

State of Affairs in 101 Patent Land



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AIPLA Corporate Practice Group
Luncheon Meeting
December 15, 2015

The Current State of Affairs is Grim

The Mayo/Alice Two-Part Test

3

- First, determine whether the claims are **directed to** a law of nature, natural phenomenon, or an abstract idea.
- Second, determine whether the elements of the claim both individually and as an ordered combination transform the nature of the claim in to a patent-eligible application.
 - Markedly different
 - Significantly more

USPTO Application of “Directed To”

4

- “Directed to” means that a judicial exception is recited in the claim.
- For nature-based products, “directed to” apparently includes products that have no naturally occurring counterpart.
 - Interim Guidance requires comparing with the naturally occurring counterpart in its natural state to determine if it has a markedly different structure, function, and/or other property, and if there is no naturally occurring counterpart, the comparison is to the closest naturally occurring counterpart.
- For abstract ideas, “directed to” apparently means anything that can be performed mentally even if the claim requires the use of a particular device.

USPTO Application of “Marked Difference” and “Significantly More”

5

- “Marked difference” seems to be a question of nonobviousness – unexpected results, and different in kind, rather than degree
- “Significantly more” seems to be more than the judicial exception itself
 - Excludes steps and elements that are well-understood, routine, or conventional.
- What is something that is “well-understood, routine, or conventional”?
 - Something completely novel
 - Never used or done before for any reason

USPTO is Erring on the Side of Stupidity

6

- *Ex parte Shideler*, Application 11/779,876 (PTAB 2015)
- Claim 12 is to a method of playing a story based **card** game in which the cards are placed at predetermined locations.
- Claims 17 and 18 require the use of a **game board** and **player tokens**, respectively.
- PTAB says: “The use of cards having indicia specific to the subject matter of a game is well-known, well-understood, routine and conventional in the field ... tokens and a game board [are also] conventional in the field.”
 - Therefore, claims 12-20 are ineligible.

Ariosa v. Sequenom

7

- Parties agreed that the claims at issue do not claim cell-free fetal DNA itself.
- Claims directed to methods of using the cffDNA, and require tangible process steps.
- “The method ends with paternally inherited cffDNA, which is also a natural phenomenon. The method therefore begins and ends with a natural phenomenon. Thus, the claims are directed to matter that is naturally occurring.”
- The tangible process steps were considered well-understood, routine, and conventional.
 - Note the process steps were never before performed on cffDNA.
- CAFC says ineligible, en banc rehearing denied.

Federal Circuit Has No Backbone

8

- Blame SCOTUS and Mayo
 - “[I]t is unsound to have a rule that takes inventions of this nature out of the realm of patent-eligibility on grounds that they only claim a natural phenomenon plus conventional steps, or that they claim abstract concepts. But I agree that the panel did not err in its conclusion that under Supreme Court precedent it had no option other than to affirm the district court.”
 - ✦ Concurrence by Lourie joined by Moore
 - “Mayo has unambiguously announced a generally applicable test for determining subject-matter eligibility under § 101 with respect to laws of nature, and we are bound to follow it. We cannot confine Mayo to its facts or otherwise cabin a clear statement from the Supreme Court.”
 - ✦ Concurrence by Dyk

Except Newman

9

- “I agree with my colleagues that this case is wrongly decided. However, I do not share their view that this incorrect decision is required by Supreme Court precedent. The facts of this case diverge significantly from [from *Mayo*]. “
- “Precedent does not require that all discoveries of natural phenomena or their application in new ways or for new uses are ineligible for patenting; the Court has cautioned against such generalizations. Such caution takes hold for the case at bar.”

Stupidity Means Mayo

10

- USPTO's position on "well-understood, routine, or conventional" is arguably correct in view of *Mayo* as evidenced by Lourie and Dyk's concurrences in denying an en banc rehearing in *Ariosa*.

But Does it Really?

11

- In his concurrence, Dyk states: “And it is undisputed that before this invention, the amplification and detection of cffDNA from maternal blood, and use of these methods for prenatal diagnoses, were not routine and conventional. But applying Mayo, we are unfortunately obliged to divorce the additional steps from the asserted natural phenomenon to arrive at a conclusion that they add nothing innovative to the process.”
- SCOTUS stated in *Mayo* that: “Indeed, scientists routinely measured metabolites as part of their investigations into the relationships between metabolite levels and efficacy and toxicity of thiopurine compounds. '623 patent, col. 8, ll. 37-40, id., at 10. Thus, this step tells doctors to engage in well-understood, routine, conventional activity previously engaged in by scientists who work in the field.”

Easy Way to Clear Court Dockets

12

- Helmet mounted tracking ineligible despite motion sensors physically mounted on two different objects.
 - “The plain language of Claim 1 describes generic, fungible inertial sensors that admittedly have already gained “widespread acceptance” in the field of motion tracking. Like the computer elements in Alice, these inertial trackers, when considered as an ordered combination in the claimed system, add nothing transformative to the patent. Although the concept of tracking the motion of a moving object relative to a moving reference frame may have been novel and nonobvious, the claimed system does nothing to ground this abstract idea in a specific way. The claims allow for the application of the navigation equation in almost endless environments, and are not limited to a fighter jet and a pilot’s helmet.”
 - Granted defendants motion for judgment on the pleadings. *Thales Visionix v. USA and Elbit Systems* (Ct. Fed. Clm. 2015).



The Future State of Affairs is Grim

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14

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Thank You!

15



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Extra Slides

Ex parte Shideler

17

- 12. A method of playing a story based card game associated with a predetermined story and having a series of locations associated with the predetermined story and wherein the game includes a preset number of sequential rounds, the card game comprising: a plurality of sets of location cards, one set of location cards for each of the plurality of locations associated with an aspect of the predetermined story, each set of location cards including one card for each round of the game, wherein each round includes at least one correct location card for that round, wherein each correct location card for each round includes indicia indicating that it is the correct card for that round and including a continuation of the story, whereby a series of correct locations cards for the rounds of the game combine to form a story summary, the method comprising the steps of having the players selectively choose a location card for each round and having the players repeat the selection process until one player can identify all of the correct location cards in the series of correct location cards.

Thales Visionix v. USA and Elbit Systems

18

- 1. A system for tracking the motion of an object relative to a moving reference frame, comprising:
 - a first inertial sensor mounted on the tracked object;
 - a second inertial sensor mounted on the moving reference frame; and
 - an element adapted to receive signals from said first and second inertial sensors and configured to determine an orientation of the object relative to the moving reference frame based on the signals received from the first and second inertial sensors.