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Recent Developments in Patent Law (Fall 2022)

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RECENT DEVELOPMENTS IN PATENT LAW (Fall 2022)

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PATENTABLE SUBJECT MATTER

Software and Business Method Cases

Unpatentable

***In re Killian*, 45 F.4th 1373 (Fed. Cir. Aug. 23, 2022)**

In this appeal from the PTAB, the Federal Circuit affirmed the rejection of a method to determine eligibility for social security disability insurance on 101 grounds.[3] The patent application claimed a computerized method of providing access to Federal and state databases through a network, creating an electronic data record of someone in the state database who was receiving treatment for developmental disabilities, matching it with the federal database on social security number, gathering information from a caseworker, and seeing if the person was receiving SSDI benefits.[4] The examiner rejected on 101, the inventor appealed to the PTAB, the PTAB affirmed.[5]

The Federal Circuit affirmed the denial, noting that this case "does not present such a close case."[6] At step one of *Alice* the Court held that since the identification of an individual and determination of if they were receiving proper benefits could be performed in the human mind, the application was directed at an abstract idea.[7] All the steps were performed on a generic computer, which did not save the invention at *Alice* step two.[8]

The appellant made several arguments directed at 101 overall. First, he argued that the *Alice/Mayo* standard is inherently indefinite, rendering all decisions under the standard arbitrary and capricious.[9] The Federal Circuit rejected this, noting that the APA does not apply to courts.[10] The Court also rejected the request for a single definition or limiting principle for abstract idea and inventive concept, noting that there is no single inflexible rule, and that the Court had provided considerable guidance.[11]

The appellant next argued that comparing this case to other cases in which the Court considered patent eligibility under 101 violates his due process rights.

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[3] In re Killian, 45 F.4th 1373 (Fed. Cir. 2022).
[4] *Id.* at 1377-78.
[5] *Id.*
[6] *Id.* at 1381.
[7] *Id.* at 1379.
[8] *Id.* at 1380.
[9] *Id.* at 1380.
[10] *Id.* at 1381. This is a curious response since the appeal was from a PTO decision.
[11] *Id.* at 1381-83.

This was rejected, as to repudiate it would be to repudiate the common law system itself.[12]

Killian next argued that *Alice* step two's inventive concept doctrine was improper because Congress did away with the "invention" requirement in the Patent Act of 1952.[13] The Court rejected this, on the grounds that the Supreme Court has told the Federal Circuit they are required to look for an inventive concept in *Alice*.[14] The same rebuttal answered the appellant's argument that the mental steps doctrine was abolished in modern patent law, with a cite to *Mayo*.[15] Lastly, Killian argued that the PTO failed to provide any evidence that the computer usage was routine and conventional.[16] The Federal Circuit pointed to the claim in the specification that the method could be done on any computer system.[17] Thus, the Court affirmed the 101 denial.[18]

Patentable

***CosmoKey Solutions GmbH & Co. K v. Duo Security LLC*, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021)**

In this appeal from the District of Delaware, the Federal Circuit reversed a district court finding that the asserted claims were invalid for failing to provide an inventive concept.[19] CosmoKey owns the '903 patent, a method patent for authenticating the identity of a user performing a transaction at a terminal.[20] The idea behind the invention is to have the authentication function be normally inactive, and only activated by the user for the transaction, and when the channel communicates that the authentication is active, to deactivate the authentication function, thereby using time of authentication as a second security method.[21] CosmoKey sued Duo for infringement, and Duo moved for judgment on the pleadings arguing that the claims were directed to the abstract idea of authentication.[22] The lower court agreed that the claims were directed to the abstract idea of authentication, and analogizing to *Prism*, a case where claims

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[12] *Id.* at 1383.
[13] *Id.*
[14] *Id.*
[15] *Id.* at 1384.
[16] *Id.* at 1384-86.
[17] *Id.* at 1385.
[18] *Id.* at 1386.
[19] CosmoKey Solutions GmbH & Co. K v. Duo Security LLC, 2021 WL 4515270 (Fed. Cir. Oct 4, 2021). Full disclosure: Lemley represented Duo Security in this appeal.
[20] *Id.* at *1.
[21] *Id.*
[22] *Id.* at *2.

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