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CLIENT ALERT

When Determining Eligibility for CBM Review, a Technical Solution May Be Present Even if Achieved With Conventional Elements; and When Determining Whether That Solution Is "Unobvious," It Would Make Little Sense to Have to Perform a Complete Analysis

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SIPCO, LLC v. Emerson Electric Co., No. 2018-1635 (Fed. Cir. Sep. 25, 2019)
The patent at issue is directed to a communication pathway that involves a remote device communicating wirelessly using a "low power transceiver," in which the remote device could be associated with an ATM or vending machine. After finding the patent eligible for covered business method (CBM) review, the Patent Trial and Appeal Board (PTAB) found certain patent claims invalid as ineligible under section 101, and also invalid as obvious. The PTAB found that the patent was not excluded from CBM review under the "technological invention" exception because the patent contained no "technical solution to a technical problem."

The Federal Circuit reversed the PTAB's claim construction, and found that the patent as construed correctly does indeed contain a technical solution to a technical problem. The term "low power transceiver" refers to a device in which the low power level corresponds to a "limited transmission range." Accordingly, the technical problem of avoiding unlawful interference in the wireless transmission is solved by a technical solution of using a transmitter with a limited range. That conclusion is not changed "despite the fact that each piece of technology [the patentee] employed . . . was conventional in nature."

However, because the PTAB did not address the first prong of the "technological invention" exception, i.e., whether the "claimed subject matter as a whole recites a technical feature that is novel and unobvious over the prior art," the case was remanded for the PTAB to do so. The Federal Circuit declined to "assume" that the answer to that first prong would rise and fall with an obviousness analysis under section 103. When deciding the preliminary question of CBM eligibility, there would be "little cause to determine what will be one of the ultimate questions [i.e. obviousness] if review is granted."
A copy of the opinion can be found here.

1 Min Read

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