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A legal look at Patent Trial and Appeal Board decisions and trends



Abstract Idea Where There is No “Concrete” or “Tangible” Application

By Patrick T. Muffo

The seminal *State Street Bank* case held a claim to be patent eligible where it yielded a “useful, concrete, and tangible result.” *State Street Bank* was explicitly overruled by the Supreme Court’s *Bilski* opinion, but the general guidance appears to be alive and well. For example, the District of Delaware recently borrowed from several post-*Alice* Federal Circuit cases and found an invention was directed to an abstract idea where the invention “lacks a concrete or tangible form.”

The invention in *Kaavo, Inc. v. Cognizant Technology Solutions Corp., Inc.*, 14-1192-LPS-CJB (D. Del. Feb. 5, 2016) relates to a cloud computing system with multiple tiers. The tiers can include, for example, a load balancer or a server cluster. The specific claims recite a method of managing this cloud computing system.

The Court held the invention to lack patent eligibility. First, the Court held the claim was directed to an abstract idea by citing several Federal Circuit cases and concluding

“setting up and managing a cloud computing environment” does, in fact, amount to an abstract idea. The concept implicates an idea “having no particular concrete or tangible form” and that is “devoid of a concrete or tangible application.”

But the fact that the claim involves an abstract idea was only part of step 1. The Court then determined whether the claim was *directed* to the abstract idea. “From here, can it be said that claim 1 is ‘directed to’ this abstract idea?” The Court specifically borrowed from the *Internet Patents* Federal Circuit opinion and determined the abstract idea must amount to the “basic character” of the patent’s subject matter. Here, it did.

Moving on to *Alice* step 2, the Court held the claims recited no inventive concept, rejecting the Plaintiff’s arguments that the claims implied that certain hardware must be used, or that the claims did not preempt the technological area at issue.

Interestingly, the court refused to invalidate some of the dependent claims of the patent, holding the Defendants had not presented sufficient claim-by-claim analysis to render a decision: “They [the Defendants] do not address these claims on a claim-by-claim basis, leaving the Court often to have to apply broad arguments to multiple claims at the same time, with limited record support for those arguments.”

Takeaway

Kaavo makes clear that no §101 analysis is the same, and there exists no cookie cutter for attacking or defending patent-eligibility. The Court noted that preemption is not itself determinative, but can be instructive. The Court applied Federal Circuit case law to loosely define a new test for determining whether an invention is “directed to” an “abstract idea,” but it is unclear whether other tribunals will be receptive to this test. The Court did make clear that, to invalidate all claims, defendants should address all claims in their motion rather than rely on broad arguments better directed to other claims.

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