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Federal Circuit may have shed light on what is a computer software patent

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Ever since the U.S. Supreme Court's 2014 decision that made it easier to invalidate many software-based patents, patent practitioners and the patent office have struggled to find the dividing line between patentable computer-implemented inventions and those that claim no more than an ineligible "abstract idea."

In the wake of *Alice Corp. v. CLS Bank International*, 573 U.S., 134 S.Ct. 2347 (2014), the U.S. Circuit Court of Appeals for the Federal Circuit has not made those efforts any easier, as, until recently, it has invalidated virtually all patent claims brought before it on patent eligibility grounds, holding only a single patent's claims valid in that time.

Recently, however, the Federal Circuit decided two cases that give patent practitioners guidance in arguing for patent eligibility and in drafting applications to forestall potential eligibility challenges. In one, the court upheld the validity of a computer-implemented invention. In the other, the court invalidated the claims while providing a warning for unwary drafters.

The good news: in *Enfish LLC v. Microsoft Corp.*, 2015-1244 (Fed. Cir., May 12, 2016), the Federal Circuit reversed a summary judgment decision that the patent claims at issue were directed to a patent ineligible abstract idea.

Those claims recited a novel method of building a computer database that facilitates faster data searching than would be possible when using a traditional relational database. Additionally, the specification of the patent touted that the new model was more effective in storing data other than structured text and provided more flexibility in configuring the database.

In *Enfish*, the Federal Circuit recognized that the claims were directed to "an improvement to computer functionality," i.e., "a specific improvement to the way computers operate." That improved functionality distinguished the claims from those of various other cases, in which the recited computer components were perceived as more of an add-on to what really were conventional business practices.

Additionally, the Federal Circuit refused to invalidate the claims as reciting abstract ideas, even though they were not tied to any physical structure.

"Much of the advancement made in computer technology," the court explained, "consists of improvements to software that, by their very nature, may not be defined by particular physical features but rather by logical structures and processes."

The warning: Five days after *Enfish*, the Federal Circuit decided *TLI Communications LLC v. A.V. Automotive LLC*, 2015-1372 (Fed. Cir., May 17, 2016), in which it held that all claims recited the ineligible abstract idea of "classifying and storing digital images in an organized manner."

The Federal Circuit referred to and contrasted its *Enfish* decision, holding that the claims in *TLI Communications* were not directed to a specific improvement to the functionality of a computer.

Instead, the Federal Circuit held that the claims merely recited the use of well-known hardware, e.g., a camera phone and a server, to perform well-understood, routine activities that were previously known in the industry, i.e., the receipt, sorting and storage of picture data.

One of *TLI Communications*' biggest problems was breadth — both in its claims and in the accompanying specification. Whereas *Enfish* described a specific manner of building a database structure and explained how that structure was an improvement over other existing database structures, e.g., that of a relational database, TLI Communications claimed broad steps such as "storing the images ... in a digital form as digital images" and "storing the digital images in the server, said step of storing taking into consideration the classification information."

In the end, the Federal Circuit held that the claims in *TLI Communications* were abstract because it viewed the claims as reciting the kinds of things that computers routinely do, i.e., storing and organizing data. Moreover, the court held TLI's generalities against it, citing the patent's teachings that essentially any camera phone and server could be used to carry out the claims to support its decision that those components did not add any meaningful structure to those claims.

After Enfish, *software that causes a computer to run more efficiently is more likely to be held patent eligible, even in the absence of the recitation of specific computer hardware in the claims.*

In sum, the dividing line between patent eligible inventions and ineligible abstract ideas, while by no means clear, is slightly less obscure than before.

After *Enfish*, software that causes a computer to run more efficiently is more likely to be held patent eligible, even in the absence of the recitation of specific computer hardware in the claims.

On the other hand, *TLI Communications* supports the proposition that the broad recitation of method steps that can be easily generalized into the kinds of things that computers routinely do, e.g., receiving, transmitting, storing and arranging data, is not patentable, even when combined when computer hardware, if that hardware is broadly described and claimed.

As a practical matter, these cases also demonstrate that the U.S. may be moving towards a patentability model similar to what exists in Europe. Specifically, technology that falls into the *Enfish* category also may face better odds of patentability in Europe, where it is necessary to demonstrate that the software provides a technical contribution, i.e., a technical effect beyond a normal software/computer interaction.

Thus, practitioners seeking to protect computer-implemented inventions in the United States also may wish to be mindful of the European standard, endeavoring to describe and claim those inventions in terms of the computer-specific problems they address and the particular way in which they solve those problems to make a computer system run more efficiently.

At the same time, over-generalities and reliance on "ordinary" or "well-understood" components should be avoided, lest those admissions be used against the patentee.