



# Surviving Alice: Counseling the Client



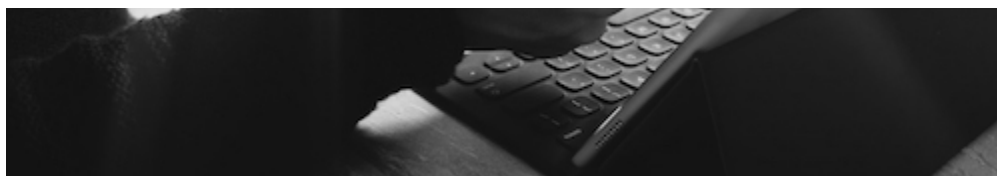
By [Gary Cohen](#) & [Mark Nowotarski](#) & [Trent Ostler](#)  
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*This is the first of a 5-part series of practical guidance on how to avoid or overcome statutory subject matter rejections under Alice Corp. v. CLS Bank Int'l, 134 S. Ct. 2347, 2355 (2014). The focus will be on business methods, but the guidance should be applicable to all technology fields. This first article discusses how to effectively counsel a client in the early stages of patent preparation so that the client will provide adequate technical content in their invention disclosure. With adequate technical content, the patent practitioner can, as discussed in the second article, craft a patent application that is much more likely to be classified in an Alice-friendly art unit (e.g. technical), as opposed to an Alice-unfriendly art unit (e.g. business method). The remaining three articles further discuss actions that can be taken during prosecution or appeal to further increase the chances of allowance.*



With every passing Section 101 case, the Federal Circuit continues to refine the standard for patent eligibility for computer-implemented inventions. As it



does so, patent law pundits write articles that extract Federal Circuit

clues for drafting patent applications to comply with Section 101. Even though judicial exceptions to patent-eligible subject matter have been around for a long time, the disparity among different technology classes has become pronounced. In fact, some computer related art units at the USPTO, such as those associated with business method technology, issue Alice-based rejections at a much higher rate than other art units.

Rather than spend a significant amount of time and money on patent prosecution in such difficult art units, we describe another way to avoid the *Alice* battle altogether: include substantive technical content in your patent application so that, for purposes of examination, it is steered to an optimal, more Alice-friendly, art unit.

Including the right technical content in a patent application for an optimal art unit begins with the first contact between a patent practitioner and a client. Initially, the client will communicate, either orally or in writing, a disclosure of his or her invention. Assuming the disclosure is directed toward a business-related computer-implemented invention, the practitioner should, in view of case law, identify the following “adequate technical content”:

- technical aspects of the invention,
- the technical problem solved by the invention,
- any technical improvements and/or perceived innovation, and/or
- the critical computer functionality provided by the invention.

If the invention disclosure has adequate technical content, then the practitioner is well positioned to begin drafting the patent application. The technical content will be the foundation of the application, while the business content will be presented as an exemplary application of the technology as a whole. Ideally, the inventor will also describe other non-business applications. If a client, for example, develops an improved rules-based fuzzy logic process that enables an improved accounting process, the client should be encouraged to think of other more physical, technically based applications of the improved rules-based fuzzy logic process. The more physical applications are then described in the patent application as alternative embodiments.

Not all invention disclosures of business-related inventions, however, have adequate

technical content. This is especially true when the primary inventor is not a technologist. In such cases, the practitioner can educate the client about the *de facto* technical requirements. Be blunt: without adequate technical content, there is no realistic chance of allowance. Straight talk about the reality of *Alice* will eventually be appreciated to even the most skeptical of clients.

Often times, inventions include, or at least suggest, technical aspects that are not immediately apparent from the face of the disclosure. There are concrete ways that the practitioner can bring out these seemingly latent technical aspects. For example, the savvy practitioner can encourage the client to articulate how the invention improves computer capability. This can help bolster the technical aspects of the invention and avoid the invention being characterized as being directed toward an abstract idea. See *e.g.*, *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335-36 (*citing Alice*) (Fed. Cir. 2016); *Cf.* *TLI Communications LLC Patent Litigation*, 823 F.3d 607 (Fed. Cir. 2016).

Next, the practitioner should make the client aware of the importance of corresponding the technical improvements with points (b) – (d) above and should seek to include such information in the application. Take, for instance, point (b), the technical problem solved by the invention. This is important because inventions including a technical solution to a technical problem are more likely to be viewed as including an “inventive concept.” See *e.g.*, *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1259, (Fed. Cir. 2014).

One way to ensure adequate technical content is to become very familiar with the details of the invention. If possible, it is helpful to request a disclosure resembling a reduction to practice, such as a technical specification or prototype. Development of the technical specification or prototype may require the assistance of a third-party developer. When using a third-party developer, however, the practitioner should advise the client of the necessity of executing formal assignment documents first. If the developer provides the technical solution to the technical problem, then the developer may become a co-inventor, depending on the extent to which the developer contributes to the claimed invention.

The following hypothetical example elaborates on an invention with a non-technical use that fails to identify all of the above-mentioned items (a) – (d):

*A client discloses a rules-based application (implemented in software) having particular use in the area of accounting. Among other things, the application includes a spreadsheet for inputting data in a selected manner. Responsive to the*

*selected data input, the application allows for the projection of all sorts of phenomenal and unexpected accounting results. The disclosure only states that “fuzzy logic is used to drive the rules-based application.” No more technical detail is given.*

In accordance with the above discussion, particularly point (a), the client should be apprised of the necessity of fully fleshing out the inventive aspects of the technical implementation (i.e. the fuzzy logic). The client, however, may not know what the technical implementation is or what technical problems may need to be overcome. At this point, there may be no harm in filing a provisional patent application to capture the earliest priority date for the client.

The next step under point (b) is to work with the client to develop a plan for implementation. Actual technical implementation can be expensive, but it is a very effective way to reveal technical problems that have to be solved. Technical implementation always (in our humble experience) reveals unforeseen technical problems. Readily available solutions may not exist. At some point, what is readily available may need to be modified or customized to serve the specific needs of the new business application, particularly as that application is scaled up. This is where patentable innovation occurs. These customized solutions become the technical solutions to technical problems that are ultimately the foundation of the patent application.

Next in point (c), take a close look at the technical improvements and/or perceived innovation. In this case, had previous accounting systems not incorporated fuzzy logic for a specific reason? Did specific technological obstacles in a particular field make this technical implementation unrealistic or very difficult? Answers to these questions can provide technical content to include.

Here, the client may be concerned that disclosure of a particular solution to a particular problem may reveal information the client would prefer to keep confidential. This is an excellent opening for the practitioner to have a candid conversation with the client about the fundamental quid pro quo of the patent system. The government provides monopoly rights to inventors specifically to encourage disclosure of inventions that inventors would otherwise wish to keep secret. If a client is reluctant to disclose a technical solution to a technical problem, that's a good clue that the technical solution is indeed patentable. If the client does not trust the patent system to protect the disclosure, then that will open a

door for a productive conversation about the virtues of trade secret protection. A conscientious practitioner should be focused on assisting the client in selecting the most appropriate form of intellectual property protection consistent with the client's needs. There are times, particularly in this environment of 101 uncertainty, when maintaining a trade secret is a more effective option than seeking patent protection. And, under the American Invents Act (AIA), maintaining an invention as a trade secret does not necessarily preclude seeking patent protection at a future time.

Next, in (d), the practitioner can help to identify critical computer functionality. Often times, an invention that relies on an implementation that is rooted in computer technology is a countermeasure against an abstract idea assertion. This is often times true if the claimed invention cannot possibly be implemented by mental processes or by pen and paper alone.

The client may be concerned about unduly limiting the coverage of the patent to a particular technical implementation. At this point, the practitioner may want to encourage the client to simply write down all of the conceivable alternative ways the technical problem can be solved. These alternative ways are incorporated into the patent application and reflected in the breadth of the independent claim. If the client is still concerned about another party coming up with an unforeseen way to get around the technical problem, then another candid conversation about an essential purpose of the patent system may be in order. The government provides patent rights to inventors because it wants to encourage others to find new solutions to technical problems. The original inventor only gets patent rights to what the original inventor invented, not to what others might invent in the future. It was the apparent failure of the patent system to achieve this objective by issuing patents on overly broad abstract ideas that ultimately led to the *Alice* decision in the first place.

In conclusion, adequate technical disclosure is essential to drafting a patent application that is likely to be classified into an Alice-friendly technical art unit. Make sure to carefully work with the client to gather all the necessary technical information.

*TO BE CONTINUED... In our next article, we will provide practical guidance on how to structure and draft a patent application so that it has a high likelihood of being classified exactly in the art unit the client intended.*

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**angry dude** May 10, 2018 11:07 pm

ah ah ah

such a sage advice from “seasoned and renowned patent practitioners” ..

What about pre-Alice patents like mine ???

The main independent claims were written in accordance with the best practices at the time (2012) to capture the very essence of the “computer-implemented invention” which by necessity assumes some degree of ... sigh... abstraction

You dudes should be ashamed of what you became

**angry dude** May 10, 2018 11:15 pm

“...written in accordance with the best practices at the time (2012) ”

Sorry, my bad... I meant 2002 – BIG difference (I would not try to patent any “computer-implemented invention”.. actually anything at all.. in 2012..)

**Paul Cole** May 11, 2018 2:51 am

Very welcome paper, collecting together and explaining a number of points that I have been making in comments over the years. The approach would be very helpful in obtaining patents in the UK and Europe as well.

**Paul Morgan** May 11, 2018 10:25 am

“angry dude” your comment make it sound like the Sup. Ct. Alice decision was written by patent

attorneys and agents, which of course it was not. [And before Alice was Bilski.]

**Eric Berend** May 11, 2018 2:25 pm

Trying to convince inventors, that mere lawyer-speak which appears as being so-similar as the last decade plus of a shell game horror show for their interests, is supposed to improve this untrustworthy situation: is problematic. The current vogue is updating notions of 'face' for a post-modern era: "What do the 'optics' look like?"

Well, nobody of any consequence in the U.S. patent space, it seems, gives a damn about how the "optics" appear to inventors, now do "they"?

angry dude is 100% correct.

Inventors are watching how other inventors so poorly treated as he, in prosecuting his patent property rights, are being regarded and respected, right about now.

I wonder if this reality can be perceived in the myopia of the power superiority complex currently exhibited by the legislator-jurist-attorney overclass; given the perspecuity of the forces determined to diminish patents altogether, and the relative confusion and fecklessness of those forces originally established by the Founders, to sustain and defend the same.

Here's a clue: you guys continue to 'screw the pooch'. And, you are so oblivious in the spouting of your stentorian drivel, that you fail to notice when the "pooch" already 'flew the coop', amidst the din.

Or – perhaps it's better expressed in the form of an equivalent expression, which attorneys seem to favor: 'while that ship sailed'.

If judges, legislators and attorneys in general, fail to perceive the effects of a massive failure of confidence by inventors in their counsel and practices, brought about largely by actions undertaken in the legal domain, over which inventors have very little influence; then, why should any of you be surprised or DARE act defensively, when confronted by inventors' disappointment?

When will you all "GET IT", that tacitly treating inventors as merely so much unruly children, only further legitimizes the contempt with which the enemies of intellectual property protections have portrayed us; and continues to muddy the waters of the whole U.S. patent space?

And, he (angry dude) is far from the only one. Any U.S. inventor with a shred of self-respect and sense of human dignity in the matter, is feeling completely betrayed and outraged beyond measure, at this point. Meanwhile, the nation does not give a damn. The truth...plain and simple. OFFICIALLY, we are “patent trolls”, to be derogated into irrelevance.

Any of you attorneys who hasn't been at least cognizant of this aspect of the U.S. patent space; if not actually an advocate like Gene and too few others – deserve our mistrust, contempt and opprobrium. And, it is HIGH TIME you attorneys disabused yourselves of the offensive and inappropriate sensitivity routinely displayed about this attitude that most informed inventors CORRECTLY hold, towards attorneys in general. It is well warranted: thoroughly earned by two decades of negligence and contempt of implied and conventional responsibilities exhibited by a majority of attorneys' routine practices of patent prosecution, by a majority of judges sitting on court benches, and by a vast majority of oft-corrupt legislators; where inventors are concerned.

I wonder if any of the esteemed members of the Patent Bar can write a treatise on how to ‘craft a U.S. utility patent application’ such that it becomes less likely to “reject” an otherwise legally and technically valid patent for a mechanical or electrical mechanism, structure or apparatus that performs a useful new functionality heretofore unknown; by ‘Frankensteining’ together a dozen disparate references of so-called “prior art” to declare said genuine new invention as being “merely obvious” – given that ALL such treacherous legerdemain arises from your software-centric notions of overweening economic superiority complexes?

Get it: that traditional inventors are the most derogated and harmed of the various categories of invention utility. Our interests were NEVER even considered, with all that fussing about software, business process, chemistry and biology. All that is seen to be of any consequence in this matter whatsoever, revolved 99% around the incredibly myopic and narcissistic world of software zealots and their technoristicrats literally exhorting as a standard business practice, to relentlessly run roughshod over EVERY other interest in the U.S. society today: “Move Fast And Break Things!”

Frankly, if we who invent primarily in the realm of mechanical and electrical inventions find patent category factionalism or outright balkanization imposed upon us without regard to concerns specific to our own; then, I daresay you all DESERVE Alice, 101 gotcha-games, two-faced legal standards competing for draining the inventor's resources sooner (PTAB vs. Fed. Courts; BRI vs. Phillips), etc., etc. – and: WE DO NOT.

So: the Big Pharma boys were said to provide the ‘heavy lifting’ on K Street that “was critical” to ‘Putting the AIA over the top’; back in 2011?

Then, when the way they got played by SiliCON Valley's IP Pirate Gang finally dawned on their



masters-of-this-universe clodhopper brains, their “solution”? Lobby for a ‘carveout’ exemption for ONLY PHARMA PATENTS! IOW...”screw you yet again, mechanical-electrical inventors – just after we royally screwed you hard with pushing through the AIA”.

NO amount of pseudo-collegiality nor conceited presumption of comity, will restore any traditional inventors’ trust, let alone faith, in the U.S. patent prosecution process; until the inventors are finally again regarded and treated with the respect our role deserves and should demand; and this fractious specialization that quite deliberately derogates specific categories of inventions, is abandoned at last – and, this certainly also includes software inventions.

**Eric Berend** May 11, 2018 3:32 pm

@7., ‘angry dude’:

Thank you so much, for correctly pointing out how this connects the U.S. public interest (and even further, to the world beyond our borders) to the inventor’s personal (‘private’) interest being properly incentivized.

It is difficult for me to distinguish which makes me, personally, more angry: the outrage to my sense of general benefit to society and according to the Founding Fathers’ intent and designs; the outrage to a general sense of fairness in the law by playing ‘divide and conquer’ against inventors in the above described categorization of invention types; or, the outrage of specific harm to my own opportunities and interests in life.

My sentiment seems to be similar as yours; there is one invention that I can pursue as a trade secret in a particular business model. It will take a greater economic establishment to erect sufficient barriers to replication, than you own situation; however, there looks to be a path forward there.

But I feel truly terrible for inventors in situations such as with Tesia and Josh. As well as for myself, as there are several devices or apparatuses I have invented where I am basically in the same boat. Professional photographic lighting equipment can carry a handsome profit margin. Increasing manufacturing industry, is supposed to be a desirable development in the U.S. economy. But not if the patent that is supposed to protect that company which prosecutes the adoption of the technology, isn’t even good for wallpaper.

**Eric Berend** May 11, 2018 6:39 pm

@9., 'Mark Nowotarski':

Thank you very much for taking the time and attention to read what I wrote here, above. It could seem at a cursory glance, that perhaps I am tarring attorneys, legislators and judges with a broad brush; precisely because there needs be some complexity in taking pains to distinguish these criticisms based on my perceptions of a proper separation of concerns, it can often become the proverbial 'wall of text'.

Respectfully, I am quite interested to read your response. Thanks again.

**Night Writer** May 12, 2018 11:35 am

The joke about "technical" is that any problem that is being solved with a machine is technical in nature.

It is not possible for this to be false.

And a whole set of the Google lies goes that business methods are just implemented on machines and are not technical (which is a bit like the dumb as\$ Ginsburg's statements about organizing human behavior). Anyone that knows anything about technology knows that once you start using a computer to solve a problem what happens is there is interaction between how to solve the problem and what is being done. More efficiencies are found and it is typically one of the most fertile fields for innovation.

But here we sit with Google judges and dumb as\$ Ginsburg making ridiculous statements that business methods aren't technical. Please dumb as\$ Ginsburg retire your ossified 18th century mind.

**Mark Nowotarski** May 16, 2018 5:37 pm

Eric@6:

I think you are expressing that there is a "massive failure of confidence by inventors in their (i.e. judges, legislators and attorneys in general) counsel and practices..." Inventors are "feeling

**step back** May 12, 2018 1:23 pm

*“Pragmatically they have been relatively unaffected by Alice.”*

There is no logical reason why a court cannot accuse the creator of a mechanical device of having had no more than an “abstract idea” and then saying apply it by using conventional and well-understood gears, levers and rods in a routine manner.

completely betrayed and outraged beyond measure... Meanwhile, the nation does not give a damn.” You have a particular concern about mechanical or electrical inventions and the practice (presumably by patent examiners) of “Frankensteining together a dozen disparate references of so-called ‘prior art’ to declare said genuine new invention as being ‘merely obvious.’”

Please let me know if I’ve captured your concerns correctly or left any important points out.

I share your concern regarding the sorry state of the current US patent system. The patent process used to have objective standards. We had the “Teaching Suggestion Motivation” test for obviousness; “Machine or Transformation” test for statutory subject matter; and on the enforcement side, presumed injunctive relief to stop infringement.

Now the standards for the patent process are subjective. “Obvious” and “not obvious” are at the discretion of the examiner. “Statutory” and “not statutory” can be declared by fiat according to whatever authority is reviewing a case (e.g. examiner, PTAB, court). Injunctive relief doesn’t count if you are an NPE.

Rather than wring our hands, however, what we are trying to do with this series of articles is to accept that that the system is now subjective and provide guidance on how inventors can most effectively get their well deserved patents with a minimum of grief and expense. Being pragmatic by nature, we are offering practical guidance that anyone can use to the extent they find it helpful.

Notwithstanding the above, I can see how perhaps the tone and language of this first paper may have appeared to be condescending to a seasoned inventor such as yourself. That was not our intent and I apologize that it came across that way.

As to the larger issues of how the courts, the patent bar, the legislature and ultimately the nation are collectively treating the patent system, that’s politics. We encourage anyone who shares your concerns to get involved with inventor-based lobbying organizations and directly address the politics. It’s going to be a long haul to turn this ship around, but ultimately worth it for the sake of our innovation economy.