



# DANCING WITH ALICE ~ A PROSECUTOR'S TOOLKIT

Jim Babineau | MARCH 25, 2015  
Fish & Richardson P.C. | AUSTIN IPLA

# Outline

---

- Putting Alice in Perspective
- Post-Alice Potpourri
- Interim Examination Guidelines (Dec. 2014)
- USPTO Examples (Jan. 2015)
- Practice Tips

# Mayo/Alice Two-Step (Alice 101)

---

- 1) Is the claim directed to a patent-ineligible concept (abstract idea)?
- 2) If yes, do the claim's elements, both individually and in combination, transform the nature of the claims into a patent-eligible application of the abstract concept?

The claims must recite “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice* (quoting *Mayo*).

# 101 Through a Looking Glass

---

## Patent-Ineligible

Benson

Flook

Bilski

**Alice**

Ultramercial II

Content Extraction

## Patent-Eligible

Diehr

DDR

# Post-Alice CAFC - *Ultramercial v. Hulu* - Nov. 14, 2014

1. A method for distribution of products over the Internet via a facilitator, comprising:
  - receiving, from a content provider, media products;
  - selecting a sponsor message to be associated with the media product;
  - providing the media product for sale at an Internet website;
  - offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
  - facilitating the display of a sponsor message to the consumer;
  - allowing said consumer access to said media product;
  - recording the transaction event to the activity log; and
  - receiving payment from the sponsor.

# Post-Alice CAFC - *Ultramercial v. Hulu* - Nov. 14, 2014

## Step 1

- “The process of receiving copyrighted media, selecting an ad, offering the media in exchange for watching the selected ad, displaying the ad, allowing the consumer access to the media, and receiving payment from the sponsor of the ad *all describe an abstract idea, devoid of a concrete or tangible application.*”
- Although other limitations “add a degree of particularity, the concept embodied in the majority of the limitations describes only the abstract idea of showing an advertisement before delivering free content.”

# Post-Alice CAFC - *Ultramercial v. Hulu* - Nov. 14, 2014

---

## Step 2

- Claims did not “transform the abstract idea that they recite into patent-eligible subject matter because the claims simply instruct the practitioner to implement the abstract idea with routine, conventional activity.”
- “That some of the eleven steps were not previously employed in this art is not enough—standing alone—to confer patent eligibility upon the claims at issue.”

# Post-Alice CAFC — *DDR v. Hotels.com* — Dec. 5, 2014

---

13. An e-commerce outsourcing system comprising:
- a) a data store including a look and feel description associated with a host web page having a link correlated with a commerce object; and
  - b) a computer processor coupled to the data store and in communication through the Internet with the host web page and programmed, upon receiving an indication that the link has been activated by a visitor computer in Internet communication with the host web page, to serve a composite web page to the visitor computer with a look and feel based on the look and feel description in the data store and with content based on the commerce object associated with the link.

# Post-Alice CAFC — *DDR v. Hotels.com* — Dec. 5, 2014

## Step 2

- Even though the claims involved both the Internet and a computer, they stood “apart because they **[did] not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet.** Instead, the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.”
- “Unlike the claims in *Ultramercial*, the claims at issue here specify how interactions with the Internet are manipulated to yield a desired result—a result that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink.”

## Post-Alice CAFC — *Content Extraction v. Wells Fargo* — Dec. 23, 2014

---

1. A method of processing information from a diversity of types of hard copy documents, said method comprising the steps of:
  - a) receiving output representing a diversity of types of hard copy documents from an automated digitizing unit and storing information from them into a memory;
  - b) recognizing portions of said hard copy documents corresponding to a first data field; and
  - c) storing information from said portions into memory locations for said first data field.

# Post-Alice CAFC — *Content Extraction v. Wells Fargo* — Dec. 23, 2014

---

## Step 1

- “Claimed the *well-known and long-practiced* abstract idea of collecting data, recognizing certain data with the collected set, and storing that data in memory.”

## Step 2

- Plaintiff conceded that using a scanner or other device to extract data from documents and using computers to transform shapes on a page into typeface characters were *well-known* practices.
- Court found no limitations that transformed the claims into a patent-eligible application, individually or as an ordered combination.

# District Court - *Smartflash LLC v. Apple* — Jan. 21, 2015

3. A data access terminal for retrieving data from a data supplier and providing the retrieved data to a data carrier, the terminal comprising:
- a first interface for communicating with the data supplier;
  - a data carrier interface for interfacing with the data carrier;
  - a program store storing code; and
  - a processor ... for implementing the stored code, the code comprising:
    - code to read payment data from the data carrier and to forward the payment data to a payment validation system;
    - code to receive payment validation data from the payment validation system;
    - code responsive to the payment validation data to retrieve data from the data supplier and to write the retrieved data into the data carrier; and
    - code responsive to the payment validation data to receive at least one access rule from the data supplier and to write the at least one access rule into the data carrier...

## Step 1

- Abstract idea: “the general purpose of the claims—conditioning and controlling access to data based on payment—is abstract and a fundamental building block of the economy in the digital age.”

# District Court - *Smartflash LLC v. Apple* — Jan. 21, 2015

## Step 2

- “By contrast [to Ultramercial], the asserted claims here recite specific ways of using distinct memories, data types, and use rules that amount to significantly more than the underlying abstract idea.”
- “As in DDR Holdings, the patents here do not simply apply a known business practice from the pre-Internet world to computers or the Internet.”
- “The patents ... address the unique problem of controlling a user’s access to data that the user already possesses by tracking use data and restricting access according to use rules. This sort of access control was also unknown in the pre-Internet era.”
- Both parties identified **numerous non-infringing alternatives**, such as those employed by Netflix and Spotify.

# District Court - *Wavetronix, LLC v. Iteris* — Jan. 22, 2015

1. A method for monitoring a signalized traffic flow, comprising:
  - receiving sensor data indicating the presence of one or more vehicles;
  - using the received sensor data to determine estimated times-of-arrival of the one or more vehicles;
  - determining a level of efficiency and safety for the traffic flow; and
  - reporting the level of efficiency and safety to a traffic control unit that is actively controlling the monitored signalized traffic flow.

# District Court - *Wavetronix, LLC v. Iteris* — Jan. 22, 2015

## Step 1

- Abstract idea: *employing a mathematical formula*

## Step 2

- “The ‘542 Patent significantly improved upon existing technological processes for providing dilemma zone protection.”
- “The ‘542 Patent does not claim the mathematical formula itself, the concept of the dilemma zone, or an unimproved application of either.”
- Claims do not preempt “mathematical formula itself, [or] the concept of the dilemma zone.”

# PTAB CBM - *Google v. SimpleAir* - Jan 22, 2015

1. A method for transmitting data to selected remote devices, comprising:
  - transmitting data from an information source to a central broadcast server;
  - parsing said data with parsers corresponding to said central broadcast server;
  - transmitting said data to an information gateway for building data blocks and assigning addresses to said data blocks;
  - transmitting said data blocks from said information gateway to a transmission gateway for preparing said data blocks for transmission to receivers;
  - transmitting preprocessed data to receivers communicating with said devices; and
  - instantaneously notifying said devices of receipt of said preprocessed data whether said devices are online or offline from a data channel associated with each device.

Claim paraphrased

# PTAB CBM - *Google v. SimpleAir* - Jan 22, 2015

---

## Step 1

- “Petitioner does not explain sufficiently how the challenged claims allegedly relate to the abstract idea of packaging and routing information as part of a subscription service.”
- “Every method can be generalized to the point of abstraction if the claim language is ignored. Here, Petitioner overlooks the various physical components recited by the claims, including the remote devices and the central broadcast server.”
- “Petitioner's analogy to conventional periodical publication delivery still fails because it does not account for each step of the claimed method.”

## Step 2

- “Petitioner's generalized arguments ... are insufficient to show that the claims more likely than not are directed to a patent-ineligible abstract idea. As such, we need not turn to the second step in *Alice* to look for additional elements that can transform the nature of the claim into a patent-eligible application of an abstract idea.”

# PTAB CBM- *Westlake v. Credit Acceptance* - Feb 9, 2015

Claim 1 recited a method for providing a financing source to a customer to purchase a product selected from an inventory of products. None of the method steps recited any hardware.

10. The method of claim 1 further comprising the steps of:

providing a user terminal for entering the customer information;

providing a server connected to the user terminal via a network, and having access to the dealer inventory database; and

configuring the server to receive the customer information from the user terminal, to access the dealer inventory database, to generate the financing packages for each individual product in the dealer's inventory based on the customer information and the inventory data stored in the database, and to transmit the financial packages to the user terminal over the network for display on the user terminal.

# PTAB CBM- *Westlake v. Credit Acceptance* - Feb 9, 2015

## Step 1

- “This is no more than the abstract idea of processing an application for financing a purchase.”
- “In essence, claim 10 recites applying the abstract idea of claim 1 on a generic computer.”

## Step 2

- “The computer components recited in the claims are recited functionally and generically, without any detail as to their configurations or implementations.”
- “Nor does Patent Owner point to anything in the Specification describing the configuration of the computer components in substantially more detail or explain why the claims would require such detail.”

# PTAB Appeal — *Ex parte Bush* — Feb 27, 2015

1. A computer-based method performed by one or more computers programmed to identify common accounts, the method comprising:
  - assigning by one of the computers a first user identifier to a first account associated with a first node including a first computing device;
  - assigning by one of the computers a second user identifier to a second account associated with a second node including a second computing device;
  - receiving a request from the second node that includes the first user identifier;
  - determining whether the first account is already associated with the second node;
  - upon determining that the first account is not already associated to the second node, determining whether the first and second accounts represent the same account; and
  - when it is determined that the first and second accounts represent the same account, combining by one of the computers the first and second accounts into a single account.

# PTAB Appeal — *Ex parte Bush* — Feb 27, 2015

---

## Step 1

- Abstract idea not specifically addressed.

## Step 2

- “The [method claims] are inextricably tied with a computer based communication and notification scheme interconnecting computers so as to combine one or more accounts into a single account using computer associated nodes, and thus covers more than the mere nominal recitation of a computer to obtain patent eligibility.”

# PTAB Appeal — *Ex parte Palmer*—Mar 2, 2015

1. A method for playing a card game combining elements of poker and a simulated sporting event, the game method of play comprising the steps of:

(a) providing a deck of cards comprising rank and suit cards suitable for playing the game of poker, at least one of the cards comprising sporting event scoring indicia;

(b) carrying out the play of at least one hand of the game of poker with the deck of cards and determining a winner based on the rules of poker; and

(c) concurrent with the play of the at least one hand of the game of poker, scoring the sporting event scoring indicia present on the cards dealt and determining a winner based on the sporting event scoring.

# PTAB Appeal — *Ex parte Palmer*—Mar 2, 2015

## Step 1

- “We view a method of playing a card game as being akin to ‘a method of organizing human activity’ at issue in *Alice*.”

## Step 2

- “The claims at issue recite a deck of cards with a high degree of particularity. ... [T]he claims specify a particular make-up of the deck, including the number of cards contained in the deck and *unique card markings*. Thus, we determine that the claimed deck of cards is a particular article or apparatus in the context of the machine-or-transformation test.”
- “The mere mention of the ‘electronic gaming environment’ in the Specification does not thrust the game method of play into the abstract. It simply acknowledges that the object being manipulated in the game method of play may be an electronic representation of the deck of cards.”

# PTAB Appeal — *Ex parte Scott* — Mar 10, 2015

---

1. A method of operating a Human-Machine Interface (HMI) system, the method comprising:
  - receiving operational data associated with an operation of a machine;
  - processing the operational data associated with the operation of the machine to determine a trend in the operational data;
  - displaying a graphical representation of the trend; receiving a first user input and a second user input simultaneously on a surface of a user interface;
  - processing the first user input and the second user input to determine a change in the trend; and
  - displaying a graphical representation of the change in the trend.

# PTAB Appeal — *Ex parte Scott* — Mar 10, 2015

## Step 1

- “These steps [of claim 1] involve the abstract concepts of processing and graphing data.”

## Step 2

- “Claim 1 additionally recites the steps of “receiving a first user input and a second user input simultaneously on a surface of a user interface;” and “processing the first user input and the second user input to determine a [desired] change in the [representation of the] trend.” As such, **claim 1 is limited to a method of using a tangible device--a user interface--to control the appearance of information represented on a display. These limitations are sufficient to prevent claim 1 from monopolizing the abstract idea of visually displaying information.**
- “Because claim 1 further recites ‘a surface,’ the recited ‘user interface’ is understood to correspond to a tangible, hardware interface.”

# Interim Examination Guidelines (Dec. 2014)

---

- Comment period ended March 16, 2014
- Supplements the June 25, 2014 Preliminary Examination Instructions
- Addresses all **judicial exceptions**: laws of nature, natural phenomena, abstract ideas
- Provides retrospective analysis of key cases (Chakrabarty, Flook, Diehr, Alice)
- **Streamlined eligibility analysis**

# Interim Examination Guidelines (Dec. 2014)

---

## Streamlined Eligibility Analysis

- If, viewed as a whole, claim clearly does not tie up any judicial exception such that others cannot practice it:
- Then, no need to proceed through the full analysis - eligibility is self-evident.
- If in doubt as to whether the claim is to a judicial exception itself, conduct the full 101 analysis.

***If not pre-empting ALL uses of JE: Patent-Eligible***

# Examples of Eligible Claims

*SiRF Technology Inc. v. International Trade Commission, 601 F.3d 1319 (Fed. Cir. 2010)*

2. A method for calculating an absolute position of a GPS receiver and an absolute time of reception of satellite signals comprising:

calculating pseudo-ranges, at a mobile device comprising a GPS receiver, a microprocessor, a display, and a wireless communication transceiver, by averaging PN codes received by the GPS receiver from a plurality of GPS satellites;

wirelessly transmitting the calculated pseudo-ranges from the mobile device to a server;

calculating, by the server, absolute time that the PN codes were sent from the GPS satellites to the GPS receiver using the pseudo-ranges;

using a mathematical model to calculate, by the server, absolute position of the GPS receiver based on the pseudo-ranges and calculated absolute time;

transmitting the absolute position from the server to the mobile device; and

displaying a visual representation of the absolute position on the display of the mobile device.

Claim paraphrased

# Examples of Eligible Claims

## Step 1:

- The claim recites mathematical operations (*e.g.*, calculating pseudo-ranges and absolute times, and the mathematical model), which the courts have considered to fall within the judicial exceptions, *e.g.*, as abstract ideas. Because these mathematical operations are recited in the claim, the claim is directed to a judicial exception.

## Step 2:

- Limiting performance of the mathematical calculations to a general purpose CPU, absent more, is not sufficient to transform the recited judicial exception into a patent-eligible invention.
- The combination of elements impose meaningful limits in that the mathematical operations are applied to improve an existing technology (global positioning) by improving the signal-acquisition sensitivity of the receiver to extend the usefulness of the technology into weak-signal environments and providing the location information for display on the mobile device.

# Examples of Eligible Claims

## USPTO Hypothetical

2. A non-transitory computer-readable medium for protecting a computer from an electronic communication containing malicious code, comprising instructions stored thereon, that when executed on a processor, perform the steps of:

receiving an electronic communication containing malicious code in a computer with a memory having a boot sector, a quarantine sector and a non-quarantine sector;

storing the communication in the quarantine sector of the memory ...;

extracting, via file parsing, the malicious code ..., wherein the extracting comprises scanning the communication ..., flagging each scanned byte ..., continuing scanning ..., and creating a new data file ...;

transferring the sanitized electronic communication to the non-quarantine sector ...; and

deleting all data remaining in the quarantine sector.

# Examples of Eligible Claims

---

## Step 1:

- The claim is directed towards physically isolating a received communication on a memory sector and extracting malicious code from that communication to create a sanitized communication in a new data file. Such action does not describe an abstract concept.

## Step 2:

- Not required.

# Examples of Ineligible Claims

*Digitech Image Tech., LLC v. Electronics for Imaging, Inc., 758 F.3d 1344 (Fed. Cir. 2014)*

10. A method of generating a device profile that describes properties of a device in a digital image reproduction system for capturing, transforming or rendering an image, said method comprising:

generating first data for describing a device dependent transformation of color information content of the image to a device independent color space through use of measured chromatic stimuli and device response characteristic functions;

generating second data for describing a device dependent transformation of spatial information content of the image in said device independent color space through use of spatial stimuli and device response characteristic functions; and

combining said first and second data into the device profile.

**The claim does not include additional elements beyond the abstract idea of gathering and combining data.**

# Examples of Ineligible Claims

*Planet Bingo, LLC v. VKGS LLC, 576 Fed. Appx. 1005 (Fed. Cir. 2014)*

Claim 1. A system for managing a game of Bingo which comprises:

- (a) a computer with a central processing unit (CPU) and with a memory and with a printer connected to the CPU;
- (b) an input and output terminal connected to the CPU and memory of the computer; and
- (c) a program in the computer enabling:  
[electronic Bingo].

- Claiming the abstract idea of managing a game of Bingo.
- The recitation of the computer limitations amounts to mere instructions to implement the abstract idea on a computer.

# Examples of Ineligible Claims

*buySAFE, Inc. v. Google, Inc., 765 F.3d 1350 (Fed. Cir. 2014)*

1. A method, comprising:

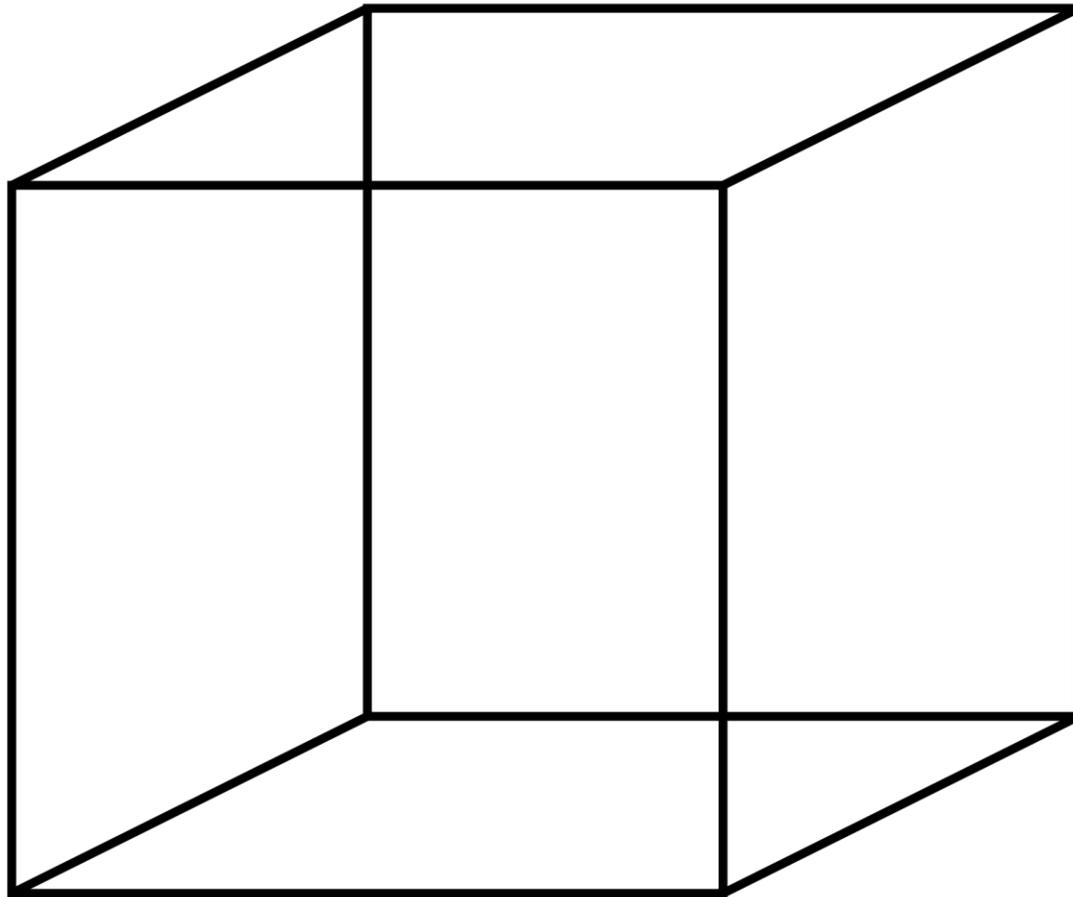
receiving, by at least one computer application program running on a computer of a safe transaction service provider, a request from a first party for obtaining a transaction performance guaranty service with respect to an online commercial transaction following closing of the online commercial transaction;

processing ... the request by underwriting the first party in order to provide the transaction performance guaranty service to the first party,

wherein the computer of the safe transaction service provider offers, via a computer network, the transaction performance guaranty service ...

- Commercial arrangement involving contractual relations similar to the fundamental economic practices found by the courts to be abstract ideas.
- Generic recitation of a computer and a computer network performing their basic functions.

# Practice Tips – Specification Drafting



Heightened scrutiny triggers

- fundamental economic practice
- a method of organizing human activity
- an idea itself (standing alone)
- a mathematical relationship

# Practice Tips – Specification Drafting

---

- Problem-solution
- Describe concepts broadly
- Identify uses of the broad concept outside the claim scope
- Include specific technical details in examples
- Allude to technical advantages

# Practice Tips – Claim Drafting

- Use application-specific preambles
- Don't be a Marconi
- Avoid math
- Use meaningful dependent claims



# Practice Tips – Claim Drafting

---

## Bad Examples:

- 2. The method of claim 1, wherein the web page is provided using HTML.
- 2. The method of claim 1, wherein the data is financial data.

## Good Examples:

- 2. The method of claim 1, further comprising opening the press based on the value.
- 2. The method of claim 1, further comprising generating a parity bit.

# Practice Tips - Prosecution

---

- Advocate for broadest reasonable abstract idea
- Show that claims DO NOT tie up ALL uses of the abstract idea
  - Streamlined eligibility analysis should be applied
- Written Responses:
  - Different Examiner / Art Unit approaches: CALL!
  - “the claimed solution is necessarily rooted in [FILL IN THE BLANK] technology in order to overcome a problem specifically arising in the realm of [TECHNOLOGY].” (*DDR Holdings*).
- Consider value of overcoming a 101 rejection

# The End

---

**Thank You!**

**Jim Babineau**  
**Fish & Richardson**  
**babineau@fr.com**

**With special thanks to:**

**Ryan McCarthy**  
**Ken Hoover**