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How Should a Petitioner Address the Technological Invention Exemption in a Petition for Covered Business Method Review?

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Covered Business Method Review of the PTAB allows a Petitioner to use a broader range of tools to challenge a Patent Owner's patent, as compared to those available in an *Inter Partes Review*. Specifically excluded from Covered Business Method Review are patents known as patents for "technological inventions." 37 C.F.R. § 42.301(a). However, the rules are not clear on the definition of a "technological invention", specifying only:

"(b) Technological invention. In determining whether a patent is for a technological invention solely for purposes of the Transitional Program for Covered Business Methods (section 42.301(a)), the following will be considered on a case-by-case basis: whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution." See 37 C.F.R. § 42.301(b)

Some guidance has been provided in determining what does and does not qualify. The Office Patent Trial Patent Guide identifies certain claim drafting techniques that do **not** render a patent a "technological invention", listed below:

"(a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

(b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination." *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48, 763-764 (Aug. 14, 2012)

While more illustrative than 37 C.F.R. § 42.301(b), even these guidelines do not elaborate greatly on the distinction between a technological and a non-technological invention. At present, very few cases have taken up the question of whether a patent constitutes a technological invention. We review a recent case, from April 22, 2014, below.

In [CBM2014-00010](#), Petitioner Experian Marketing Solutions Inc. challenged U.S. Patent No. 8,224,913 ('913 Patent), owned by RPost Communications Limited. The PTAB determined that the '913 Patent qualified as a "method... for performing data processing or other operations used in the practice, administration, or management of a financial product or service...", thus satisfying 37 C.F.R. § 42.301(a). However, the PTAB determined that the Petition did not establish that the claims of the '913 Patent were **not** directed to a technological invention, and therefore denied institution of proceedings.

The '913 Patent relates to systems and methods of later providing proof regarding the delivery and content of an e-mail message. (Background, '913 Patent). Specifically, Claim 1 of the '913 Patent is directed to, "transmitting a message from a sender to a recipient through a server acting as a Mail Transport Agent, including the steps at



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the server of... transmitting the message to the recipient's Mail Transport Agent in a protocol dialog selected from a group consisting of the selected one of the SMTP and ESMTP protocols... and recording at the server some portion of the selected one of the SMTP and ESMTP protocol dialog between the server and the recipient through the server including those portions of the selected one of the SMTP and ESMTP protocol dialog between the server and the recipient in which the receiving Mail Transport Agent accepts or declines delivery of the transmitted message.”

In the Petition, Petitioner argued, “the claims of the ‘913 patent merely recite using well-known technology (email), in a well-known manner (using SMTP or ESMTP to transmit e-mail), to perform a well-known task (applying digital signatures).” *CBM2014-00010* at 8. (Ed.: We observe that such technology, use, and tasks were undoubtedly known at the time of filing, November 22, 2010). Notably, however, in the prosecution of the ‘913 Patent, the Patent Owner amended the independent claims 1 and 10 to include a “recording” step to overcome prior art. Although mindful of this fact, Petitioner argued simply that this recording step was not novel along with several other steps performed in independent claims and 10.

In Reply, the Patent Owner responded, “Applicant alone recognized the importance of storing the dialog that occurs *between* server and destination address that is generated when using mail transport protocol such as SMTP for later use in proof of the message and proof of the delivery of the message.”*Id.*

The PTAB determined that, despite Petitioner’s arguments, the lack of novelty of technology, use, and tasks, “does not mean, necessarily, that **the use of the specific steps in independent claims 1 and 10** are not novel or unobvious.” *Id.* at 8-9. (Emphasis added.) The PTAB elaborated that, “Petitioner has provided some analysis of claims 1 and 10... but has analyzed the method steps separately, instead of examining each claim as a whole, as required... Petitioner also has failed to demonstrate that the use of the electronic message systems, per the claimed process, only would achieve the normal, expected, or predictable result of that combination.” *Id.* at 9.

It seems that Petitioner was unsuccessful due an inadequate level of detail used in its analysis of the ‘913 Patent’s novelty and non-obviousness. The PTAB chiefly objected to the Petitioner’s use of conclusory language and lack of analysis regarding the novelty of the independent claims *as read in their entirety*. (On the same day as the above-referenced case, the PTAB also denied institution of proceedings in [CBM2014-00017](#) on a similar basis. It is notable that both rulings were decided by the same Administrative Patent Judges Kevin F. Turner, Trevor M. Jefferson, and James B. Arpin and both were written by Judge Arpin. This may indicate that the PTAB wanted to send a signal to Petitioners.)

The PTAB’s analysis strongly indicates that a Petitioner should avoid any conclusory language used to characterize an invention as “non-technological.” Petitioners should file Petitions with significant treatment of the entirety of the independent claims, rather than asserting that individual elements are not limitations.

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