

The Twelve §101 Precedential Decisions of 2017: Federal Circuit Cases on the Alice Abstract Idea Exception

In 2017, Federal Circuit panels regularly addressed attacks on software patent claims as ineligible under the Alice “abstract idea” exception.

The 2017 pattern, with 8 of 10 decisions finding software claims not eligible, was similar to that in 2016 (10 of 14).

The penultimate patent-invalidating decision of the year, *Smart Systems* (by Judge Wallach) drew an impassioned partial dissent by Judge Linn, protesting that the “abstract idea exception” was “almost impossible to apply consistently and coherently.” Hard to dispute that!

In the two eligibility-confirming decisions, *Thales* (by Judge Moore) and *Visual Memory* (by Judge Stoll), the panels reversed a lower tribunal that had found claims not eligible. In *Visual Memory*, Judge Hughes dissented, protesting that “[u]nder the majority’s reasoning, many patent ineligible computer-implemented inventions could be described as non-abstract because they purport to ‘improve’ a computer despite requiring someone else to provide all the innovation.”

In addition to the ten software cases, one decision, *Cleveland Clinic* (by Judge Reyna) found a biomedical innovation not eligible. Another, *Mentor Graphics* (by Judge Moore) found a claim ineligible because it read on ineligible subject matter, a transitory signal (a “carrier wave”), as well as on eligible subject matter (tangible media).

The 2017 panel opinions reasoned by analogy to prior Federal Circuit panel opinions, comparing the claims at issue to those held eligible and ineligible in prior cases. *Enfish* (2016 by Judge Hughes), finding eligibility, was the pre-2017 opinion most often either followed or distinguished. Frequently cited pre-2017 opinions finding ineligibility included *Affinity Labs* (2016 by Judge Bryson), *Content Extraction* (2014 by Judge Chen), and *Electric Power Group* (2016 by

Judge Taranto).

A common theme in opinions finding a claim not eligible was that a patent owner's argument that the patent set forth a technological solution failed because the solution and how it was achieved were not reflected in the language of the claim. Judge Reyna made the point in *RecogniCorp.* and repeated it in *Secured Mail* and *Two-Way Media*.

Chief Judge Prost authored three opinions finding claims ineligible (*Capital One Financial*, *Erie Indemnity* and *Return Mail*).

We will examine these decisions (and other key topics) in Chisum Patent Academy seminars in early March 2018. Scroll down for registration information.

THE FEDERAL CIRCUIT'S 2017 PRECEDENTIAL SECTION 101 CASES:

1. Cleveland
Clinic
Foundation
v.
True
Health
Diagnostics
LLC.,
859
F.3d
1352
(Fed.
Cir.
2017)
2. Credit
Acceptance
Corp.
v.
Westlake
Services,
859
F.3d
1044
(Fed.
Cir.
2017)
3. Intellectual
Ventures

I
LLC
v.
Capital
One
Financial
Corp.,
850
F.3d
1332
(Fed.
Cir.
2017)

4. Intellectual
Ventures

I
LLC
v.
Erie
Indemnity
Co.,
850
F.3d
1315
(Fed.
Cir.
2017)

5. Mentor
Graphics
Corp.

v.
EVE-
USA,
Inc.,
851
F.3d
1275
(Fed.
Cir.
2017),
panel
rehearing
and
rehearing
en
banc

denied,
870
F.3d
1298
(Fed.
Cir.
2017)

6. RecogniCorp,
LLC

v.
Nintendo
Co.,
855
F.3d
1322
(Fed.
Cir.
2017)

7. Return
Mail,
Inc.

v.
United
States
Postal
Service,
868
F.3d
1350
(Fed.
Cir.
2017)

8. Secured
Mail
Solutions
LLC

v.
Universal
Wilde,
Inc.,
873
F.3d
905
(Fed.
Cir.
2017)

9. Smart Systems Innovations, LLC
v. Chicago Transit Authority,
873 F.3d 1364 (Fed. Cir. 2017)
10. Thales Visionix Inc.
v. United States,
850 F.3d 1315 (Fed. Cir. 2017)
11. Two-Way Media Ltd.
v. Comcast Cable Communications., LLC,
874 F.3d 1329 (Fed. Cir. 2017)
12. Visual Memory LLC
v. NVIDIA

Corp.,
867
F.3d
1253
(Fed.
Cir.
2017)

Upcoming Academy Seminars (March 2018)

Stay on top of the latest critical developments by joining us this spring in Houston or Cincinnati. The [Chisum Patent Academy](#) is accepting registrations for its Small Group Patent Law Seminars to be held in two locations in March 2018: in Houston, Texas at the offices of [Bracewell LLP](#) on **March 5-6, 2018**; and in Cincinnati, Ohio at the [Renaissance Cincinnati Downtown Hotel](#) on **March 8-9, 2018**.

Each two-day seminar will cover the same content; 12.0 CLE credits will be applied for. Chisum Patent Academy seminars are held in a unique roundtable format to maximize interactive discussion, debate, and sharing of best practices. Unlike other CLE programs, each Chisum Patent Academy seminar is limited to **ten (10) participants**.



Houston



Cincinnati

Topics for the Spring 2018 seminars:

Our small group seminars always include topics that are timely and important to professionals engaged in patent prosecution, litigation, counseling, and licensing. We update our syllabus for each seminar to include latest developments and trends. We expect to address these

and other topics in depth:

- Section 101 patentable subject matter;
- Inter partes review (including obviousness and procedural aspects);
- "Exceptional" cases justifying attorney fee awards under the new standards of *Octane II* (U.S. 2014);
- Anticipation (inconsistent decisions; "immediately envisage" requirement; inherency);
- Patent claim definiteness;
- Obviousness (improper use of inherency; weight to be given secondary considerations; prima facie case; teaching away; unexpected results); and
- 2017-2018 case law developments on each of these and many other issues in a review of "blockbuster" Supreme Court and en banc Federal Circuit decisions (including Constitutionality of AIA post-grant review [SCT heard oral argument in *Oil States* Nov. 27], the new patent venue landscape, exhaustion, laches, Section 271(f), design patent damages, IPR time bars and claim amendments).

The small group format of the seminars led by treatise authors [Donald Chisum](#) and [Janice Mueller](#) allows an in-depth exploration of the implications of these decisions for patent prosecution, PTO post-issue proceedings, patent portfolio evaluation, counseling, licensing, and litigation.



Don Chisum and Janice Mueller at the USPTO

For additional information on our Houston and Cincinnati venues and registration, go to <http://www.chisum-patent-academy.com/>.

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