

High Court Must Shift Focus In Reviewing Software Patents



Law360, New York (March 24, 2014, 12:37 PM ET) -- Remember the 1970s pop hit "Looking for Love in All the Wrong Places"? It was about a lonely soul, searching blindly for an answer where there was none to be found. Unfortunately, our U.S. Supreme Court finds itself in the same place in hearing the question of whether software-implemented business methods should be eligible for patent protection.

The case, *CLS Bank Int'l v. Alice Corp.*, was a hard one for the Federal Circuit, which lurched through six separate opinions after its review of the matter, reaching no consensus view. And now the Supreme Court is taking on CLS Bank.

It has been just four years since the Supreme Court last grappled with the same basic question. That case was *Bilski v. Kappos* (which carries my name as defendant because I was the head of the U.S. Patent and Trademark Office when the case was argued, and not because I had any personal interest in the case). In *Bilski*, the Supreme Court itself was split, mustering consensus only for a view that "abstract ideas" are unpatentable. This is hardly a clear standard — neither is it a useful one to the millions of scientists, engineers, lawyers and patent examiners who pore over patents on a regular basis.

Nor was *Bilski* the Supreme Court's first foray into the legal no man's land of divining those admittedly great ideas that, no matter how important, how breathtaking, how transformative, will be deemed per se ineligible for patent protection. In fact, there are no fewer than five cases in the last half-century where the court has ventured into this same territory. Left in the wake of all of these decisions is a morass of cross-cutting jurisprudence that not even the most brilliant scholars can reconcile. Ironically, then, it is this enduring judicial obsession with subject matter patentability under Section 101 that has left the law in its current state of disarray — a problem the Supreme Court must now endeavor to fix.

Just as in the 1970s song, the search for a quick, threshold solution proceeds from a false premise. Contrary to popular belief, software patents do not involve mere lines of programming code. In reality, they embody paradigm-changing innovations like automated language translation, voice recognition and video compression.

Importantly, these major technological advances have all been implemented at various points in hardware, firmware and software. So by what logic should these processes be patentable when implemented in hardware, but not in software? At its core, software is just a medium of expression — like the English language. And no one would think to pass a nonsensical law that said "no patents in English." We should similarly decline short-sighted invitations to forego protection to any critical form of innovation — software, or other.

The Supreme Court is simply looking for solutions in the wrong place. Subject matter eligibility is a coarse filter — it is not suited to the fine-grained issues the court is forcing through it. The question should be less about how to divine categorically between patentable versus unpatentable ideas and more about how to make each patent clear — and clearly limited only to the specific invention disclosed and no more. Thankfully, the Federal Circuit and district courts are doing just that.

Ironically, the much-maligned Eastern District of Texas (the court that has been the favorite of patent holders owing to its reputation for plaintiff-friendliness) is providing leadership in this area, by confronting the hard work of analyzing patent descriptions to determine whether they are clear enough to merit broad protection.

In *Juxtacomm-Texas Software v. TIBCO Software*, recently affirmed by the Federal Circuit, Judge Leonard Davis of the Eastern District of Texas invalidated a patent based on just this analysis. Critically, neither of the parties had briefed the key issue — but Judge Davis asked for it and based his summary judgment ruling on the fact that the invention set forth in the claims was “not what the patentee regarded as his invention.” The implication is that courts will not tolerate a patent whose description indicates a helicopter but whose claims cover an airplane.

The lower courts are shifting the focus from the unproductive (silver bullet solutions) toward the constructive: accurate and meaningful patent documentation, and patents no broader than the documentation will support. If the Supreme Court is to alleviate the uncertainty brought about by over-reliance on Section 101 — which it must — it ought to similarly express a new emphasis on Section 112 analysis.

Certainly, greater predictability could be achieved by defining bright-line rules. But query what impact such inflexible rules would have on future innovation. Our country has long enjoyed a competitive advantage because our patent system protects innovators’ rights without being so rigid as to lack capacity to keep up with the pace of invention. If the U.S. wants to continue to maintain a flexible system — as it always has had — with all the benefits that come with flexibility, then Americans must accept — as they always have — some concomitant level of imprecision.

The goal for the IP system, and the Supreme Court, should not be to articulate a perfect definition neatly separating those categories of human creativity deemed patentable from those that are not. That is a search looking in the wrong place. Brand-new fields of human exploration that test the elusive line defining patent protection, and tensions between flexible standards that anticipate rapid change versus predictable rules that mitigate business risk, will remain permanent fixtures of the IP debate. The trend in lower court decisions toward increasing focus on the documentation requirement illuminates the path to a clearer and better calibrated patent system. The Supreme Court would be wise to turn its attention there as well.

—By David J. Kappos, Cravath Swaine & Moore LLP

David Kappos is a partner in Cravath's New York office and former under secretary of commerce and director of the United States Patent and Trademark Office.

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