

ALERTS

Intellectual Property Law Alert - Covered Business Method Review Only Requires At Least One Claim Directed To A Covered Business Method For The Entire Patent To Be Reviewed

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In *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, Case CBM-00002 (Jan. 23, 2014), the Patent Trial and Appeal Board (PTAB) of the United States Patent and Trademark Office held the challenged claims unpatentable. In its decision, the Board asserted that the covered business method review only requires that at least one claim be directed to a method practicing a financial service or product for the PTAB to review all of a patent's claims. This holding means that more than business method claims are subject to cancellation during a covered business method review.

The covered business method review is a post-grant review instituted by the America Invents Act (AIA) of 2011. A "covered business method patent" is defined at § 18(d)(1) of the AIA as claiming "a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service."

The PTAB decision rejected Progressive's argument that a covered business method review requires the Board to determine whether every challenged claim is directed to a covered business method. In this case, the Board determined that claim 4 was directed to a covered business method. Upon this determination, the Board then reviewed all of the challenged claims.

In the PTAB's statutory construction analysis of § 18 of the AIA, the Board analyzed the plain language of the statute. The AIA defines the review in terms of "patents" and not "claims." The Board did not find any legislative intent to limit the review to claims or require a claim-by-claim analysis. According to the Board, such intent would have manifested by use of the term "claim" instead of "patent" in the text of the AIA. "Therefore, a *patent* is eligible for a covered business method patent review if the subject matter of at least one claim is directed to a covered business method." (*emphasis in original*).

Following this determination of eligibility of the claims to be reviewed, the Board held all of the challenged claims unpatentable under 35 U.S.C. § 103(a) for obviousness. Therefore, all the claims of any patent with at least one covered business method claim are subject to the covered business method review under § 18 of the AIA.

For more information, contact the Barnes & Thornburg attorney with whom you work or member of the firm's Intellectual Property Law Department in the following offices: Atlanta (404-846-1693), Chicago

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