadheim  
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# Roadmap

- Case Law Updates
  - 35 USC §101
  - 35 USC §102
  - 35 USC §103
  - 35 USC §112
- Legislative Updates

# 35 USC §101

## § 101 – Inventions Patentable:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

# 35 USC §101

- *Enfish v. Microsoft*\*
- *McRO v. Bandai* \*
- *Affinity Labs of Texas, LLC v. DirecTV, LLC*
- *Amdocs (Israel) v. Openet*
- *Smartflash v. Apple*

# 35 USC §101

- *Thales Visionix Inc. v. U.S.*
- *RecogniCorp. v. Twitter*
- *Cleveland Clinic Foundation v. True Health Diagnostics*
- *Visual Memory v. NVIDIA*

# *Enfish v. Microsoft* (May 12, 2016)

- claimed self-referential table
- Clarified identification of abstract idea
  - Look to previous court cases
- Software not inherently abstract

# *McRO v. Bandai* (September 13, 2016)

- Automation of preexisting three-dimensional animation method
- Court focused on preemption issue in performing *Mayo* step 1 - Never reached step 2
- Not abstract
  - claims limited to rules with specific characteristics - not attempting to cover all rules
  - Tangible result not necessary

# *McRO*, cont'd

- Guidance reiterated Examiners should consider claim as whole without overgeneralizing



# *Affinity Labs v. DIRECTV* (Sept. 23, 2016)

- Patent directed to streaming regional broadcast to cell phones outside a region
- Ineligible
  - Directed to an abstract idea (“providing out-of-region access to regional broadcast content”)
    - Untethered to any specific or concrete way of implementing idea
  - Recited idea implemented using conventional components
- “Merely limiting the field of use of the abstract idea to a particular existing technological environment does not render claims any less abstract”
- “specification underscores the breadth and abstract nature of the idea embodied in the claims”

# *Affinity Labs, cont'd*

- Nothing in the figures or specification provided details regarding the manner in which the invention accomplishes recited functions

# *Amdocs (Israel) v. Openet* (November 1, 2016)

- Mentioned but not discussed in the Memo
- Patents directed to gathering and processing information on the usage of a network by devices for various accounting purposes
  - Representative claim 1 was for a computer program product comprising computer code for receiving and correlating data.
- Improvement – components are located near the devices to make data gathering faster

# *Amdocs, cont'd*

- Step 1 analysis – compared claims at issue to previous ones found eligible and ineligible
- Step 2 – claims pass step two
  - Read in light of the specification, the claims recited a sufficient inventive concept
  - Note the dissent would not have read claims in light of the specification

# *Smartflash v. Apple* (March 1, 2017)

- Patent directed to abstract idea of conditioning and controlling access to data based on payment
- Ineligible
  - No inventive concepts sufficient to transform the abstract idea to a patent-eligible invention
- Invoked computers as mere tools
  - Computer performed routine activities

# *Thales Visionix Inc. v. U.S.*(March 8, 2017)

- claims utilize mathematical equations to determine the orientation of a helmet
- claims are not directed to an abstract idea since they specify a particular configuration and a particular method
- “it is not enough merely to identify a patent-ineligible concept underlying the claim”
- Look for improvement upon previously disclosed technologies.
- Indicating a non-conventional use may provide some level of protection against a contention that the claimed subject matter is abstract.

# *RecogniCorp v. Nintendo* (April 28, 2017)

- claims directed to encoding and decoding image data
- Adding two abstract ideas does not make the result non-abstract
- There were significant computer-related improvements here
  - Highly contentious case

## *Cleveland Clinic v. True Health Diagnostics* (June 16, 2017)

- Diagnostic methods patents found ineligible
- Mayo step 1 – claims directed to law of nature
- Is this really a law of nature?
- Rule set might have helped here



# *Visual Memory v. NVIDIA* (August 15, 2017)

- Holding: claims not directed to an abstract idea
- Claim 1: A computer memory system connectable to a processor and having one or more **programmable operational characteristics**, said characteristics being defined through configuration by said computer based on the type of said processor, wherein said system is connectable to said processor by a bus, said system comprising:
  - a main memory connected to said bus; and
  - a cache connected to said bus;wherein a programmable operational characteristic of said system determines a type of data stored by said cache.

# *Visual Memory, cont'd*

- Two-step analysis performed
  - Step 1 - question is whether the innovation, as reflected in claims and specification, is patent eligible or abstract
  - No need to go on to Step 2 in this case
- NVIDIA tried to claim there were purely functional features and black box recitations
  - Court noted that code was provided in the appendix
  - Court stated that these were all 112 issues and not eligibility issues

# 35 USC §101 takeaways

- Stress the improvements provided by the patent
- Cite to (and follow) memos, *Enfish*, and *McRO*
- Compare claims to those previously found patent eligible or not patent eligible
- Tie-in to functional claiming ideas – describe the manner in which functions are accomplished

# 35 USC §102

- *Helsinn v. Teva*
- *Emerachem v. Volkswagen*

# *Helsinn v. Teva* (May 1, 2017)

- Four patents in suit
  - Three covered under pre-AIA and fourth under AIA
- CAFC: AIA did not change statutory meaning of “on-sale”
- CAFC: on-sale bar can be triggered by a sale whose existence is public, even if the details of the invention are not publicly disclosed in terms of sale

## *Helsinn*, (cont'd)

- AIA 102 similar to pre-AIA 102 but not identical
  - What is meant by “available to the public”?

# *Emerachem v. Volkswagen* (June 15, 2017)

- PTAB rejected claims under 35 USC 102(e) because inventor declaration was not sufficiently corroborated
  - Was a “naked assertion” by an inventor that he and a co-inventor are the true inventors
- Question was “whether portions of references relied on as prior art, and the subject matter of the claims in question, represent work of a common inventive entity”

# 35 USC §102 takeaways

- Sale can trigger on-sale bar even post-AIA even if details of invention not disclosed or documented
- Beef up your inventor declarations used for removing 102(e) rejections

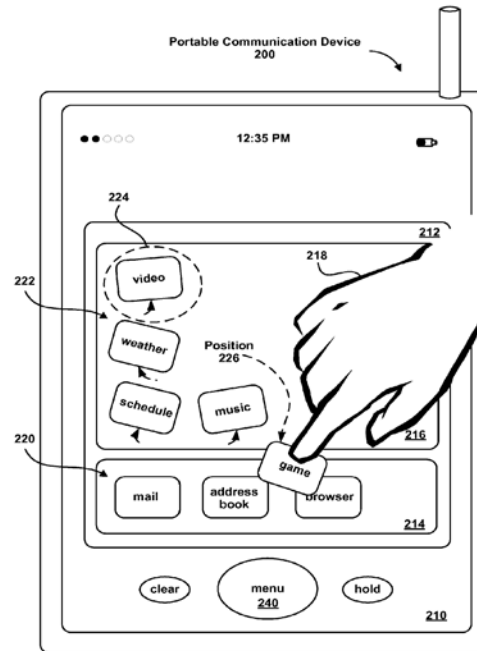


# 35 USC §103

- *In re Van Os*
- *In re Stepan Co.*
- *Southwire v. Cerro*

# *In re Van Os* (January 3, 2017)

- Claims here were directed to a touchscreen interface in a portable electronic device



## *In re Van Os* (cont'd)

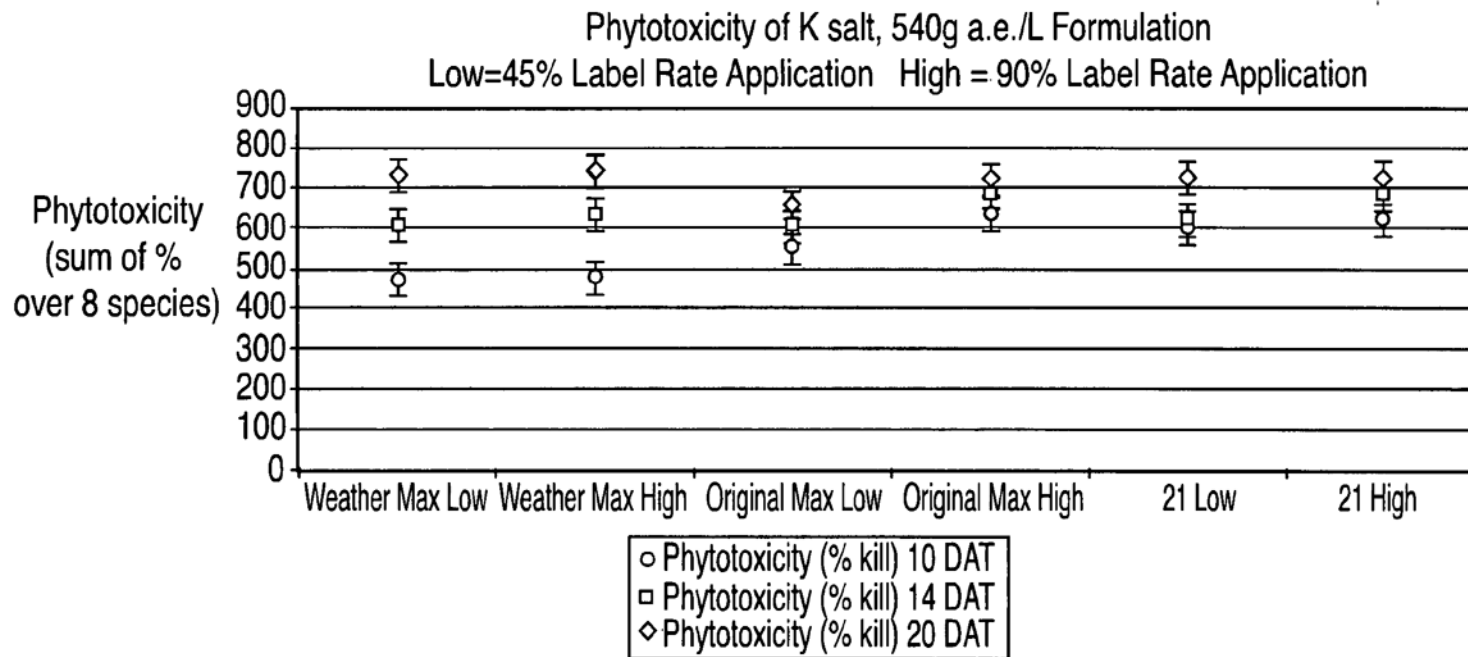
- “first user touch” to open an application;
- “second user touch” to initiate an “interface reconfiguration mode” that permits icon rearrangement; and
- “a subsequent user movement” to move an icon.

## *In re Van Os* (cont'd)

- “Absent some articulated rationale, a finding that a combination of prior art would have been ‘common sense’ or ‘intuitive’ is no different than merely stating the combination ‘would have been obvious.’ Such a conclusory assertion with no explanation is inadequate to support a finding that there would have been a motivation to combine.” *Van Os*, 844 F.3d at 1361.

# *In re Stepan* (August 25, 2017)

- Claims directed to herbicidal formulations



## *In re Stepan* (cont'd)

- Board determined that Stepan failed to rebut the Examiner's *prima facie* case of obviousness
- “Missing from the Board’s analysis is an explanation as to why it would have been routine optimization to arrive at the claimed invention.”
- Some rationale must be provided

# *Southwire v. Cerro Wire* (September 8, 2017)

- Claims directed to method of manufacturing an electric cable in which a lubricant is used to help reduce pulling force required to install the cable
- Improvement – lubricant applied during manufacture – more efficient and less expensive

## *Southwire v. Cerro Wire* (cont'd)

- Board said “where the claimed and prior art products are...produced by identical or substantially identical processes, a *prima facie* case of either anticipation or obviousness has been established.”
- Prior art lubricants would achieve same force reduction because same method steps were used
- Fed. Cir. says Board error in relying on inherency was harmless



# 35 USC §103 takeaways

- Always support obviousness rejections using a rationale (preferably following list in MPEP)
- Use inherency correctly

# 35 USC §112

- *Alfred E. Mann v. Cochlear Corp.*
- *Sonix Technology Co., Ltd. v. Publications International, Ltd.*
- *Amgen v. Sanofi*
- *IPCom GMBH v. HTC Corp.*

# *Alfred E. Mann v. Cochlear Corp.* (November 17, 2016)

- Claims directed to cochlear stimulators
- Some claims found indefinite at district court
- Affirmed in-part and reversed in-part

## *Sonix v. Publications International* (January 5, 2017)

- Sonix patent describes a system and method for using a graphical indicator to encode information on the surface of an object
- Written description disclosed requirement for indicators being “negligible to human eyes”

## *IPCom v. HTC* (July 7, 2017)

- IPCom owns patent for method and system of handing over a mobile phone call from one base station to another
- IPCom argued during appeal of reexamination that the “Board’s obviousness rejections were based on a flawed claim construction, because the Board never identified the structure ... in the specification that corresponds to the ...means-plus-function claim limitation.”

## *Amgen v. Sanofi* (October 5, 2017)

- Patents relate to antibodies that help reduced bad cholesterol (LDL)
- Issue: whether or not post-filing date evidence can be used to demonstrate that patent fails to meet Ariad requirements
- Issue: whether jury was improperly instructed on written description

# 35 USC §112 takeaways

- Always disclose where functions take place
- Disclosure should show how a computer would perform each function claimed (for computer-implemented claims)
- Detailed flow chart, even in non-software specifications
- Include inputs and outputs for each structure in claim

# Legislative Updates

## STRONGER Patents Act of 2017

- Introduced June 2017 by Chris Coons, Tom Cotton, Dick Durbin, and Mazie Hirono
- Why was the bill introduced?
- Review of sections of bill



# Legislative Updates

## AIPLA Legislative Proposal and Report on Patent Eligible Subject Matter

- proposed 35 USC 101
- Problems with current case law



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# Thanks for your attention! Questions?



**Theresa Stadheim**  
**Attorney, Schwegman Lundberg &**  
**Woessner**  
**121 South 8<sup>th</sup> Street, Minneapolis, MN**  
**55402**  
**+1-612-371-2197**  
**[tstadheim@slwip.com](mailto:tstadheim@slwip.com)**