IDEAS ON INTELLECTUAL PROPERTY LAW

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Federal Circuit cuts the line on patent-ineligible fishing method

The U.S. Court of Appeals for the Federal Circuit has thrown back yet another patent aimed at what it considers a patent-ineligible abstract idea. While many of the earlier cases in which the court has applied the so-called *Alice/Mayo* test for patent eligibility have involved computer-implemented processes or software, the recent case revolved around something much more simple.

APPLICANT CASTS THE NET FOR PATENT

The case focused on a patent claim for a method of fishing. The method comprised three steps, whereby the user:

- Determines whether the water is clear, stained or muddy,
- Measures light transmittance at a depth in the water where a fishing hook is to be placed, and
- Selects a colored or colorless fishing hook based on the clarity and light transmittance of the water, according to an included chart.

The Patent Trial and Appeal Board found that the claim covered the abstract idea of selecting a colored or colorless fishing hook based on observed and measured water conditions — a concept performed in the human mind. Therefore, it was ineligible for a patent. The patent applicant went fishing for a different take on appeal.

THE COURT TACKLES THE APPEAL

Section 101 of the Patent Act limits patent-eligible inventions to new and useful — or new and useful improvements of — processes, machines, manufactures or compositions of matter. Laws of nature, physical phenomena and abstract ideas aren't patent-eligible. To assess whether the fishing method indeed was an abstract idea, the Federal Circuit applied the two-step *Alice/Mayo* test for identifying patents that cover nothing more than abstract ideas (so named for the cases where the U.S. Supreme Court developed and refined the test).

Under the test, the court determines whether the claimed invention is a patent-ineligible abstract idea. If so, it then determines whether the invention includes an "inventive concept" that transforms it into a patent-eligible application of the abstract idea.

In its analysis of the first step, the Federal Circuit noted that it has previously held in a computer context that "collecting information" and "analyzing" that information fall within the realm of abstract ideas. The same is true, it said, in the fishing context.

According to the court, the fishing method claim required nothing more than collecting information about water clarity and light transmittance and applying it using the included chart. The court concluded that these steps together amounted to the abstract idea of selecting the color of a fishing hook based on observed water conditions.

> Collecting information and analyzing that information fall within the realm of abstract ideas.

The Federal Circuit dismissed several of the applicant's arguments to the contrary. He claimed, for example, that the claim didn't cover an abstract idea because fishing is a practical technological field recognized by the U.S. Patent and Trademark Office. The court conceded the possible existence of patent-eligible claims in the field of fishing but found that the claim at issue wasn't one of them.

The applicant also contended that observing light transmittance was unlikely to be performed mentally because "it is doubtful a fisherman could mentally determine light transmittance with the accuracy and precision found" in the patent claim. As the court pointed out, though, the plain language in the application encompassed such mental determination by a fisherman. Moreover, the applicant admitted that light transmittance could be measured by any instrument or method; the claim didn't specify how it was to be done.

Moving on to the second step of the test, the court of appeals found that the three elements of the claim didn't transform the nature of the claim into a patent-eligible application of the abstract idea, individually or as an ordered combination. Each of the three elements was an abstract mental process akin to data collection or analysis. Considered as an ordered combination, the three elements merely repeated the abstract idea.

BAITING THE HOOK

The Federal Circuit has shown little reluctance to deny patents for abstract ideas. Patent applicants would be wise to anticipate the *Alice/Mayo* test when drafting their patent applications. ◻

PTO GUIDANCE ISN'T CONTROLLING LAW

The U.S. Court of Appeals for the Federal Circuit did agree with one of the patent applicant's arguments in *In re: Rudy* (see main article), but that wasn't enough to salvage the case for him. Specifically, he asserted that the Patent Trial and Appeal Board (PTAB) shouldn't have applied the Patent and Trademark Office's "2019 Revised Patent Subject Matter Eligibility Guidance" in its patent eligibility analysis as if the guidance were prevailing law.

The court found that the guidance doesn't carry the force of law and isn't binding on the analysis. Rather, the court applies its own, and the relevant U.S. Supreme Court, precedent. Where the guidance contradicts or doesn't fully agree with that case law, the case law controls.

The Federal Circuit acknowledged that part of the board's analysis was based on the guidance but ultimately ruled against the would-be patentee. In this particular case, it found, the PTAB's reasoning and conclusion, despite being framed as a recitation of the guidance, were nonetheless fully in accord with the relevant case law.

The limits of artificial intelligence

PTO restricts "inventorship" to natural persons

Decades after "2001: A Space Odyssey" hit theaters, artificial intelligence (AI) is finally gaining ground in everyday life — but not without legal limits. The U.S. Patent and Trademark Office (PTO), for example, recently ruled that AI systems can't be listed as an "inventor" on a patent application.

PTO SEEKS MAN OR WOMAN

The applicant filed a utility patent application listing a single inventor with the given name "DABUS" and family name "Invention generated by artificial intelligence." According to the applicant, DABUS is a "creativity machine" programmed as a series of neural networks trained with general information in the relevant field to independently create the invention.

The PTO issued a Notice to File Missing Parts of Nonprovisional Application indicating that the application failed to identify each inventor by the applicant's legal name. The applicant sought a supervisory review, but the PTO dismissed his petition. He subsequently sought reconsideration of that decision.

IT'S ONLY NATURAL

The applicant contended that inventorship shouldn't be limited to natural persons, so it was proper to name DABUS as the inventor on the application. The PTO disagreed, citing the language of the Patent Act, rulings by the U.S. Court of Appeals for the Federal Circuit (which hears all appeals of patent-related cases), the Code of Federal Regulations (CFR) and the *Manual of Patent Examining Procedure* (MPEP) for support.

The Patent Act consistently refers to inventors as natural persons, using the words "whoever," "himself" and "herself." In light of that, the PTO said, interpreting "inventor" broadly to include machines would contradict the law's plain language.

The Federal Circuit also has explained that patent law requires that an inventor be a natural person. It has found, for example, that a state couldn't be an inventor because inventors are those who "conceive of the invention" — and "conception" is a mental act that can be performed only by natural persons.

The PTO found that the patent statutes and Federal Circuit decisions requiring inventors to be natural persons were similarly reflected in the CFR. The regulations make many references to the inventor as a "person."

And the MPEP also follows the statute, regulations and Federal Circuit case law on inventorship, stating that the threshold question for inventorship is conception. It defines conception as "the complete performance of the mental part of the inventive act."

The manual further states that conception is "the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice." According to the PTO, the use of words such as "mental" and "mind" indicates that conception must be performed by a natural person.

Because the application named a machine as inventor — contrary to statutory language, case law, and rules and regulations — the application didn't comply with the applicable requirements. The notice requiring identification of the inventor by his or her legal name, therefore, was properly issued.

STAY TUNED

Note that, while its European and U.K. counterparts found that DABUS had created the invention, the PTO didn't determine who or what had actually created it — the agency held only that the application required identification of a natural person as inventor. As AI develops, it will likely create more issues related to patents, and more guidance is sure to come from U.S. and foreign authorities. ◻

Supreme Court: Sovereign immunity sinks copyright claims

If your copyright is infringed by a state, you're likely out of luck. That's the result of a unanimous decision from the U.S. Supreme Court striking down a federal law that allowed copyright owners to sue states in federal court for infringement.

THE SUNKEN TREASURE

The case arose out of the discovery of a wrecked pirate ship off the North Carolina coast in 1996. As the shipwreck's legal owner, the state contracted with a videographer to document recovery operations. He recorded videos and took photographs for more than a decade, registering copyrights in all his works.

When North Carolina published some of the works online, the videographer sued the state for copyright infringement. The state asserted sovereign immunity, but the trial court sided with the videographer. It found that the Copyright Remedy Clarification Act of 1990 (CRCA) abrogated state sovereign immunity from copyright claims. The U.S. Court of Appeals for the Fourth Circuit reversed, and the case moved to the Supreme Court.

ROUGH WATERS

Federal courts generally can't hear lawsuits brought by any person against a nonconsenting state. But such claims are allowed if 1) Congress has enacted a statute that clearly abrogates states' immunity, and 2) the Constitution allows Congress to do so. The Court found that the first criterion was satisfied and focused on the constitutional requirement.

The videographer argued that the Intellectual Property Clause in the Constitution or the 14th Amendment gave Congress the necessary authority to sue the state. The Supreme Court disagreed, citing an earlier case in which it found that Congress couldn't use its power over intellectual property to circumvent the limits that sovereign immunity put on federal jurisdiction. For the same reason, the Court found here that Article I didn't support the CRCA.

The earlier case imposed limits on Congress's ability to abrogate states' immunity under the 14th Amendment. Congress must identify a sufficient pattern of unconstitutional infringement that deprives people of their property rights without due process to justify stripping the states of sovereign immunity in all copyright infringement cases. With only a dozen possible examples of state copyright infringement identified, it fell short when enacting the CRCA.

THE SHIP HASN'T NECESSARILY SAILED

The decision could leave copyright holders without a remedy against states for infringement. Copyright owners might try to negotiate some contractual protections from use that exceeds the contemplated scope, such as a waiver of sovereign immunity or higher-than-market compensation. ◻

Cantor Colburn LLP

20 Church Street
22nd Floor
Hartford, CT 06103

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