

Federal Circuit goes Enfish-ing for software patent eligibility

THE CASE:

Enfish, LLC v Microsoft Corp

The Court of Appeals for the Federal Circuit

12 May 2016

The Federal Circuit has affirmed that software remains patent-eligible subject matter

In *Enfish v Microsoft*, which was decided on 12 May, the Federal Circuit has provided much needed clarification to the *Alice* test for patent-eligible subject matter under 35 USC § 101. Under the framework set forth in *Mayo Collaborative Services v Prometheus Laboratories* and applied in *Alice Corp v CLS Bank Intl*, patent claims are ineligible for patentability if they are directed to a patent-ineligible concept, such as an abstract idea and do not include significantly more to transform the patent-ineligible concept into a patent-eligible application. In *Enfish*, the Federal Circuit has affirmed that software remains patent-eligible subject matter and, more importantly, that software claims lacking any physical components are not necessarily directed to an abstract idea. In doing so, the court has provided critical guidance to patent applicants and patent holders on the contours of the first inquiry of the *Alice/Mayo* test for patent-eligible subject matter: whether claims are directed to a patent-ineligible concept such as an abstract idea.

The patents at issue in *Enfish* are directed to a logical model for a computer database: the patents describe a self-referential technique in which all data entities are included in a single table and column definitions are provided by the rows of the table. The district court granted summary judgment of invalidity § 101 on all asserted claims, finding that the asserted claims were directed to an abstract idea. In applying the first step of the *Alice/Mayo* test for patent eligibility under § 101, the district court found that the asserted claims were directed to the abstract idea of storing, organising and retrieving memory in a logical table or, more generally, the concept of organising information using tabular formats.

In its reapplication of the first step of the *Alice/Mayo* test, the *Enfish* court examined the claims and specification of the patents at issue and found significant differences between the claimed invention and the general

abstract idea applied by the district court. In doing so, the court found that the claims are directed to an improvement over an existing and conventional database, as evidenced by benefits “such as increased flexibility, faster search times and smaller memory requirements”. In contrast, the district court’s abstract idea was an oversimplification of “the self-referential component of the claims” that downplayed the benefits of the invention described in the patents’ specification.

Unlike the claims in *Alice*, the *Enfish* court also found that the claims at issue do not simply add a conventional computer to known business practices. Instead, the claims to the self-referential database are “directed to an improvement in the functioning of a computer”. The court also found that the lack of physical components in the claims was not fatal to the abstract idea determination, as doing so “risks resurrecting...the machine-or-transformation test” or “creating a categorical ban on software patents”. The court addressed the issue of software patentability head on and stated that neither *Bilski* nor *Alice* created “an exclusion to patenting this large field of technological progress”.

The court said that claims directed to software are not inherently abstract and that “software can make non-abstract improvements to computer technology just as hardware improvements can, and sometimes the improvements can be accomplished through either route”. Based on this, the court concluded it is relevant to ask “whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea, even at the first step of the *Alice* analysis”.

In concluding its analysis under the first step of the *Alice/Mayo* test, the *Enfish* court found that the claims at issue – directed to “a specific type of data structure designed to improve the way a computer stores and retrieves data in

memory” – are “a specific implementation of a solution to a problem in the software arts” and are not an abstract idea. Because the claims at issue are not directed to an abstract idea and pass the first step of the *Alice/Mayo* test, the court did not proceed to the second step of the *Alice/Mayo* test. The court also reversed the district court’s grant of summary judgment on invalidity under § 102 and affirmed the district court’s grant of summary judgment of non-infringement for one of the claims at issue.

As *Enfish* makes clear, software is not generally excluded from patent protection under the *Alice* test, even in the absence of specific physical components in the claims of software patents and patent applications. In view of the guidance provided in *Enfish*, patent applicants have specific points to consider when seeking protection on software inventions and the threat of ineligibility under the *Alice* test. Software patent claims that provide improvements to the functioning of a computer and benefits over existing and conventional software should have better chances of overcoming issues of patent eligibility under § 101.

Authors



Brad Chin (top left) is the head of Bracewell’s IP practice group.

Brian Tompkins (top right) and Chris Drymalla (left) are senior counsels in Bracewell’s technology practice in Austin.