Software Patent Claims Get Post-Alice Clarity

Federal Circuit decision gives software patent holders more room to dodge the ‘abstract concept’ bullet

BY DOUG CHARTIER
LAW WEEK COLORADO

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atent holders might have a little more confidence in their software patent claims after a major appellate reversal last month.

The U.S. Court of Appeals for the Federal Circuit on Sept. 13 held that a 3-D animation software process was patent-eligible and not an abstract concept. It passed the threshold for contributing specific improvements in computer technology. For the patent law community well as for companies managing technological patent portfolios, the case provides much-needed clarity on when a patent claim might not be dismissed for being considered abstract.

The facts of McRO v. Bandai involve a 3-D animation program, but the case's implications could go beyond even the patent eligibility of software in general.

Since the U.S. Supreme Court's 2014 landmark patent opinion in Alice Corp. v. CLS Bank, it has been more difficult for computer-based patents to be considered patent-eligible under Title 35 of the U.S. Code Section 101.

Courts have since applied a two-step framework that asks whether a patent claim is directed to, among other disqualifying categories, an abstract idea, which has been a difficult hurdle for computer-based claims to clear.

"Software patents have really had a lot of trouble since Alice," said Bradley Knep-

per, a shareholder at Sheridan Ross in Den-

ver. The problem has been that courts have been very willing to dismiss abstract patent claims, especially in the software area, he said.

The Federal Circuit's McRO opinion appears to give software innovators some room to argue that their patent claims aren't abstract if they improve an overall process and the claims are constructed so as not to be overly broad. Knepper said the opinion is "a welcome confirmation" as to the post-

Alice patent eligibility of software-related claims.

McRO, doing business as Planet Blue, asserted patent claims against numerous video game publishers and developers over a 3-D character animation technique. The claims assert an automated process of synchronizing a character model’s speech with lip movement and facial expression. Traditionally, animators would sync two manually in what was a "tedious and time consuming" process, as described in the Federal Circuit opinion.

McRO claimed that its automatic method not only automated the lip synchronizing process but also improved the accuracy and realism of the end-product animation.

In September 2014, the U.S. District Court for the Central District of California found that McRO's patents' claims were directed to an abstract idea and were therefore invalid under Section 101. But the Federal Circuit reversed the district court's decision, pointing to the specific requirements laid out in McRO's claim and saying the court oversimplified the claims. The appellate court found that the "ordered combination of claimed steps" in McRO's patent claims isn't abstract and is therefore patent-eligible.

Previously, computer-based innovations didn't generally survive post-Alice patent challenges if they were seen as merely automating an established process. A software patent could pass muster under Section 101 if it is not only automating a prior art process but improving it overall.

For the Federal Circuit, McRO's tech-
doesn't preempt the broad field because there are other existing automation tech-

niques for lip synchronization, like motion capture, that don't fall under the scope of its patents. The appellate court agreed that the claimed rules were specific enough as to prevent broad preemption that would "cover all possible approaches" to the lip sync process, and therefore weren't abstract.

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Bradley Knepper, IP Attorney, Sheridan Ross P.C.

"The McRO decision was a great moment to revisit patent strategy," Marsh said.

"I think (McRO) has the potential to give us more comfort that (software patent claims) are worth pursuing and the patents are valuable," Knepper said.

Another takeaway from the McRO opinion for software patentees, he added, is that "you want to be careful that your patent specifications are truly emphasizeing what's different from the prior art, that what you're doing isn't just an automation of an established process."

Ultimately, the patent law community will be waiting to see how the U.S. Patent and Trademark Appeal Board will respond to the Federal Circuit's holding. If the PTAB updates internal training and issues memos to reflect McRO's opinion, a clearer path to patent eligibility for software could become concrete.

— Doug Chartier, DChartier@circuitmedia.com

THE U.S. SUPREME COURT’S ‘ALICE’ DECISION HAS MADE IT CUMBERSOME FOR COMPANIES TO GET SOFTWARE PATENTS.

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SHERIDAN ROSS attorneys at innovation

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