Alice Corp. v. CLS Bank Int'l, and Computer-Implemented Inventions

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Since at least Gottschalk v. Benson, 409 U. S. 63, 67 (1972), what constitutes patent eligible subject matter in the field of computer technology has been unsettled. In Alice Corp. v. CLS Bank Int'l, 573 U. S. ____ (2014), the Court provided further guidance. To the joy of some, and the chagrin of others, Alice slams patent eligibility of computer-implemented inventions. What the Court held was "that the claims at issue are drawn to the abstract idea of intermediated settlement, and that merely requiring generic computer implementation fails to transform that abstract idea into a patent-eligible invention." This brief article excerpts the test, focusing on the "merely requiring generic computer implementation fails to transform" portion of the analysis.

First, the Court identified a two-step test for patent eligibility under 35 USC 101:

> In Mayo Collaborative Services v. Prometheus Laboratories, Inc., 566 U. S. ___ (2012), we set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. Id., at ___ (slip op., at 8). If so, we then ask, "[w]hat else is there in the claims before us?" Id., at ___ (slip op., at 9). To answer that question, we consider the elements of each claim both individually and "as an ordered combination" to determine whether the additional elements "transform the nature of the claim" into a patent-eligible application. Id., at ___ (slip op., at 10, 9). We have described step two of this analysis as a search for an "'inventive concept'"—i.e., 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."

The Court disposed of the first step of this test, stating:

> We must first determine whether the claims at issue are directed to a patent-ineligible concept. We conclude that they are: These claims are drawn to the abstract idea of intermediated settlement. ***
> On their face, the claims before us are drawn to the concept of

intermediated settlement, i.e., the use of a third party to mitigate settlement risk. *** The concept of risk hedging we identified as an abstract idea in [Bliski]. *** It is enough to recognize that there is no meaningful distinction between the concept of risk hedging in Bilski and the concept of intermediated settlement at issue here. Both are squarely within the realm of "abstract ideas" as we have used that term.

The Court next considered and applied the second step of its test to the method claims. Here, the Court concluded that: "the method claims, which merely require generic computer implementation, fail to transform that abstract idea into a patent eligible invention." In support of this conclusion, the Court then clarified the second step of the test:

> At Mayo step two, we must examine the elements of the claim to determine whether it contains an "'inventive concept'" sufficient to "transform" the claimed abstract idea into a patent-eligible application. 566 U. S., at ___, ___ (slip op., at 3, 11). A claim that recites an abstract idea must include "additional features" to ensure "that the [claim] is more than a drafting effort designed to monopolize the [abstract idea]." Id., at ___ (slip op., at 8–9). Mayo made clear that transformation into a patent-eligible application requires "more than simply stat[ing] the [abstract idea] while adding the words 'apply it.'" Id., at ___ (slip op., at 3).

After summarizing the facts of Mayo, the Court concluded that "[t]he introduction of a computer into the claims does not alter the analysis at Mayo step two." It then summarized its prior decisions in Benson,[2] Flook,[3] and Diehr,[4] and derived from those cases the following principle:

> These cases demonstrate that the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea "while adding the words 'apply it'" is not enough for patent eligibility. Mayo, supra, at ___ (slip op., at 3). Nor is limiting the use of an abstract idea "'to a particular technological environment.'" Bilski, supra, at 610–611. Stating an abstract idea while adding the words "apply it with a computer" simply combines those two steps, with the same deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implemen[t]" an abstract idea "on . . . a computer,"

Mayo, supra, at ___ (slip op., at 16), that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, see 717 F. 3d, at 1286 (Lourie, J., concurring), wholly generic computer implementation is not generally the sort of "additional featur[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself." Mayo, 566 U. S., at ___ (slip op., at 8–9).

Finally, the Court made clear that substance dominated over claim form, clarifying that its conclusion of lack of patent eligibility of the method claims also applied to analog claims in other claim formats. For example, the Court concluded that "the system claims are no different from the method claims in substance," referring to a lack of differences relevant to the test for patent eligibility. In support of this conclusion, the Court found that the hardware recited in the system claims was "purely functional and generic" and included in "[n]early every computer" (referring to prior art computers).

Thus, the Court concluded that claiming a method using a generic computer to apply an abstract idea is "generally" insufficient to bestow patent eligibility. The Court left a loophole, by reciting "generally," but did not specify what if anything might fit within the loophole.

In summary, under Alice, claims directed to an abstract idea, which merely require generic computer implementation of the abstract idea, generally lack patent eligibility.

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2. Gottschalk v. Benson, 409 U.S. 63 (1972).
3. Parker v. Flook, 437 U.S. 584 (1978).
4. Diamond v. Diehr, 450 U.S. 175 (1981).