October 2013

PIPLA NEWS

The official newsletter of the Pittsburgh Intellectual Property Law Association

OCTOBER LUNCH MEETING & CLE

Wednesday, October 16, 2013

The Engineers' Society of Western PA
337 4th Avenue
Pittsburgh, PA 15222
Phone: 412-261-0710

Time: Noon (Buffet)

Payment Required - $30-Lunch / $20-CLE. Check payable to PIPLA. Mail to:

PIPLA
c/o The Webb Law Firm
One Gateway Center, Ste. 1200
420 Ft. Duquesne Blvd.
Pittsburgh, PA 15222

OR Paypal via website: www.piplaonline.org (click on "October Lunch & CLE")

Speaker: Robert M. Spear, Supervisory Patent Examiner – USPTO

The title of Mr. Spear's talk will be "*Design Patent Practice Before the USPTO and Insight into the Hague Agreement*."

Robert M. Spear is a Supervisory Patent Examiner at the United States Patent and Trademark Office, working in the area of design patents. Rob joined the United States Patent and Trademark Office in 1993 and began examining design patent applications in the textile, packaging, tire and advertising arts. He was most recently a Design Practice Specialist and Training and Quality Assurance Specialist.

Rob is a retired lieutenant colonel in the U. S. Army reserve, having served a successful career as a military policeman, guitar player, combat engineer officer and medical architect. He received his Bachelor of Architecture degree from the University of Cincinnati.

PIPLA PITTSBURGH INTELLECTUAL PROPERTY LAW ASSOCIATION

PIPLA 2013-2014 MEETING DATES

Mark your calendars!

- **October 16, 2013** – Lunch Meeting (Engineers' Society)
- **November 20, 2013** – Breakfast Meeting (Rivers Club)
- **January 15, 2014** – Lunch Meeting (Duquesne Club)
- **February 19, 2014** – Breakfast Meeting (*Wyndham Grand)
- **March 19, 2014** – Lunch Meeting (Engineers' Society)
- **April 16, 2014** – Awards Dinner / Annual Meeting (*Gateway Clipper)

Note: Venues pending confirmation are marked with an asterisk.

IN THIS ISSUE

PIPLA WEBSITE UPDATE

Ryan J. Miller

Over the summer, the PIPLA website (www.piplaonline.org) was renovated to include a new logo and a more appealing visual appearance. Mark Paat of The Letter Thirteen Design Agency redesigned the PIPLA logo and renovated the site. While the content on the website has not been changed, the content has been moved into more meaningful categories so that that it is easier to find. In addition, the new logo has been added to the site and a new template scheme for the color and fonts used on the website has been selected. Further renovations have also been planned for later this fall including an updated membership roster that will be added to the site.

FEDERAL CIRCUIT UPDATE: *Accenture Global Services, GmbH v. Guidewire Software, Inc. (Fed. Cir. 2013)*

Matthew W. Johnson

The U.S. Supreme Court in *Bilski v. Kappos* and its predecessor decisions has made clear that claims directed to abstract ideas are unpatentable under 35 U.S.C. § 101. Unfortunately, the clarity in § 101 appears to end there. In *Bilski*, the Supreme Court declined to articulate a practical test for determining whether a claim was directed to an unpatentable abstract idea. The Supreme Court noted that certain existing tests (*e.g.*, the machine-or-transformation test) supply only "useful clues" as to whether a claim was too abstract to be patentable. While providing high-level guidance, the Supreme Court left the task of developing details of a workable framework for examining subject matter eligibility to the lower courts.

Since the June 2010 *Bilski* decision, the Federal Circuit has struggled to develop such a rigorous test for § 101 patentability. This struggle was put on display in the May 2013 *CLS Bank* en banc decision, where a fractured court issued five opinions attempting to describe the appropriate mechanism for analyzing subject matter eligibility, with none of those opinions garnering the support of a majority of the 10 participating judges. The saga continues with the Federal Circuit's September 5, 2013 decision in *Accenture Global Services, GmbH v. Guidewire Software, Inc.*, No. 2011-1486 (Fed. Cir. Sept. 5, 2013), where two § 101 approaches articulated in *CLS Bank* again battled head-to-head. In this round, Judge Lourie's approach from the plurality opinion of *CLS Bank* prevailed, with the abstract idea at the core of the claims not being saved by reciting computer or industry-specific limitations, while Chief Judge Rader dissented in favor of his approach in CLS Bank.

The patent-at-issue, U.S. Patent No. 7,013,284 (the '284 patent), describes a computer program for handling insurance-related tasks including the identification and delegation of tasks that are to be performed based on an event. Upon the occurrence of an event, the system determines what tasks need to be accomplished for that transaction and assigns those tasks to various authorized individuals to complete them. The system claims at issue included the following limitations:

- An "insurance transaction database" that contains a claim folder storing insurance transaction information;
- A "task library" containing rules for handling occurrences of events;
- A "client component" for communicating with a claim handler; and
- A server that includes an "event processor," a "task engine," and a "task assistant" for determining tasks to be completed and delegating those tasks to a claim handler.

The Court examined these computer/software components as part of its analysis of whether the components imparted sufficient concreteness to overcome the claims being only an abstract idea.

In his lead opinion, Judge Lourie, joined by Judge Reyna, analyzed the system claims following his approach described in the plurality opinion of CLS Bank. Generally, patent eligibility under § 101 includes two steps: (i) whether the claimed invention fits within one of the four statutory classes set out in § 101; and (ii) whether any of the judicially recognized exceptions to the subject-matter eligibility apply (e.g., the exclusion of

abstract ideas). The court did not explicitly address the first question but presumably found the claimed invention to be a "machine," given that the court acknowledged that the claims recite "certain computer components."

However, in assessing whether the claimed invention fits within the exclusion of abstract ideas, Judge Lourie provided that a court must determine whether the claim poses any risk of preempting an abstract idea. "To do so the court must first identify and define whatever fundamental concept appears wrapped up in the claim. Then, proceeding with the preemption analysis, the balance of the claim is evaluated to determine whether additional substantive limitations narrow, confine, or otherwise tie down the claim so that, in practical terms, it does not cover the full abstract idea itself." Judge Lourie used these two preemption-related inquiries to assess whether the claimed invention was reciting merely an abstract idea.

Under its analysis, the majority opinion found that the system claims are "patent-ineligible both because Accenture was unable to point to any substantial limitations that separate them from the similar, patent-ineligible method claim and because, under *CLS Bank*, the system claim does not, on its own, provide substantial limitations to the claim's patent-ineligible abstract idea."

Chief Judge Rader dissented. Judge Rader noted his preference for analyzing patent-eligible subject matter according to his approach in *CLS Bank*, viz., looking at the subject matter of the claim as a whole. The dissent stated that the claims describe a specific combination of computer components that interact in a specific manner that is explicitly recited in the claims. Despite the majority's attempt to strip away and trivialize these limitations, Judge Rader found that the "claims offer significantly more than the purported abstract idea and meaningfully limit the claims' scope."

In conclusion, Chief Judge Rader lamented that "no one understands what makes an idea abstract," and that after *CLS Bank*, "nothing has changed." He commented that the Federal Circuit opinions "spend page after page revisiting our cases and those of the Supreme Court, and still [] continue to disagree vigorously over what is or is not patentable subject matter." He comments that "[i]ndeed, deciding what makes an idea abstract is reminiscent of the oenologists trying to describe a new wine." The dissent concluded by urging reviewing courts to "consult the statute" and the broad categories of patent-eligible subject matter therein and argued that the "'ineligible' subject matter in these claims [at issue in Accenture] is a further testament to the perversity of a standard without rules—the result of abandoning the statute."

Accenture reiterates the varying approaches used by the Federal Circuit in current 35 U.S.C. § 101 jurisprudence. Until the varying approaches are reconciled, § 101 jurisprudence for software and business method patents will remain murky, with results being sometimes determined based on the panel that is drawn to decide a particular case.

PIPLA SOCIAL / ATHLETIC COMMITTEE: EVENTS BEING PLANNED

Michael D. Gagliano

1. Happy Hour including drink tickets (Fall 2013)
2. Bowling Night (Winter 2014)
3. Spring Golf Outing (Spring 2014)
4. Pittsburgh Pirates Game (Summer 2014)

We will provide further information as soon as events are finalized. We look forward to hosting new and exciting activities and we hope to see you there!

FROM THE NEWSLETTER COMMITTEE

We hope you've enjoyed this issue of the 2013/2014 PIPLA News, an informative and hopefully entertaining look at the goings on in IP law. We invite our entire readership to contribute to this endeavor with articles, announcements, and job postings of your own. If you have something you would like included in PIPLA News or have questions about how you can contribute, please contact Ying Cao at 412-394-9575 or at ycao@jonesday.com.