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Eligibility

Federal Circuit Finds Internet Content Filtering Invention Is Patent-Eligible

A patent related to filtering internet content tailored to individual users is eligible for patent protection, the U.S. Court of Appeals for the Federal Circuit ruled June 27 (*BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, Fed. Cir., No. 2015-1763, 6/27/16).

The trial court had granted defendant AT&T Mobility LLC's motion to dismiss the infringement case against it on the grounds that the invention covered an abstract idea without an inventive concept to make it patent-eligible. The Federal Circuit agreed that the invention covered an abstract idea. However, it found an inventive concept because the ''particular arrangement of elements is a technical improvement over prior art ways of filtering such content.''

This is the second Federal Circuit decision in less than two months to overturn a finding that a computer-related invention was patent ineligible. Before the court's May 12 decision in *Enfish, LLC v. Microsoft Corp.*, 2016 BL 151342 (Fed. Cir., 2014), the court had ruled only one patent eligible under Section 101 out of 20 appeals since the U.S. Supreme Court's ruling in *Alice Corp. v. CLS Bank Int'l*, 189 L. Ed. 2d 296, 2014 BL 170103, 134 S. Ct. 2347 (U.S. 2014) (235 PTD, 12/8/14).

In doing so, the court may be reminding defendants to consider the ordered combination of patent claim elements when looking at whether a patent has an ''inventive concept,'' Richard S.J. Hung, a partner and patent litigator at Morrison & Foerster LLP in San Francisco, told Bloomberg BNA.

Bascom Global Internet Services Inc. is the owner of U.S. Patent No. 5,987,606 entitled ''Method and System for Content Filtering Information Retrieved From an Internet Computer Network.'' The patent describes ways to provide individually tailored filtering settings while having the filtering software hosted on a remote server. That is achieved by requiring users to log in before accessing the internet, allowing servers to identify users.

According to the patent, this is an improvement over the prior art systems, which either involved a centralized filter applying the same rules to all users, or required the filtering software to reside on a user's computer, making the software vulnerable to hacking and difficult to administer.

Bascom sued AT&T Mobility for patent infringement. The trial court granted AT&T Mobility's motion to dismiss on the basis that the patent's claims were patent ineligible under 35 U.S.C. § 101. Applying the two-step test from *Alice*, it found that the invention was ineligible because it attempted to cover the abstract idea of ''determining who gets to see what,'' and did not have an inventive concept because the claim limitations were well-known.

The trial court also found that since there was no specific structure for the generic computer components involved, it raised the likelihood that the claims would ''preempt every filtering scheme under the sun.''

The Federal Circuit disagreed and vacated the decision. It agreed that the patent covered an abstract idea, but found that, given the limited record at the motion to dismiss stage, there was an inventive concept that made the invention patent-eligible.

In particular, the court took issue with the trial court's analysis of the claim limitations as an ordered combination. Though the Federal Circuit agreed that the limitations individually were well-known and not inventive, it said that non-inventive elements can be combined into a non-conventional inventive concept.

The inventive concept inquiry ''requires more than recognizing that each claim element, by itself, was well known in the art,'' the court said.

In this case, the inventive concept is the installation of the filtering software on a server away from the users that can still be customized to individuals. The court said this was similar to the invention in *DDR Holdings, LLC v. Hotels.com, LP*, 2014 BL 342453, 773 F.3d 1245 (Fed. Cir. 2014), the first post-*Alice* decision where the patent survived Section 101 scrutiny. The patent here does not try to claim the idea of filtering content applied to the internet but, instead, claims a technology-based solution to filter internet content that overcomes problems in technology existing at the time.

The patent takes a prior art solution, a server-side filter that did not allow rules for individual users, and made it more dynamic and efficient, the court said, making it a ''software-based invention that improves the performance of the computer system itself.''

The court also found that the claims did not seek to preempt all forms of internet filtering. Instead, the claims required the filtering system to be located on a remote server, and also required it to have custom filters for individual network accounts.

Reminders From the Court. Hung says that this case highlights some aspects of the Supreme Court's *Alice* decision that are sometimes overlooked.

''Section 101 motions frequently focus on whether there's an abstract idea under *Alice* step one and whether the individual claim limitations are known under *Alice* step two,'' he said. ''This case is a reminder that *Alice* refers to the 'ordered combination' of elements under step two as well.''

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The limited record at the motion to dismiss stage is also an important consideration for defendants looking to file a Section 101 motion.

''By noting the case's 'procedural posture' and 'limited record', the court also seems to be reminding movants: if you need evidence beyond the pleadings to prove that the ordered combination is not transformative, perhaps you should defer your 101 motion,'' Hung said.

Too Much Emphasis On Eligibility. Judge Pauline Newman signed onto the court's decision, but also wrote a separate concurrence saying that district courts should be allowed to address patentability and eligibility issues together. The current system of resolving disputes on patent eligibility first, and then moving on to disputes over whether the invention meets all the requirements for patentability, is cumbersome and wastes judicial resources, she said.

Newman's argument is similar to those who argue that the post-*Alice* jurisprudence has put too much emphasis on what is eligible subject matter under Section 101. Instead, inventions covering abstract ideas would likely run afoul of one of the patentability requirements, such as non-obviousness, she said.

''Initial determination of eligibility often does not resolve patentability, whereas initial determination of patentability issues always resolves or moots eligibility,'' Newman said.

Judges Raymond T. Chen and Kathleen M. O'Malley heard the case along with Newman, with Chen writing the opinion. Susman Godfrey LLP represented Bascom, while Baker Botts LLP represented AT&T Mobility.

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