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IP FRONTIERS

Has the Alice pendulum begun to swing in favor of computer-related inventions?

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For decades, computer-related inventions have survived various road blocks erected over time (statutory, case law, regulations and USPTO practice). When the latest road block came about and for some time afterward, i.e., *Alice Corp. v. CLS Bank International*, 573 U.S. __, 134 S. Ct. 2347 (2014), prognosticators decried the death of computer-related patents.

Briefly, the first step of the Alice test is to determine whether the claims are directed to an abstract idea (or to a law of nature or a natural phenomenon in other technologies). The vast majority of computer-related cases find that the claims are directed to an abstract idea. Where the claims are abstract, the second step of the Alice test is to determine whether the claims include additional elements amounting to significantly more than the abstract idea. As you may guess, the application of the second part of the Alice test is the part of the test that has caused the most controversy.

In most cases, where an abstract idea is found, a general purpose computer used to implement the abstract idea, without more, results in an outcome unfavorable to the patent holder. However, like the road blocks of the past, the treatment of such patents/patent applications has begun to see a marked improvement since the dark days of post-Alice treatment. Of course, the problem has always been less about Alice itself — though in defense of the prognosticators, the Supreme Court gave little guidance as to how to apply Alice — and more about the interpretation of Alice applied to computer-related inventions.

More recent cases have begun to create chinks in the Alice armor. There is a growing list of such inventions that survive Alice treatment, though the specific treatment given is anything but consistent. For example, at the level of the Court of Appeals for the Federal Circuit (CAFC), one case involved websites with third-party ads that took the user to another website to buy what was in the ad, which leads to the loss of "eyeballs." The patent holder's solution was essentially to frame the seller website in a window or portion of the original web page with the ad, allowing the user to purchase the subject of the ad, yet remain on the host website. The CAFC found the patent to be patent-eligible subject matter, but did not actually go through all the steps of the Alice test, skipping to the end result. The CAFC did, however, remark that it was a specific solution to an industry problem related to websites.

In another CAFC example, the structure of a database was found to be patent-eligible subject matter, because it was not an abstract idea. The CAFC held that the patent claims were directed to a data structure as a specific improvement to computer operation: the way it stores and retrieves information from memory, rather than a general-purpose computer being invoked as merely a way to implement a process. Also important was the proclamation that computer-related inventions are not "inherently abstract."

In another example, the CAFC considered a computer-implemented method for synchronizing animated character lips and expressions. Again, this was found to be a specific solution to a long-standing industry problem of labor-intensive (i.e., by human animators) and expensive animated lip/facial expression synchronization.

A fourth CAFC example involved four patents directed to a method of online accounting and billing by network operators for Internet traffic. In part, the method entails enhancing a network accounting record in a distributed fashion with other accounting information. The court found it to be an unconventional solution to the technical difficulty of accounting for massive record flows, conventionally requiring massive databases, amounting to an improvement in computer functionality.

An interesting part of the court's opinion was how the court arrived at the result. Instead of looking to the Alice test directly (either step), the court compared the invention to past cases and analogized to find patent-eligibility.

There are, of course, other CAFC and District Court Alice cases involving computer-related inventions. However, common themes emerge from the cases finding patentable subject matter. For a given invention, the claims should be drafted to clearly show a targeted solution to a specific problem that does not preempt the abstract idea. One way to do this is to portray the invention in the claims as improving computer or Internet operation, such as improving the operation, efficiency or structure of a database, or address-

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ing a long-standing industry problem. Even better, where possible, is to frame the claims to try to avoid being labeled an abstract idea. As more cases come along, the viability of protecting computer-related inventions will hopefully continue to improve.

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